Grant Thornton
Al-Qatami, Al-Aiban & Partners

Interim condensed consolidated financial information and review report

International Financial Advisors Holding – KPSC and Subsidiaries

Kuwait

30 June 2024 (Unaudited)

Contents

Grant Thornton
Al-Qatami, Al-Aiban & Partners

Souq Al-Kabeer Building
Block A - 9th Floor
P. O. Box 2986 Safat 13030
State of Kuwait
T+965-2244-3900/9
F+965-2243-8451
www.grantthornton.com.kw

Report on review of interim condensed consolidated financial information

To the board of directors of
International Financial Advisors Holding – KPSC
Kuwait

Introduction
We have reviewed the interim condensed consolidated statement of financial position of International Financial Advisors Holding – KPSC ("the Parent Company") and its subsidiaries ("the Group") as of 30 June 2024 and the related interim condensed consolidated statements of profit or loss and profit or loss and other comprehensive income for the three-month and six-month periods then ended and, interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review
Except as explained in Basis for Qualified Conclusion paragraph, we conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion
As disclosed in note 7.1(a) to the interim condensed consolidated financial information, the share of results of one of the Group's foreign associates has been accounted for based on management accounts for the six-month period ended 30 June 2024. There were no practicable review procedures available to us to ascertain the impact of unavailability of reviewed financial information relating to this foreign associate on this interim condensed consolidated financial information. Had we been able to obtain reviewed and audited financial information, matters might have come to our attention indicating that adjustments might be necessary to the interim condensed consolidated financial information.

Qualified Conclusion
Except for the adjustments, if any, to the interim condensed consolidated financial information that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Report on review of other legal and regulatory requirements
Based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. We further report that, to the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016 and its Executive Regulations, or of the Memorandum of Incorporation and Articles of Association of the Parent Company, as amended, have occurred during the six-month period ended 30 June 2024 that might have had a material effect on the business or financial position of the Parent Company.

Grant Thornton
Al-Qatami, Al-Aiban & Partners

Report on Review of Interim Condensed Consolidated Financial Information of International Financial Advisors Holding – KPSC (continued)

Report on review of other legal and regulatory requirements (continued)

We further report that, during the course of our review, we have not become aware of any material violations of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the six-month period ended 30 June 2024 that might have had a material effect on the business or financial position of the Parent Company.

Abdullatif M. Al-Aiban (CPA)
(Licence No. 94-A)
of Grant Thornton – Al-Qatami, Al-Aiban & Partners

Kuwait
13 August 2024

Interim condensed consolidated statement of profit or loss

	Note	Three months ended		Six months ended	
		30 June 2024 (Unaudited) KD	30 June 2023 (Unaudited) KD	**30 June 2024 (Unaudited) KD**	30 June 2023 (Unaudited) KD
Income					
Change in fair value of investments at FVTPL		**31,600**	570,831	**51,971**	597,551
Share of results of associates and joint venture	7	**1,908,604**	417,670	**4,639,957**	1,227,596
Rental income		**-**	-	**-**	8,783
Loss on disposal of assets held for sale		**-**	-	**-**	(2,900)
Dividend income		**208,034**	413,388	**208,034**	413,388
Gain on bargain purchase		**-**	314,458	**-**	314,458
Gain on settlement of a legal case		**-**	4,020,520	**-**	4,020,520
Other income		**9,375**	3,207	**39,299**	46,812
		2,157,613	5,740,074	**4,939,261**	6,626,208
Expenses and other charges					
Staff costs		**(148,700)**	(84,590)	**(224,066)**	(160,218)
Other operating expenses and charges		**(159,439)**	(236,552)	**(316,485)**	(345,739)
Finance costs		**(183,011)**	(411,738)	**(369,670)**	(618,791)
		(491,150)	(732,880)	**(910,221)**	(1,124,748)
Profit for the period before taxation		**1,666,463**	5,007,194	**4,029,040**	5,501,460
Taxation		**(8,160)**	(176,026)	**(22,214)**	(193,473)
Profit for the period		**1,658,303**	4,831,168	**4,006,826**	5,307,987
Attributable to:					
- Shareholders of the Parent Company		**1,662,739**	4,846,602	**4,024,463**	5,324,789
- Non-controlling interests		**(4,436)**	(15,434)	**(17,637)**	(16,802)
Profit for the period		**1,658,303**	4,831,168	**4,006,826**	5,307,987
Basic and diluted earnings per share attributable to shareholders of the Parent Company (Fils)	4	**5.93**	17.28	**14.35**	18.99

The notes set out on pages 9 to 23 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of profit or loss and other comprehensive income

