DAXIN GLOBAL 大信国际
AL MUSTASHAR AL KUWAITI المستشار الكويتي

Ekttitab Holding Company - KPSC
and Subsidiaries
State of Kuwait

Interim condensed consolidated financial information
For the Six Months ended 30 June 2024
and review report
(Unaudited)

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Interim Condensed Consolidated Financial Information
For the Six Months ended 30 June 2024
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Contents

Report on review of interim condensed consolidated financial information

To the board of directors of
Ekttitab Holding Company – KPSC
State of Kuwait

Introduction
We have reviewed the accompanying interim condensed consolidated statement of financial position of **Ekttitab Holding Company - 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, profit or loss and other comprehensive income, 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
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.

Conclusion
Based on our review, nothing has come to our attention that necessitates the belief that the accompanying interim condensed consolidated financial information has not been prepared, in all material respects, in accordance with International Accounting Standard No. 34 "Interim Financial Report".

Other Matters
- The interim condensed consolidated financial information for the period ended 30 June 2023 was reviewed by another auditor, who expressed an unqualified opinion thereon on 13 August 2023.

- Also, the Group's consolidated financial statements for the year ended 31 December 2023 were audited by the other auditor, who issued his qualified report on 30 March 2024 (related to the Group's investment in the associate), noting that our appointment letter did not include performing an audit, review or application of any other procedures on the financial statements and information for the year ended 31 December 2023. Accordingly, we do not express an opinion, conclusion or any other form of assurance on the financial statements for the year ended 31 December 2023 and the interim condensed consolidated financial information for the six-month period ended 30 June 2023. We were appointed as the Group's auditors for the financial year ending 31 December 2024 pursuant to the postponed ordinary general assembly of shareholders held on 30 May 2024.

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Report on review of interim condensed consolidated financial information (Continued)

To the board of directors of
Ekttitab Holding Company – KPSC
State of Kuwait

Emphasis of Matters

- Without qualifying our conclusion, we draw attention to the fact that the Group's current liabilities have exceeded its current assets by an amount of KD432,029 as of 30 June 2024.

- Without qualifying our conclusion, we draw attention to note (5) relating to the Group's investment in its subsidiary (Petro Integrated Business Co. – KSCC "the Parent Company" and its subsidiary "the Group"), where the accumulated losses of Petro Integrated Business Co. – KSCC As of 30 June 2024, the amount of KD2,397,013, which is 86% of the company's capital, therefore the consolidated financial information of the company was prepared according to the going concern principle, and according to Article (271) of the Kuwaiti Companies Law, the company must call for a general assembly to consider the continuity of the company or address the accumulated losses, despite that, the continuity of the company depends on the continued provision of financial support from the main parent company.

- Without qualifying our conclusion, we draw attention to the fact that the Group's accumulated losses as of 30 June 2024 amounted to KD23,623,052, representing 74% of the parent company's capital. Although the Kuwaiti Companies Law has set 75% of the capital as losses that must be noted and for the continuity of the parent company, the financial indicators and the position of the parent company in light of the existence of these losses in addition to the losses of its subsidiaries (Note 5) and the decrease in the value of its investments (Note 7 and 8) and the decrease in the value of its assets due from related parties (Note 12) we point out that the Group's management must take the necessary measures to address the accumulated losses and improve the quality of its investments and assets.

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 Parent Company's Memorandum of Incorporation and Articles of Association, 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.

We further report that, during the course of our review, to the best of our knowledge and belief, 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 consolidated financial position of the group.