	Three months ended		Six months ended	
	30 June 2024 (Unaudited) KD	30 June 2023 (Unaudited) KD	**30 June 2024 (Unaudited) KD**	30 June 2023 (Unaudited) KD
Profit for the period	**1,658,303**	4,831,168	**4,006,826**	5,307,987
Other comprehensive (loss)/income:				
Items that will not be reclassified subsequently to consolidated statement of profit or loss:				
Net change in fair value of investments at FVTOCI	**(386,394)**	303,728	**(2,032,974)**	(516,667)
	(386,394)	303,728	**(2,032,974)**	(516,667)
Items that may be reclassified subsequently to consolidated statement of profit or loss:				
Share of other comprehensive income of associates and joint venture	**880,594**	943,045	**916,130**	15,237
Exchange differences arising on translation of foreign operations	**(10,244)**	5,722	**(1,340)**	9,995
	870,350	948,767	**914,790**	25,232
Total other comprehensive income/(loss)	**483,956**	1,252,495	**(1,118,184)**	(491,435)
Total comprehensive income for the period	**2,142,259**	6,083,663	**2,888,642**	4,816,552
Attributable to:				
- Shareholders of the Parent Company	**2,146,452**	6,155,141	**2,905,809**	4,890,236
- Non-controlling interests	**(4,193)**	(71,478)	**(17,167)**	(73,684)
	2,142,259	6,083,663	**2,888,642**	4,816,552

Interim condensed consolidated statement of financial position

	Note	30 June 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 June 2023 (Unaudited) KD
Assets				
Cash and cash equivalents	5	**2,553,635**	1,971,627	827,425
Assets held for sale		**175,686**	175,686	506,677
Investments at fair value through profit or loss		**307,930**	255,959	289,135
Receivables and other assets		**3,796,836**	3,613,285	3,468,917
Due from related parties	15	**23,652,177**	24,503,059	19,241,005
Investments at fair value through other comprehensive income	6	**22,634,610**	24,667,584	16,203,520
Investment properties		**5,044,738**	5,044,999	7,338,559
Investment in associates and joint venture	7	**58,843,130**	53,287,043	46,521,557
Equipment		**8,464**	10,247	11,030
Total assets		**117,017,206**	113,529,489	94,407,825
Liabilities and equity				
Liabilities				
Payables and other liabilities	8	**12,026,323**	11,547,877	13,517,165
Due to related parties	15	**6,659,366**	6,525,903	5,225,933
Due to bank		**-**	-	241,582
Borrowings	9	**27,074,916**	27,087,750	28,617,650
Total liabilities		**45,760,605**	45,161,530	47,602,330
Equity				
Share capital	10	**30,007,412**	26,673,255	26,673,255
Treasury shares	11	**(32,757,404)**	(32,757,404)	(32,757,404)
Statutory and voluntary reserves		**35,295,508**	35,295,508	32,757,404
Fair value reserve		**13,937,031**	15,970,101	5,156,019
Foreign currency translation reserve		**(1,385,939)**	(1,462,957)	(1,369,159)
Reserve for financial derivatives		**11,071,589**	10,234,191	10,536,712
Retained earnings		**10,160,848**	9,470,542	1,210,878
Total equity attributable to the shareholders of the Parent Company		**66,329,045**	63,423,236	42,207,705
Non-controlling interests		**4,927,556**	4,944,723	4,597,790
Total equity		**71,256,601**	68,367,959	46,805,495
Total liabilities and equity		**117,017,206**	113,529,489	94,407,825

Saleh Saleh Al-Selmi
Chairman

The notes set out on pages 9 to 23 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity

	Equity attributable to the shareholders of the Parent Company								Non-controlling interests	Total
	Share capital KD	Treasury shares KD	Statutory and voluntary reserves KD	Fair value reserve KD	Foreign currency translation reserve KD	Reserve for financial derivatives KD	Retained earnings KD	Sub – total KD	KD	KD
Balance at 1 January 2024 (audited)	26,673,255	(32,757,404)	35,295,508	15,970,101	(1,462,957)	10,234,191	9,470,542	63,423,236	4,944,723	68,367,959
Issue of bonus shares (note 14)	3,334,157	-	-	-	-	-	(3,334,157)	-	-	-
Profit/(loss) for the period	-	-	-	-	-	-	4,024,463	4,024,463	(17,637)	4,006,826
Other comprehensive (loss)/income for the period	-	-	-	(2,033,070)	77,018	837,398	-	(1,118,654)	470	(1,118,184)
Total comprehensive (loss)/income for the period	-	-	-	(2,033,070)	77,018	837,398	4,024,463	2,905,809	(17,167)	2,888,642
Balance at 30 June 2024 (unaudited)	30,007,412	(32,757,404)	35,295,508	13,937,031	(1,385,939)	11,071,589	10,160,848	66,329,045	4,927,556	71,256,601

The notes set out on pages 9 to 23 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity (continued)

	Equity attributable to the shareholders of the Parent Company								Non-controlling interests	Total
	Share capital KD	Treasury shares KD	Statutory and voluntary reserves KD	Fair value reserve KD	Foreign currency translation reserve KD	Reserve for financial derivatives KD	(Accumulated losses)/ retained earnings KD	Sub – total KD	KD	KD
Balance at 1 January 2023 (audited)	26,673,255	(32,757,404)	32,757,404	5,616,861	(1,206,543)	10,347,807	(4,441,842)	36,989,538	4,544,566	41,534,104
Consolidation and other adjustments	-	-	-	-	-	-	144,483	144,483	125,850	270,333
Profit/(loss) for the period	-	-	-	-	-	-	5,324,789	5,324,789	(16,802)	5,307,987
Other comprehensive (loss)/income for the period	-	-	-	(460,842)	(162,616)	188,905	-	(434,553)	(56,882)	(491,435)
Total comprehensive (loss)/income for the period	-	-	-	(460,842)	(162,616)	188,905	5,324,789	4,890,236	(73,684)	4,816,552
Share of gain on partial disposal/ acquisition of interest in subsidiary by an associate	-	-	-	-	-	-	183,448	183,448	1,058	184,506
Balance at 30 June 2023 (unaudited)	26,673,255	(32,757,404)	32,757,404	5,156,019	(1,369,159)	10,536,712	1,210,878	42,207,705	4,597,790	46,805,495

The notes set out on pages 9 to 23 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Note	Six months ended 30 June 2024 (Unaudited) KD	Six months ended 30 June 2023 (Unaudited) KD
OPERATING ACTIVITIES			
Profit for the period before taxation		**4,029,040**	5,501,460
Adjustments:			
Share of results of associates and joint venture		**(4,639,957)**	(1,227,596)
Loss on disposal of assets held for sale		-	2,900
Gain on bargain purchase		-	(314,458)
Gain on settlement of legal case – non-cash		-	(3,593,565)
Dividend income from FVTOCI		**(208,034)**	(413,388)
Finance costs		**369,670**	618,578
Depreciation		**2,493**	2,902
		(446,788)	576,833
Changes in operating assets and liabilities:			
Investments at FVTPL		**(51,971)**	(597,551)
Receivables and other assets		**(183,551)**	252,270
Due from related parties		**850,882**	16,065
Payables and other liabilities		**304,253**	(813,205)
Due to related parties		**123,178**	(240,446)
Net cash from/(used in) operating activities		**596,003**	(806,034)
INVESTING ACTIVITIES			
Additions to equipment		**(710)**	(11,105)
Dividend income received from investments at FVTOCI		**208,034**	105,936
(Increase)/decrease in term deposits maturing after three months		**(1,305,000)**	50,000
Proceeds from sale of assets held for sale		-	540,736
Net cash (used in)/from investing activities		**(1,097,676)**	685,567
FINANCING ACTIVITIES			
Decrease in borrowings		**(12,834)**	-
Finance costs paid		**(206,884)**	-
Net cash used in financing activities		**(219,718)**	-
Decrease in cash and cash equivalents		**(721,391)**	(120,467)
Foreign currency adjustment		**(1,601)**	7,054
Cash and cash equivalents at beginning of the period	5	**1,187,627**	(36,190)
Cash and cash equivalents at end of the period	5	**464,635**	(149,603)
Non-cash transactions			
Investments at FVTPL		-	1,311,106
Investment in associate		-	(1,311,106)
Investment properties		-	506,677
Non-current assets held for sale		-	(506,677)

The notes set out on pages 9 to 23 form an integral part of this interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information

1 Incorporation and activities of the Parent Company

International Financial Advisors Holding – KPSC ("the Parent Company") is a Kuwaiti Public Shareholding Company incorporated on 31 January 1974 under the Commercial Companies Law No. 15 of 1960 and amendments thereto. The Parent Company is listed on Boursa Kuwait and Dubai Financial Market.

The Securities Activities Licence issued by the Capital Markets Authority ("CMA") expired on 29 March 2018 under which the Parent Company carried out certain investment activities. Management did not renew the licence. Accordingly, the CMA notified the Parent Company on 6 May 2018 that it is no longer considered a licenced entity under the CMA regulations. Consequently, the Parent Company is currently in the process of disposing the portfolios under management (Note 17).

The objectives of the Parent Company are as follows:

- Management of the Parent Company's subsidiaries or participation in management of other companies in which it holds ownership stakes and providing the necessary support thereto.

- Investing funds by way of trading in shares, bonds and other financial securities

- Acquisition of properties and movables necessary to carry out the business activities as allowable by the law.

- Financing and extending loans to investee companies and providing guarantees for third parties, provided that the share of the holding company in the investee company is not less than 20%.

- Acquisition of industrial rights and related intellectual properties or any other industrial trademarks or royalties and any other property related thereto, and renting such properties to the subsidiary companies and others whether inside Kuwait or abroad.

- Using cash surplus to invest in financial portfolios/funds managed by specialised parties.

The Parent Company has the right to carry out its activities inside Kuwait or abroad whether directly or through power of attorney.

The Parent Company is authorized to have interest in or participate with any party or institution carrying out similar activities or those parties who will assist the company in achieving its objectives whether in Kuwait or abroad. The Parent Company has the right to establish, participate in or acquire such institutions.

The Group comprises the Parent Company and its subsidiaries.

The address of the Parent Company's registered office is PO Box 4694, Safat 13047, State of Kuwait.

This interim condensed consolidated financial information for the six-month period ended 30 June 2024 was authorised for issue by the Parent Company's board of directors on 13 August 2024.

Notes to the interim condensed consolidated financial information (continued)

2 Basis of preparation and presentation

The interim condensed consolidated financial information of the Group for the six-month period ended 30 June 2024 has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The annual consolidated financial statements for the year ended 31 December 2023 were prepared in accordance with the IFRS Accounting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB").

The interim condensed consolidated financial information has been presented in Kuwaiti Dinars which is the functional and presentation currency of the Parent Company.

The interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements prepared in accordance with the IFRS Accounting Standards. In the opinion of the Parent Company's management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the six-month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024. For further details, refer to the consolidated financial statements and its related disclosures for the year ended 31 December 2023.

3 Changes in accounting policies

The accounting polices used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the new and amended IFRS Accounting Standards effective as of 1 January 2024 as described in Note 3.1. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

3.1 New and amended IFRS Accounting Standards adopted by the Group

The following new IFRS Accounting Standards or amendments to existing IFRS Accounting Standards were effective for the current period.

Standard or Interpretation	*Effective for annual periods beginning*
IAS 1 Amendments- Disclosure of accounting policies	1 January 2024
IAS 1 Amendments- Classification of liabilities as current or non-current	1 January 2024
IAS 7 and IFRS 7 Supplier finance arrangement disclosures	1 January 2024
IFRS 16 Amendments- Lease liability in a sale and leaseback	1 January 2024

IAS 1 Amendments - Classification of liabilities with debt covenants

The amendments to IAS 1 clarify that classification of liabilities as either current or non-current depends only on the covenants that an entity is required to comply with on or before the reporting date. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

The adoption of the amendments did not have a significant impact on the Group's interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies (continued)

3.1 New and amended IFRS Accounting Standards adopted by the Group (continued)

IAS 1 Amendments - Classification of current or non-current
The amendments to IAS 1 clarify the classification of a liability as either current or non-current is based on the entity's rights at the end of the reporting period. Stating management expectations around whether they will defer settlement or not does not impact the classification of the liability. It has added guidance about lending conditions and how these can impact classification and has included requirements for liabilities that can be settled using an entity's own instruments.

The adoption of the amendments did not have a significant impact on the Group's interim condensed consolidated financial information.

IAS 7 and IFRS 7 Amendments – Supplier finance arrangements
The amendments to IAS 7 and IFRS 7 added disclosure objectives to IAS 7 to enable the users of the financial statements to assess how the supplier finance arrangements effect an entity's liabilities and cash flows, and to understand the effect of these arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it. While the amendments do not explicitly define supplier finance arrangements it instead describes characteristics of such arrangements.

To meet the disclosure objectives, an entity is required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

The adoption of the amendments did not have a significant impact on the Group's interim condensed consolidated financial information.

IFRS 16 Amendments – Lease liability in a sale and leaseback
The amendments to IFRS 16 requires a seller-lessee to measure the right-of-use asset arising from a sale and leaseback transaction at the proportion of the previous carrying amount of the asset that relates to the right of use the seller-lessee retains. Accordingly, in a sale and leaseback transaction the seller-lessee recognises only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. The initial measurement of the lease liability that arise from a sale and leaseback transaction is a consequence of how the seller-lessee measures the right-of-use asset and the gain or loss recognised at the date of the transaction.

The new requirements do not prevent a seller-lessee from recognising in any gain or loss relating to the partial or full termination of a lease.

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies (continued)

3.1 New and amended IFRS Accounting Standards adopted by the Group (continued)

IFRS 16 Amendments – Lease liability in a sale and leaseback (continued)
The adoption of the amendments did not have a significant impact on the Group's interim condensed consolidated financial information.

4 Basic and diluted earnings per share attributable to the shareholders of the Parent Company

Basic and diluted earnings per share attributable to the shareholders of the Parent Company is calculated by dividing the profit for the period attributable to the shareholders of the Parent Company by the weighted average number of shares outstanding during the period excluding treasury shares.

	Three months ended		Six months ended	
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	**30 June 2024 (Unaudited)**	30 June 2023 (Unaudited)
Profit for the period attributable to the shareholders of the Parent Company (KD)	**1,662,739**	4,846,602	**4,024,463**	5,324,789
Weighted average number of shares outstanding during the period (shares)	**280,439,868**	280,439,868	**280,439,868**	280,439,868
Basic and diluted earnings per share attributable to the shareholders of the Parent Company (Fils)	**5.93**	17.28	**14.35**	18.99

The basic and diluted earnings per share reported during the previous period for the three-month and six-month periods ended 30 June 2023 were 19.44 Fils and 21.36 Fils respectively, before retroactive adjustments relating to bonus share issue (Note 14).

5 Cash and cash equivalents

	30 June 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 June 2023 (Unaudited) KD
Cash and bank balances	**809,635**	1,532,627	438,425
Term deposits	**1,744,000**	439,000	389,000
Cash and cash equivalents as per consolidated statement of financial position	**2,553,635**	1,971,627	827,425
Less: restricted balance (note 9)	**(345,000)**	(345,000)	(346,446)
Less: deposits maturing after more than three months	**(1,744,000)**	(439,000)	(389,000)
Less: due to bank	**-**	-	(241,582)
Cash and cash equivalents as per consolidated statement of cash flows	**464,635**	1,187,627	(149,603)

Notes to the interim condensed consolidated financial information (continued)

6 Investments at fair value through other comprehensive income

	30 June 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 June 2023 (Unaudited) KD
Local quoted securities	**19,725,785**	21,758,828	11,255,523
Foreign quoted securities	**3,590**	3,590	4,791
Local unquoted securities	**10,506**	10,506	10,506
Foreign unquoted securities	**2,891,244**	2,891,244	4,923,588
Managed funds	**3,485**	3,416	9,112
	22,634,610	24,667,584	16,203,520

Investments at fair value through other comprehensive income aggregating to KD19,725,279 (31 December 2023: KD21,758,500 and 30 June 2023: to KD11,255,343) are pledged against borrowing facilities of the Group (Note 9).