Kuwait on 14 August 2024

Falah Awadh Al-Mutiri
Auditor's Licence No. 97 (A)
Al-Mustashar Al-Kuwaiti Auditing Office

Ekttitab Holding Company – KPSC
And Subsidiaries
State of Kuwait

Member of the Kuwaiti Society of Accountants and Auditors

Interim condensed consolidated statement of profit or loss
For the six months ended 30 June 2024

	Note	Three months ended 30 June 2024 (Unaudited) KD	Three months ended 30 June 2023 (Unaudited) KD	Six months ended 30 June 2024 (Unaudited) KD	Six months ended 30 June 2023 (Unaudited) KD
Revenue					
Share of result from associate	7	-	2,634	-	2,613
Impairment value of investment in associate	7	(1,461,592)	-	(1,461,592)	-
Change in fair value of investments at fair value through profit or loss	9	(42,053)	(6,319)	(40,807)	(4,790)
Business sharing income		-	-	-	15,622
Total revenue		(1,503,645)	(3,685)	(1,502,399)	13,445
Expenses and other charges					
General and administrative and expenses		(18,919)	(30,806)	(53,565)	(97,801)
Credit losses provision for balances due from related parties		(1,103,787)	-	(1,103,787)	-
Total expenses and other charges		(1,122,706)	(30,806)	(1,157,352)	(97,801)
Net loss for the period		(2,626,351)	(34,491)	(2,659,751)	(84,356)
Attributable to:					
Shareholders of the Parent Company		(2,618,420)	(34,535)	(2,651,812)	(84,300)
Non-controlling interests		(7,931)	44	(7,939)	(56)
Net loss for the period		(2,626,351)	(34,491)	(2,659,751)	(84,356)
Basic and diluted loss per share attributable to the shareholders of the Parent Company (Fils)	6	(8.2)	(0.11)	(8.32)	(0.26)

The notes set out on pages 8 - 17 form an integral part of this interim condensed consolidated financial information.

Ekttitab Holding Company – KPSC
And Subsidiaries
State of Kuwait

Interim condensed consolidated statement of profit or loss and other comprehensive income
For the six months ended 30 June 2024

	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
Loss for the period	**(2,626,351)**	(34,491)	**(2,659,751)**	(84,356)
Other comprehensive income items:				
Items that will be reclassified subsequently to consolidated statement of profit or loss:				
Group's share in associate reserves	**(2,150,813)**	(138,330)	**(2,150,813)**	(138,330)
Items that will not be reclassified subsequently to consolidated statement of profit or loss:				
Change in fair value of financial investments at fair value through other comprehensive income	**(3,266,006)**	2,341	**(3,264,002)**	3,009
Transferred to accumulated losses resulting from the sale or disposal of financial investments at fair value through other comprehensive income	**(18,697)**	-	**(18,697)**	(20,353)
Total other comprehensive income items	**(5,435,516)**	(135,989)	**(5,433,512)**	(155,674)
Net comprehensive loss for the period	**(8,061,867)**	(170,480)	**(8,093,263)**	(240,030)
Attributable to:				
Shareholders of the Parent Company	**(8,037,335)**	(207,094)	**(8,068,734)**	(276,936)
Non-controlling interests	**(24,532)**	36,614	**(24,529)**	36,906
Net comprehensive loss for the period	**(8,061,867)**	(170,480)	**(8,093,263)**	(240,030)

The notes set out on pages 8 - 17 form an integral part of this interim condensed consolidated financial information.

Ekttitab Holding Company – KPSC
And Subsidiaries
State of Kuwait

Interim condensed consolidated statement of financial position
As of 30 June 2024