7 Investment in associates and joint venture

	30 June 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 June 2023 (Unaudited) KD
Investment in associates (note 7.1)	**30,724,218**	27,512,845	21,773,164
Investment in joint venture (note 7.2)	**28,118,912**	25,774,198	24,748,393
	58,843,130	53,287,043	46,521,557

7.1 Investment in associates

The movement in associates during the period/year is as follows:

	30 June 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 June 2023 (Unaudited) KD
Carrying value at the beginning of the period/year	**27,512,845**	20,301,871	20,301,871
Additions	**-**	1,625,564	1,625,564
Share of results	**3,132,641**	6,109,663	(165,109)
Share of other comprehensive income/(loss)	**78,732**	(206,760)	(173,668)
Share of gain on partial disposal of interest in subsidiary by an associate	**-**	-	184,506
Share of loss accounted for directly in equity by associates	**-**	(317,493)	-
	30,724,218	27,512,845	21,773,164

a) Investment in associates include investment in a foreign associate with a carrying value of KD1,748,225 which has been accounted for using management accounts for the six-month period ended 30 June 2024.

b) Investment in associates amounting to KD27,772,344 (31 December 2023: KD24,707,990 and 30 June 2023: to KD19,057,451) is pledged against Group's borrowings (Note 9).

Notes to the interim condensed consolidated financial information (continued)

7 Investment in associates and joint venture (continued)

7.2 Investment in joint venture

The movement of the investment in joint venture is as follows:

	30 June 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 June 2023 (Unaudited) KD
Carrying value at the beginning of the period/year	**25,774,198**	23,166,783	23,166,783
Share of results	**1,507,316**	2,721,031	1,392,705
Share of other comprehensive income/(loss)	**837,398**	(113,616)	188,905
	28,118,912	25,774,198	24,748,393

a) Investment in joint venture is pledged against the borrowing facilities obtained to finance the underlying project (note 12b).

8 Payables and other liabilities

	30 June 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 June 2023 (Unaudited) KD
Accounts payable and accruals	**1,915,284**	1,538,631	3,863,070
Dividend payable	**7,842**	48,442	48,442
Provisions for taxation	**5,442,401**	5,420,188	6,125,557
Provision for employees' end of service benefits and leave	**591,406**	508,404	631,382
Due to policyholders	**504,814**	413,568	84,502
Policyholders' deficit reserve	**3,225,177**	2,963,175	2,424,788
Other liabilities	**339,399**	655,469	339,424
	12,026,323	11,547,877	13,517,165

9 Borrowings

The Group's borrowings are denominated in the following currencies:

	30 June 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 June 2023 (Unaudited) KD
Borrowings denominated in Kuwaiti Dinar (note 9.1)	**6,982,791**	6,995,625	8,555,000
Borrowings denominated US Dollar (note 9.2)	**20,092,125**	20,092,125	20,062,650
	27,074,916	27,087,750	28,617,650

Notes to the interim condensed consolidated financial information (continued)

9 Borrowings (continued)

The details of loan balances and bank facilities of the Group are as follows:

9.1 During the period, the Group restructured a Murabaha facility obtained from a local Islamic bank in a previous year. The restructured facility has a limit of KD10,000,000, with an amount of KD 6,982,791 utilized as of 30 June 2024. The facility carries a profit rate of 1.65% above the Central Bank of Kuwait's discount rate. The outstanding balance of the facility is scheduled to be repaid in 5 annual instalments, commencing on 1 July 2026.

9.2 The loan denominated in the US Dollar was obtained from Al-Nozha Al-Dawliya Real Estate Company WLL ("Al Nozha"), a related party, carrying annual interest rate of 1.5%. The loan is repayable in four annual equivalent instalments of USD3,275,000 (equivalent to KD1,004,279) beginning 31 March 2021 ending on 31 March 2024 and with final instalment of USD52,400,000 (equivalent to KD16,075,010) to be repaid on 31 March 2025. The loan is secured by shares of the Parent Company, shares of associates and investments at FVTOCI. In accordance with the contractual terms and conditions of the loan, instalments of USD13,100,000 (equivalent to KD4,017,115) were due up to 30 June 2024. However, the Group applied for an extension to postpone the instalments which was approved by the related party till 30 September 2024.

10 Share capital

	Authorised	Issued	Paid up
30 June 2024			
Shares of 100 Fils each	**480,118,588**	**300,074,118**	**300,074,118**
31 December 2023			
Shares of 100 Fils each	266,732,550	266,732,550	266,732,550
30 June 2023			
Shares of 100 Fils each	266,732,550	266,732,550	266,732,550

The board of directors of the Parent Company, in their meeting held on 19 March 2024, proposed to increase the Parent Company's share capital from KD26,673,255 comprising of 266,732,550 ordinary shares, to KD42,677,208 comprising of 426,772,080 ordinary shares which was approved by Capital Markets Authority.

The board of directors in their meeting held on 21 April 2024, revised the aforementioned proposal to increase the Parent Company's share capital from KD30,007,412 (inclusive of bonus shares, as referenced in note 14) to KD48,011,859 through issuance of 180,044,470 shares amounting to KD18,004,447 in cash. The newly issued shares will bear a nominal value of 100 fils and a premium of 50 fils. The revised proposal was approved by Capital Markets Authority on 30 April 2024.

Following the shareholders' approval in the extraordinary general assembly (Note 14), the amendment was registered in the commercial register on 19 June 2024.

Notes to the interim condensed consolidated financial information (continued)

11 Treasury shares

	30 June 2024 (Unaudited)	31 Dec. 2023 (Audited)	30 June 2023 (Unaudited)
Number of treasury shares (shares)	**19,634,250**	17,452,667	17,452,667
Percentage of treasury shares to paid up capital (%)	**6.54**	6.54	6.54
Cost (KD)	**32,757,404**	32,757,404	32,757,404
Market Value (KD)	**6,538,205**	5,357,969	2,024,509

12 Capital commitments and contingent liabilities

(a) The Group has the following commitments:

	30 June 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 June 2023 (Unaudited) KD
Group's share of associates' commitments:			
Estimated and contracted capital expenditure for construction of properties under development and trading properties	**343,862**	1,712	6,083
Finance guarantees	**2,737**	2,738	2,631
Post-dated cheques issued	**-**	-	255,817
Group's share of joint venture's commitments:			
Group's share of engineering, procurement and construction agreement of a plant in an underlying project of a joint venture	**35,439,997**	35,439,997	35,935,489
Group's share of future land lease payments in an underlying project of a joint venture	**4,013,333**	4,013,333	4,013,333

(b) The Group has the following contingent liabilities:

	30 June 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 June 2023 (Unaudited) KD
Contingent liabilities			
Corporate guarantee of borrowings by a joint venture (note 7.2a)	**9,804,594**	9,804,594	9,804,594
Group's share of guarantee provided by a joint venture	**16,588,065**	16,588,065	27,603,633

13 Segmental analysis

The Group's activities are concentrated in six main segments: treasury and investments, real estate and others. The segments' results are reported to the higher management in the Group. In addition, the segments revenue, assets are reported based on the geographic locations which the Group operates in. The following is the segments information, which conforms with the internal reporting presented to management.

Notes to the interim condensed consolidated financial information (continued)

13 Segmental analysis (continued)

	Treasury and Investments KD	Real Estate KD	Others KD	Total KD
30 June 2024 (Unaudited)				
Segment income	**4,899,962**	**-**	**39,299**	**4,939,261**
Profit before taxation	**4,530,292**	**-**	**(501,252)**	**4,029,040**
Finance costs				**369,670**
Taxation				**22,214**
Total segmental assets	**84,339,305**	**5,228,888**	**-**	**89,568,193**
Total segmental liabilities	**(27,074,916)**	**-**	**-**	**(27,074,916)**
Net segmental assets	**57,264,389**	**5,228,888**	**-**	**62,493,277**
Unallocated assets				**27,449,013**
Unallocated liabilities				**(18,685,689)**
Net assets				**71,256,601**
30 June 2023 (Unaudited)				
Segment income	2,550,094	8,783	4,067,331	6,626,208
Profit before taxation	1,931,303	8,783	3,561,374	5,501,460
Finance costs				618,791
Taxation				193,473
Total segmental assets	63,841,635	7,856,266	-	71,697,901
Total segmental liabilities	(28,859,232)	-	-	(28,859,232)
Net segmental assets	34,982,403	7,856,266	-	42,838,669
Unallocated assets				22,709,924
Unallocated liabilities				(18,743,098)
Net assets				46,805,495
31 December 2023 (Audited)				
Total segmental assets	80,182,213	5,230,932	-	85,413,145
Total segmental liabilities	(27,087,750)	-	-	(27,087,750)
Net segmental assets	53,094,463	5,230,932	-	58,325,395
Unallocated assets				28,116,344
Unallocated liabilities				(18,073,780)
Net assets				68,367,959

Notes to the interim condensed consolidated financial information (continued)

14 General assembly of shareholders

Annual General Assemblies

- The Annual General Assembly of the shareholders held on 29 May 2024 approved the consolidated financial statements of the Group for the year ended 31 December 2023, the board of directors' proposal to issue 12.5% bonus shares and to increase in cash the Parent Company's capital from KD30,007,412 (after issuing bonus shares) to KD48,011,859.

  Further, the shareholders rejected the board of directors' proposal not to distribute remuneration for the board of directors. The shareholders approved by the majority of attendees board of directors' remuneration of KD30,000 for the year ended 31 December 2023 which has been expensed in the interim condensed consolidated statement of profit or loss for the six months period ended 30 June 2024 under "Other operating expenses and charges".

- The Annual General Assembly of the shareholders of Parent Company held on 30 May 2023 approved the consolidated financial statements of the Group for the year ended 31 December 2022 and the board of directors' proposal not to distribute any dividend for the year ended 31 December 2022.