	Note	30 June 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 June 2023 (Unaudited) KD
Assets				
Non-current assets				
Plant and equipment		4	4	4
Investment in associate	7	1	3,612,405	3,607,794
Investments at fair value through other comprehensive income	8	1,807,186	5,092,917	5,002,773
		1,807,191	8,705,326	8,610,571
Current assets				
Investments at fair value through profit or loss	9	36,524	77,329	90,054
Other assets		3,775	4,675	8,023
Due from related partes	12	-	1,108,952	1,141,576
Cash and cash equivalents		3,885	2,066	3,855
		44,184	1,193,022	1,243,508
Total assets		1,851,375	9,898,348	9,854,079
Equity and liabilities				
Equity				
Share capital	10	31,862,423	31,862,423	31,862,423
Statutory reserve		94,506	94,506	94,506
Group's share in associate reserves		(3,369,207)	(1,229,922)	(1,234,508)
Fair value reserve		(3,583,857)	(324,917)	(416,297)
Accumulated losses		(23,623,052)	(20,952,543)	(20,878,795)
Total equity attributable to the shareholders of the Parent Company		1,380,813	9,449,547	9,427,329
Non-controlling interests		(21,267)	3,262	3,207
Total equity		1,359,546	9,452,809	9,430,536
Liabilities				
Non-current liabilities				
Provision for employees' end of service benefits		15,616	14,881	14,753
Current liabilities				
Payables and other liabilities	11	391,523	397,438	398,137
Due to related parties	12	84,690	33,220	10,653
		476,213	430,658	408,790
Total liabilities		491,829	445,539	423,543
Total equity and liabilities		1,851,375	9,898,348	9,854,079

The notes set out on pages 8 - 17 form an integral part of this interim condensed consolidated financial information.

Emad Husain Nemah
Chairman

Interim condensed consolidated statement of changes in equity
For the six months ended 30 June 2024

	Equity attributable to the shareholders of the Parent Company							
	Share Capital KD	Statutory reserve KD	Group's share in associate reserves KD	Fair value reserve KD	Accumulated losses KD	Sub – Total KD	Non-controlling interests KD	Total KD
Balance at 1 January 2024	**31,862,423**	**94,506**	**(1,229,922)**	**(324,917)**	**(20,952,543)**	**9,449,547**	**3,262**	**9,452,809**
Loss for the period	-	-	-	-	(2,651,812)	(2,651,812)	(7,939)	(2,659,751)
Other comprehensive income	-	-	(2,139,285)	(3,258,940)	(18,697)	(5,416,922)	(16,590)	(5,433,512)
Total comprehensive loss for the period	-	-	(2,139,285)	(3,258,940)	(2,670,509)	(8,068,734)	(24,529)	(8,093,263)
Balance at 30 June 2024 (Unaudited)	**31,862,423**	**94,506**	**(3,369,207)**	**(3,583,857)**	**(23,623,052)**	**1,380,813**	**(21,267)**	**1,359,546**
Balance at 1 January 2023	31,862,423	94,506	(1,096,178)	(418,481)	(20,738,005)	9,704,265	(33,699)	9,670,566
Loss for the period	-	-	-	-	(84,300)	(84,300)	(56)	(84,356)
Other comprehensive income	-	-	(138,330)	2,184	(56,490)	(192,636)	36,962	(155,674)
Total comprehensive loss for the period	-	-	(138,330)	2,184	(140,790)	(276,936)	36,906	(240,030)
Balance at 30 June 2023 (Unaudited)	31,862,423	94,506	(1,234,508)	(416,297)	(20,878,795)	9,427,329	3,207	9,430,536

The notes set out on pages 8 - 17 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows
For the six months ended 30 June 2024

	Note	Six months ended 30 June 2024 (Unaudited) KD	Six months ended 30 June 2024 (Unaudited) KD
OPERATING ACTIVITIES			
Loss for the period		**(2,659,751)**	(84,356)
Adjustments for:			
Impairment value of investment in associate	7	**1,461,592**	-
Share of results of associates	7	-	(2,613)
Change in fair value of investments at fair value through profit or loss		**40,807**	4,790
Credit losses provision for balances due from related parties	12	**1,103,787**	-
Provision for employees' end of service benefits		**735**	(2,967)
		(52,830)	(85,146)
Changes in operating assets and liabilities:			
Other assets		**900**	24,937
Due from related parties		**5,165**	(356,621)
Due to related parties		**51,470**	(22,197)
Payables and other liabilities		**(6,919)**	32,411
Net cash used in operating activities		**(2,214)**	(406,616)
INVESTING ACTIVITIES			
Received from sale of investments at fair value through profit or loss		**4,033**	-
Received from Business sharing		-	390,552
Net cash from investing activities		**4,033**	390,552
FINANCING ACTIVITIES			
Net change in minority interests		-	17
Net cash from financing activities		-	17
Increase / (decrease) in cash and cash equivalents		**1,819**	(16,047)
Cash and cash equivalents at beginning of the period		**2,066**	19,902
Cash and cash equivalents at end of the period		**3,885**	3,855

The notes set out on pages 8 - 17 form an integral part of this interim condensed consolidated financial information.