  Further, the shareholders rejected the board of directors' proposal not to distribute remuneration for the board of directors. The shareholders approved by the majority of attendees board of directors' remuneration of KD30,000 for the year ended 31 December 2022 which has been expensed in the interim condensed consolidated statement of profit or loss for the six months period ended 30 June 2023 under "Other operating expenses and charges".

Extra-ordinary General Assemblies

- The Extra-Ordinary General Assembly of the shareholders held on 29 May 2024 approved to increase the Parent Company's authorised capital from KD26,673,255 to KD48,011,859 and to amend the article 6 of the Parent Company's Memorandum of Incorporation and article 5 of the Parent Company's Article of Association to be as follows "the Company's authorised, issued and paid up share capital amounts to KD48,011,859 distributed on 480,118,588 shares of 100 Fils each and all shares are in cash".

Subsequent events

- On 9 July 2024, the Parent Company obtained CMA's approval for the offering prospectus and announced the timeline for shares entitlement related to the subscription in the increase in the Parent Company's share capital.

15 Related party balances and transactions

Related parties represent major shareholders, directors, key management personnel of the Group and their close family members, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management. Transactions between the Parent Company and its subsidiaries which are related parties of the Parent Company have been eliminated on consolidation and are not disclosed in this note.

Notes to the interim condensed consolidated financial information (continued)

15 Related party balances and transactions (continued)

Details of balances and transactions between the Group and other related parties are disclosed below.

	30 June 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 June 2023 (Unaudited) KD
Balances included in the interim condensed consolidated statement of financial position:			
Due from related parties (a):			
- Due from associates	**21,406,572**	22,104,082	16,831,286
- Due from related parties (included in other assets)	**-**	12,646	-
- Due from other related parties	**2,245,605**	2,398,977	2,409,719
	23,652,177	24,515,705	19,241,005
Due to related parties (b and c):			
- Due to other related parties	**6,659,366**	6,525,903	5,225,933
Receivables and other assets	**164,611**	164,611	164,611
Borrowings	**20,092,125**	20,092,125	20,062,650

	Three months ended		Six months ended	
	30 June 2024 (Unaudited) KD	30 June 2023 (Unaudited) KD	**30 June 2024 (Unaudited) KD**	30 June 2023 (Unaudited) KD
Transactions included in interim condensed consolidated statement of profit or loss:				
Dividend income	**208,034**	413,388	**208,034**	413,388
Finance costs	**81,289**	81,388	**162,764**	161,759
Key management compensation of the Group				
Board of directors' remuneration – included within operating expenses	**30,000**	30,000	**30,000**	30,000
Short-term and long-term employee benefits	**59,818**	5,980	**201,542**	131,362

a) Due from related parties are non-interest bearing and have no specific repayment terms.

b) Due to related parties include balance amounting to KD433,284 (31 December 2023: KD433,284 and 30 June 2023: to KD433,284) which carries interest at 4.75% (31 December 2023: 4.75% and 30 June 2023: 4.75%) per annum and is payable om 30 June 2024. The remaining balances KD6,226,082 (31 December 2023: KD6,092,620 and 30 June 2023: to KD4,792,649) are non-interest bearing and have no specific repayment terms.

c) The Group has pledged part of its equity interest in First Takaful Insurance Company – KPSC, a subsidiary, against certain due to related parties' balances.

Notes to the interim condensed consolidated financial information (continued)

16 Fair value measurement

16.1 Fair value hierarchy

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets and financial liabilities measured at fair value in the interim condensed consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

16.2 Fair value measurement of financial instruments

The carrying amounts of the Group's financial assets and liabilities as stated in the interim condensed consolidated statement of financial position may also be categorized as follows:

	30 June 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 June 2023 (Unaudited) KD
Financial assets:			
At amortised cost:			
- Cash and cash equivalents	**2,553,635**	1,971,627	827,425
- Receivables and other assets	**3,457,142**	3,203,638	3,166,497
- Due from related parties	**23,652,177**	24,503,059	19,241,005
At fair value:			
- Investments at fair value through profit or loss	**307,930**	255,959	289,135
- Investments at fair value through other comprehensive income	**22,634,610**	24,667,584	16,203,520
	52,605,494	54,601,867	39,727,582
Financial liabilities:			
At amortised costs:			
- Payables and other liabilities	**12,026,323**	11,547,877	13,517,165
- Due to related parties	**6,659,366**	6,525,903	5,225,933
- Due to bank	**-**	-	241,582
- Borrowings	**27,074,916**	27,087,750	28,617,650
	45,760,605	45,161,530	47,602,330

Management considers that the carrying amounts of financial assets and financial liabilities, which are stated at amortised cost, approximate their fair values.