1 Incorporation and activities

Ekttitab Holding Company – KPSC ("the Parent Company") was established on 1999. The Parent Company's shares are listed on Kuwait Stock Exchange on 19 December 2005.

The group includes the parent company and its subsidiaries. Details of the subsidiaries are shown in note (5).

The purposes for which the parent company was established are:

- Owning shares in Kuwaiti or foreign joint stock companies, as well as owning shares or stakes in Kuwaiti or foreign limited liability companies, or participating in establishing these companies of both types, managing them, lending to them, and guaranteeing them with others.
- Lending to companies in which it owns 20% or more of the capital to borrowing companies and guaranteeing these companies with others.
- Owning industrial property rights such as patents, industrial trademarks, industrial fees, or any other rights related to that, and leasing them to other companies to exploit them, whether inside or outside Kuwait.
- Owning movable and immovable property necessary to carry out its activity within the limits permitted by law.
- Exploiting the financial surpluses available to the company by investing them in financial portfolios managed by specialized companies and entities.

The group also operates in accordance with the provisions of Islamic Sharia.

The address of the Parent Company's registered offices is: Sharq - Muhammed Saleh Yousef Bhabani Complex – Floor 16 - State of Kuwait

The interim condensed consolidated financial information for the six-month period ended 30 June 2024 (including comparatives) was authorized for issue by the directors of the Parent Company on 14 August 2024.

2 Basis of presentation

This 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 accounting policies 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 changes disclosed in Note No. (3).

The annual consolidated financial statements for the year ended 31 December 2023 have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee of the International Accounting Standards Board (IASB).

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

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

The results of operations for the six months ended 30 June 2024 are not necessarily indicative of the results that may be expected for the fiscal year ending 31 December 2024. For further details, please refer to the consolidated financial statements for the year ended 31 December 2023 and the disclosures therein.

3 New standards and amendments to applicable standards

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those applied in the previous year except for the changes resulting from the adoption of certain new and amended International Financial Reporting Standards (IFRS) that are effective from 1 January 2024. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. Below is a summary of the new IFRSs or amendments to existing IFRSs that are effective for the current period:

Standard or Interpretation	*Effective for annual periods beginning*
Amendments to IAS 1 - Classification of Liabilities under Financial Commitments	1 January 2024
Amendments to International Accounting Standard No. (1) - Classification of liabilities as current or non-current	1 January 2024
International Accounting Standard No. (7) and International Financial Reporting Standard (7) - Disclosure of Supplier Financing Arrangements	1 January 2024
Amendments to IFRS 16 - Lease Liabilities in Sale and Leaseback	1 January 2024

The application of the above amendments or interpretations did not have any material impact on the Group's interim condensed consolidated financial information.

<u>Amendments to IAS 1 – Classification of Liabilities under Financial Commitments</u>

The amendments state that only commitments that an entity has to comply with at or before the end of the reporting period affect the entity's right to defer settlement of the liability for at least twelve months after the reporting period (and therefore should be taken into account when assessing whether a liability is current or non-current). These commitments affect whether the right exists at the end of the reporting period, even if the commitment obligation is assessed only after the reporting period (for example, a commitment that depends on the entity's financial position as at the reporting period and the commitment obligation is assessed only after the reporting period).

The IASB also specified that the right to defer settlement of the liability for at least twelve months after the reporting period is not affected if the entity only has to comply with the commitment after the reporting period. However, if the entity's right to defer settlement of the liability is subject to the entity's compliance with the commitment within twelve months after the reporting period, the entity should disclose information that enables users of the financial statements to understand the risks of the liability becoming due within twelve months One month after the date of the financial statements. This may include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of the related liabilities and facts and circumstances, if any, that indicate that the entity may encounter difficulties in complying with the covenants.

<u>Amendments to IAS 1 - Classification of Liabilities as Current or Non-Current</u>

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement.
- That the right to defer must exist at the end of the reporting period.
- That this classification is not affected by the possibility that the entity will exercise its right to defer.
- That only if the derivatives embedded in the convertible liability are the same as the equity instrument, the terms of the liability will not affect its classification.

3. New standards and amendments to applicable standards (continued)

IAS 7 and IFRS 7 - Disclosure of Supplier Financing Arrangements
In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier financing arrangements and require additional disclosure about these arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier financing arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The application of the above amendments and interpretations did not have a material impact on the disclosures or amounts reported in this interim condensed consolidated financial information.

Amendments to IFRS 16 - Lease Liabilities in a Sale and Leaseback
The amendments to IFRS 16 require a seller-lessee, when measuring lease liabilities arising from a sale and leaseback transaction, not to recognize any amounts that represent gains or losses on the retained right-of-use assets. These amendments must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

4 Judgement and estimates

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense.

Actual results may differ from these estimates. In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2023.

5 Subsidiaries

The condensed consolidated interim financial statements include the financial information of the parent company and its subsidiaries for the six-month period ended 30 June 2024. Details of the consolidated subsidiaries are set out below:

Company Name	Country of incorporation	Ownership percentage 30 June 2023 (Unaudited)	 31 Dec.2023 (Audited)	 30 June 2023 (Unaudited)	Principal activities
Ekttitab International Holding Group Co. WLL	Kuwait	%100	%100	%100	Holding
Petro Integrated Business Holding Co. KSCC (and its fully owned subsidiary) (Petro International Holding Co. SPC)	Kuwait	%99.46	%99.46	%99.46	Holding

- All balances, material transactions, realized and unrealized profits between the parent company and its subsidiaries are eliminated upon consolidation.

- The interim financial information of the above subsidiaries has been consolidated based on management financial information prepared by the management of those companies for the financial period ending 30 June 2024.

3. Subsidiaries (continued)

- The financial information of the subsidiary company (Ekttitab International Holding Group Co. - WLL) was collected at 100%, although the direct ownership percentage of the company according to the articles of incorporation of the subsidiary company is 50%, as the 50% percentage (indirect ownership) is registered in the name of a related party and there is an undocumented written waiver from him in Favor of the parent company.

- On 29 January 2024, a subsidiary company was established under the trade name (Petro International Holding Company - SPC), which is fully owned by the subsidiary company, Petro Integrated Business Co. – KSCC, where the capital of the new company amounted to KD10,000.

- On 20 May 2024, it was noted in the commercial register (of Petro Integrated Business Co. - KSCC) and also pursuant to the minutes of the General Assembly meeting held on the same date, the capital of the subsidiary company (Petro Integrated Business Co. - KSCC) was reduced by an amount of KWD 4,200,000 (from a capital of KD7,000,000 to a capital of KD2,800,000) in order to close part of the company's accumulated losses as of 31 December 2023 amounting to KD5,257,207. The company's reserves (amounting to KD141,360 as of 31 December 2023) were also used to close part of those accumulated losses. The balance of those accumulated losses after the reduction and closing of the reserves amounted to KD915,847.

- When preparing this interim condensed consolidated financial information as of 30 June 2024, the accumulated losses of the subsidiary (Petro Integrated Business Co. - KSCC "the Parent Company" and its subsidiary "the Group") based on the administrative data prepared by the management amounted to KD2,397,013, representing 86% of the company's capital after the reduction made above. Therefore, the financial information of the subsidiary was prepared in accordance with the continuity principle, and in accordance with Article 271 of the Kuwaiti Companies Law, the company must call for a general assembly to consider the continuity of the company or to address the accumulated losses. However, the continuity of the company depends on the continued provision of financial support from the main parent company.