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

Notes to the interim condensed consolidated financial information (continued)

16 Fair value measurement (continued)

16.2 Fair value measurement of financial instruments (continued)

The financial assets and liabilities measured at fair value on a recurring basis in the interim condensed consolidated statement of financial position are grouped into the fair value hierarchy as follows:

	Note	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
30 June 2024 (unaudited)					
Investments at FVTPL					
Investments held for trading:					
Local quoted securities	a	169,427	-	-	169,427
Local unquoted securities	b	-	-	138,503	138,503
Investments at FVTOCI					
Local quoted securities	a	19,725,785	-	-	19,725,785
Foreign quoted securities	a	3,590	-	-	3,590
Managed funds	c	-	-	10,506	10,506
Local unquoted securities	b	-	-	2,891,244	2,891,244
Foreign unquoted securities	b	-	3,485	-	3,485
		19,898,802	3,485	3,040,253	22,942,540
31 December 2023 (audited)					
Investments at FVTPL					
Investments held for trading:					
Local quoted securities	a	155,593	-	-	155,593
Local unquoted securities	b	-	-	100,366	100,366
Investments at FVTOCI					
Local quoted securities	a	21,758,828	-	-	21,758,828
Foreign quoted securities	a	3,590	-	-	3,590
Managed funds	c	-	3,416	-	3,416
Local unquoted securities	b	-	-	10,506	10,506
Foreign unquoted securities	b	-	-	2,891,244	2,891,244
		21,918,011	3,416	3,002,116	24,923,543
30 June 2023 (unaudited)					
Investments at FVTPL					
Investments held for trading:					
Local quoted securities	a	88,526	-	-	88,526
Local unquoted securities	b	-	-	200,609	200,609
Investments at FVTOCI					
Local quoted securities	a	11,255,523	-	-	11,255,523
Foreign quoted securities	a	4,791	-	-	4,791
Managed funds	c	-	-	10,506	10,506
Local unquoted securities	b	-	-	4,923,588	4,923,588
Foreign unquoted securities	b	-	9,112	-	9,112
		11,348,840	9,112	5,134,703	16,492,655

There have been no significant transfers between levels 1 and 2 during the reporting period.

Notes to the interim condensed consolidated financial information (continued)

16 Fair value measurement (continued)

16.2 Fair value measurement of financial instruments (continued)

Measurement at fair value
The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

a) Quoted securities
All the listed equity securities are publicly traded in stock exchanges. Fair values have been determined by reference to their quoted bid prices at the reporting date.

b) Unquoted securities
The interim condensed consolidated financial information includes holdings in unlisted securities which are measured at fair value. Fair value is estimated using a discounted cash flow model or other valuation techniques which include some assumptions that are not supportable by observable market prices or rates.

c) Investment in managed funds
Investment funds managed by other mainly comprise of unquoted units and the fair value of these units has been determined based on net assets values reported by the fund manager as of the reporting date.

Level 3 fair value measurements
The Group's financial assets and liabilities classified in level 3 uses valuation techniques based on significant inputs that are not based on observable market data. The financial instruments within this level can be reconciled from beginning to ending balances as follows:

	30 June 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 June 2023 (Unaudited) KD
Investments at FVTPL			
Opening balance	**100,366**	911,999	911,999
Reclassified to investment in associate	-	(1,311,106)	(1,311,105)
Gains recognised in:			
- Consolidated statement of profit or loss	**38,137**	499,473	599,715
Balance at end of the period/year	**138,503**	100,366	200,609
Investments at FVTOCI			
Opening balance	**2,901,750**	5,054,208	5,054,208
Disposals	-	(2,310,006)	-
Gains/(losses) recognised in:			
- Consolidated statement of profit or loss and other comprehensive income	-	157,548	(120,114)
Balance at end of the period/year	**2,901,750**	2,901,750	4,934,094

Notes to the interim condensed consolidated financial information (continued)

17 Fiduciary accounts

The Parent Company previously managed portfolios on behalf of others, mutual funds and maintains cash balances and securities in fiduciary accounts, which were not reflected in the interim condensed consolidated statement of financial position. However, as a result of the legal status of the Parent Company changed to a holding company, it is no longer allowed to manage portfolios. The existing portfolio balance is either currently being disposed of or transferred to other entities. Assets under management at 30 June 2024 amounted to KD4,128,640 (31 December 2023: KD3,744,302 and 30 June 2023: to KD1,519,315).

18 Comparative information

Certain other comparative figures have been reclassified to conform to the presentation in the current period, and such reclassification does not affect previously reported net assets, net equity and net results for the period or net decrease in cash and cash equivalents

About Grant Thornton

Grant Thornton is a global network of 58,000 people in member firms in over 130 countries with a common goal — to help you realise your ambitions. Which is why our network combines global scale and capability with local insights and understanding. So, whether you're growing in one market or many, looking to operate more effectively, managing risk and regulation, or realising stakeholder value, our member firms have the assurance, tax and advisory capabilities you need with the quality you expect.

Grant Thornton - Al-Qatami, Al-Aiban and Partners, established in 1973, is one of the oldest public accounting firms in the State of Kuwait and has been a full member of Grant Thornton International since 1985. This affiliation helps us draw on the expertise and resources of the international organization to provide world class professional services to our clients in Kuwait.

We invest in listening, building relationships and understanding your concerns to deliver an experience that's more personal, agile and proactive.

We work at the pace that matters. Yours.

That's why we celebrate fresh thinking and diverse perspectives to find better solutions.

We don't predict the future. We help you shape it.

grantthornton.com.kw