6 Basic and diluted loss per share attributable to the shareholders of the Parent Company

Basic and diluted loss per share is calculated by dividing the (loss)/profit for the period attributable to the shareholders of the Parent Company by weighted average number of shares outstanding during the period.

	Three months ended		Six months ended	
	30 Six 2024 (Unaudited)	30 Six 2023 (Unaudited)	30 Six 2024 (Unaudited)	30 Six 2023 (Unaudited)
Loss for the period attributable to the shareholders of the Parent Company (KD)	(2,618,420)	(34,535)	(2,651,812)	(84,300)
Weighted average number of shares outstanding during the period (shares)	312,624,230	312,624,230	312,624,230	312,624,230
Basic and diluted loss per share attributable to the shareholders of the Parent Company	(8.22) Fils	(0.11) Fils	(8.32) Fils	(0.26) Fils

There are no diluted shares expected to be issued.

7 Investment in associate

Company Name	Country of incorporation	Ownership percentage 30 June 2023 (Unaudited)	31 Dec.2023 (Audited)	30 June 2023 (Unaudited)	Principal activities
Reaya Takaful Insurance Co. KSCC	Kuwait	**%44.48**	%44.48	%44.48	Takaful Insurance

The movement of investment in associate during the period/year is as follows:

	30 June 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 June 2024 (Unaudited) KD
Fair value at beginning of the period/year	**3,612,405**	3,742,728	3,742,728
Group's share in associate reserves (below - a)	**(2,150,813)**	(132,936)	(137,547)
Impairment value of investment in associate (below - b)	**(1,461,591)**	-	-
Group share of results from associate (below - c)	-	2,613	2,613
Fair value at end of the period / year	1	3,612,405	3,607,794

a. Management of associate evaluated its investments at fair value through other comprehensive income (by an independent external asset valuer) with a balance before the valuation amounting to KD7,562,758, while its balance after the revaluation amounted to KD2,727,350 (where it recorded a reserve for changes in the fair value as a result of the revaluation of its investments amounted to KD4,835,408, which was included directly in the fair value reserve item in the company's equity). Accordingly, the group's management calculated its share of the above associate fair value reserve first amounted to KD2,150,813, which was included in the fair value reserve item in the group's equity, and then the remaining balance of the investment value in the associate was recorded as impairment losses, according to the report of the independent external valuer, who based his assessment of that value on the data of the associate ability to continue as a going concern due to its cessation of its activities and the existence of financial cases against it.

   The independent external valuer used the NAV – Going Concern Approach for all the assets subject to valuation (which are the investment in an associate and investments at fair value through other comprehensive income – Note 8).

b. The Group recorded a decline in the value of the investment in an associate based on a valuation prepared by an independent external asset valuer, prepared for the valuation date of those assets on 30 June 2024 (where the valuation report was issued on 12 August 2024), based on which a decline in the value of the investment in the associate was recorded in the amount of KD1,461,591, which was included in the interim condensed consolidated statement of profit or loss for the period ended 30 June 2024.

c. The Group's share of the associate for the financial year ended 31 December 2023 and for the financial period ended 30 June 2023, as well as the Group's share of the associate's reserves, were recognized based on financial data and information prepared by management (unaudited or reviewed), as the previous auditor was not provided with the associate's audited financial statements for the financial year ended 31 December 2023. Subsequent to the date of issuance of those financial statements, audited financial statements for the associate for the financial year ended 31 December 2023 were issued on 19 May 2024.

8 Investments at fair value through other comprehensive income

Investments at fair value through other comprehensive income are shown during the period/year as follows:

	30 June 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 June 2024 (Unaudited) KD
Quoted securities	**5**	20,424	14,607
Unquoted securities	**1,807,181**	5,072,493	4,988,166
	1,807,186	5,092,917	5,020,917

The movement in investments at fair value through other comprehensive income during the period/year is as follows:

	30 June 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 June 2024 (Unaudited) KD
Fair value at beginning of the period/year	**5,092,917**	5,020,917	5,020,917
Transfer from parent to subsidiary	**-**	(404,771)	(404,771)
Additions to subsidiary	**-**	404,771	404,771
Disposals during the period/year	**(21,729)**	(20,607)	(19,701)
Change in fair value during the period / year (below – a)	**(3,264,002)**	92,607	1,557
Fair value at end of the period / year	**1,807,186**	5,092,917	5,002,773

a. The Group recorded the change in fair value (change in the value of investments at fair value through other comprehensive income) based on a valuation prepared by an independent external asset valuer, prepared for the valuation date of those assets on 30 June 2024 (where the valuation report was issued on 12 August 2024), where the change was recorded within the items of other comprehensive income, and also appeared directly in the condensed interim consolidated statement of changes in equity within the fair value reserve item.

The independent external valuer used the adjusted net assets method (NAV – Going Concern Approach) for all the assets subject to the valuation, which are investments in associates - Note 7 and investments at fair value through other comprehensive income (the number of four major investments owned by the Group).

The Company valued its investments in accordance with the requirements of International Financial Reporting Standard No. 13 - Fair Value Measurement, where the objective of measuring fair value is to estimate the price at which an orderly transaction would take place to sell the asset or transfer the liability between market participants at the measurement date under current market conditions. A fair value measurement requires an entity to determine all of the following:

The specific asset or liability that is the subject of measurement (consistent with its unit of account) for the non-financial asset, the appropriate valuation assumption for the measurement (consistent with its highest and best use), the principal (or most advantageous) market for the asset or liability, and valuation techniques appropriate for the measurement, taking into account the availability of data from which inputs can be developed that represent the assumptions that market participants would use when pricing the asset or liability, and the level of the fair value hierarchy within which the inputs are categorized.

9 Investment at fair value through profit or loss

Investments at fair value through profit or loss are shown during the period/year as follows:

	30 June 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 June 2024 (Unaudited) KD
Quoted securities	**36,523**	56,529	69,254
Local unquoted funds	**1**	20,800	20,800
	36,524	77,329	90,054

10 Share capital

The authorized, issued and fully paid-up capital of the parent company is KD31,862,423, distributed over 318,624,230 shares with a nominal value of 100 Kuwaiti Fils per share (KD31,862,423 distributed over 318,624,230 shares with a nominal value of 100 Kuwaiti Fils per share on 31 December 2023 and 30 June 2023) and all capital shares are in cash.

11 Payables and other liabilities

	30 June 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 June 2024 (Unaudited) KD
Accrued expenses	**119,399**	127,826	128,525
Tax deductions	**248,541**	246,029	246,029
Cash Dividend Creditors	**23,583**	23,583	23,583
	391,523	397,438	398,137

12 Related party transactions

Related parties in the Group include the members of the Board of Directors and key management personnel of the Company, other related parties, major shareholders and companies in which the members of the Board of Directors and key management personnel of the Group own major shares or can exercise significant influence or joint control. Pricing policies and terms of these transactions are approved by the Group's management.
Details of significant related party balances and transactions are as follows:

	30 June 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 June 2024 (Unaudited) KD
Interim condensed consolidated statement of financial position:			
Due from related parties (Below – a)	-	1,108,952	1,141,576
Due to related parties	**(84,690)**	(33,220)	(10,653)
Interim condensed consolidated statement of profit or loss			
Business sharing income	-	15,622	15,622

12 Related party balances and transactions (continued)

a. The details of the amounts due from related parties are shown as follows:

	30 June 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 June 2024 (Unaudited) KD
Due from related parties	**3,774,836**	3,780,002	3,812,625
Less: Provision for credit loss	**(3,774,836)**	(2,671,049)	(2,671,049)
	-	1,108,953	1,141,576

Impairment of financial assets

IFRS 9 requires the Group to record expected credit losses on all its financial assets measured at amortized cost. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted by rounding off the original effective interest rate of the asset. Accordingly, the Group's management increased the provision for credit losses on amounts due from related parties by KD1,103,787, which was reflected in the condensed consolidated statement of profit or loss for the period.

13 Annual general assembly

31 December 2023

The Ordinary General Assembly of Shareholders held on 30 May 2024 approved the audited financial statements for the year ending 31 December 2023 and the Board of Directors' proposal not to distribute dividends to shareholders for the fiscal year ending 31 December 2023. The Board of Directors' proposal not to pay a bonus to the members of the Board of Directors for the fiscal year ending 31 December 2023 was also approved.

31 December 2022

The Ordinary General Assembly of Shareholders held on 31 May 2023 approved the audited financial statements for the year ending 31 December 2022 and the Board of Directors' proposal not to distribute dividends to shareholders for the fiscal year ending 31 December 2022. The Board of Directors' proposal not to pay a bonus to the members of the Board of Directors for the fiscal year ending 31 December 2022 was also approved.

14 Fair value measurement

Fair value measurement of financial assets

Fair value is 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 valuation date. The fair values of all financial instruments are not materially different from their carrying values. The carrying values of financial assets and liabilities that are liquid or have short-term maturities (less than three months) approximate their fair values. The Group uses the following hierarchy to determine and disclose the fair value of financial assets by valuation technique:

Level 1:	Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2:	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3:	Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The carrying values of financial assets and liabilities carried at amortized cost are not materially different from their fair values as most of the financial assets and liabilities have short maturities or have been repriced directly based on market movements in interest rates. The valuation method and techniques used to measure fair value have not changed compared to the previous period.

14. Fair value measurement (continued)

The following table shows the analysis of financial instruments carried at fair value by level in the fair value hierarchy:

30 June 2024 (Unaudited) Financial Assets at fair value	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
Investments at fair value through other comprehensive income:				
Quoted securities	5	-	-	5
Unquoted securities	-	-	1,807,181	1,807,181
	5	-	1,807,181	1,807,181
Investments at fair value through profit or loss:				
Quoted securities	36,523	-	-	36,523
Local unquoted funds	-	1	-	1
	36,523	1	-	36,524

31 December 2023 (Audited) Financial Assets at fair value	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
Investments at fair value through other comprehensive income:				
Quoted securities	20,424	-	-	20,424
Unquoted securities	-	-	5,072,493	5,072,493
	20,424	-	5,072,493	5,092,917
Investments at fair value through profit or loss:				
Quoted securities	56,529	-	-	56,529
Local unquoted funds	-	20,800	-	20,800
	56,529	20,800	-	77,329

31 December 2023 (Audited) Financial Assets at fair value	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
Investments at fair value through other comprehensive income:				
Quoted securities	14,607	-	-	14,607
Unquoted securities	-	-	4,988,166	4,988,166
	14,607	-	4,988,166	5,002,773
Investments at fair value through profit or loss:				
Quoted securities	69,254	-	-	69,254
Local unquoted funds	-	20,800	-	20,800
	69,254	20,800	-	90,054

There were no transfers between the first, second and third levels of the hierarchy above.

14. Fair value measurement (continued)

Investments in quoted and unquoted shares
Investments in quoted shares represent all listed ordinary shares that are generally traded in the stock exchanges, while investments in unquoted shares represent all investments that are carried at cost or fair value as estimated by management due to the lack of information about their market value. Fair values were determined by reference to the latest price quotations at the reporting date.

Unquoted investments (included in investments at fair value through other comprehensive income) were valued by an independent external valuer (see Note 8).

Investments in portfolios and investment funds managed by others
Investments in portfolios and investment funds managed by others represent quoted and unquoted bonds, quoted and unquoted securities. The fair value was determined by reference to the latest reports received from the managers.

15 Lawsuits

There are potential lawsuits against the Group in the form of financial cases and claims pending before the courts at various levels with other parties. Their results cannot be determined until the date of preparing this condensed consolidated interim financial information, and the Group's management believes that it is not necessary to create any provisions for these lawsuits and claims until their results are determined.