Grant Thornton
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Interim condensed consolidated financial information and review report

National Industries Group Holding – KPSC and Subsidiaries

Kuwait

30 June 2024 (Unaudited)

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Report on review of interim condensed consolidated financial information

To the board of directors of
National Industries Group Holding – KPSC
Kuwait

Introduction
We have reviewed the accompanying interim condensed consolidated statement of financial position of National Industries Group 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
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 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 violation 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, we have not become aware of any material violations of the provision 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.

Hend Abdullah Al Surayea
(Licence No. 141-A)
Grant Thornton – Al-Qatami, Al-Aiban & Partners

Kuwait
13 August 2024

Interim condensed consolidated statement of profit or loss

	Note	Three months ended 30 June 2024 (Unaudited) KD '000	Three months ended 30 June 2023 (Unaudited) KD '000	Six months ended 30 June 2024 (Unaudited) KD '000	Six months ended 30 June 2023 (Unaudited) KD '000
Revenue from sales and contract with customers		**43,170**	34,706	**83,607**	74,026
Cost of sales and contract with customers		**(35,436)**	(28,126)	**(66,222)**	(58,719)
Gross profit		**7,734**	6,580	**17,385**	15,307
Gain on sale of financial assets at fair value through profit or loss		**750**	549	**1,295**	1,632
Change in fair value of financial assets at fair value through profit or loss		**(10,333)**	(6,240)	**8,973**	(2,908)
Dividend income		**6,818**	7,535	**16,857**	22,136
Interest income		**2,797**	2,893	**5,436**	4,485
Share of results of associates	10	**13,739**	6,905	**25,977**	14,339
Rental income		**800**	796	**1,514**	1,673
Reversal of impairment of wakala investments	22-d	**-**	-	**-**	8,584
Reversal of provisions no longer required	22-b,e	**2,376**	-	**4,496**	-
Other income		**2,660**	1,444	**3,852**	3,108
Loss on foreign currency exchange		**(224)**	(285)	**(6)**	(776)
		27,117	20,177	**85,779**	67,580
General, administrative and other expenses		**(6,769)**	(7,039)	**(15,258)**	(16,718)
Distribution costs		**(2,310)**	(2,315)	**(4,254)**	(4,654)
Finance costs		**(11,047)**	(10,318)	**(22,256)**	(19,771)
Impairment losses-net		**(816)**	220	**(1,421)**	(2,066)
Profit before taxation		**6,175**	725	**42,590**	24,371
Taxation charged on overseas subsidiaries		**(194)**	(243)	**(302)**	(442)
Profit for the period		**5,981**	482	**42,288**	23,929
Profit/(loss) for the period attributable to:					
Owners of the Parent Company		**676**	(2,395)	**30,190**	13,489
Non-controlling interests		**5,305**	2,877	**12,098**	10,440
		5,981	482	**42,288**	23,929
Basic and diluted earnings/(loss) per share attributable to the Owners of the Parent Company	5	**0.29 Fils**	(1.01) Fils	**12.73 Fils**	5.69 Fils

The notes set out on pages 9 to 26 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 '000	30 June 2023 (Unaudited) KD '000	**30 June 2024 (Unaudited) KD '000**	30 June 2023 (Unaudited) KD '000
Profit for the period	**5,981**	482	**42,288**	23,929
Other comprehensive (loss)/income:				
Items that may be reclassified subsequently to consolidated statement of profit or loss:				
Exchange differences arising on translation of foreign operations	**(1,106)**	(43)	**78**	(11,896)
Net change in fair value of financial assets at FVTOCI	**45**	-	**-**	-
Share of other comprehensive loss of associates	**(17)**	(377)	**(652)**	(1,501)
	(1,078)	(420)	**(574)**	(13,397)
Items that will not be reclassified subsequently to consolidated statement of profit or loss:				
Defined benefit plan actuarial gain – net	**-**	-	**(406)**	-
Net changes in fair value of financial assets at FVTOCI	**6,039**	(2,523)	**3,336**	(10,487)
Share of other comprehensive income/(loss) of associates	**1,920**	(2,471)	**1,782**	(2,444)
	7,959	(4,994)	**4,712**	(12,931)
Total other comprehensive income/(loss) for the period	**6,881**	(5,414)	**4,138**	(26,328)
Total comprehensive income/(loss) for the period	**12,862**	(4,932)	**46,426**	(2,399)
Total comprehensive income/(loss) attributable to:				
Owners of the Parent Company	**7,470**	(6,509)	**34,828**	(1,678)
Non-controlling interests	**5,392**	1,577	**11,598**	(721)
	12,862	(4,932)	**46,426**	(2,399)

Interim condensed consolidated statement of financial position

	Note	30 June 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	30 June 2023 (Unaudited) KD '000
Assets				
Cash and cash equivalents	6	**198,462**	201,296	197,088
Accounts receivable and other assets	7	**144,045**	118,739	110,559
Inventories		**47,690**	47,180	43,863
Financial assets at amortised cost		**10,030**	5,197	1,522
Financial assets at fair value through profit or loss	8	**400,330**	385,839	390,199
Financial assets at fair value through other comprehensive income	9	**160,059**	164,974	148,726
Right of use of assets		**6,606**	7,187	7,767
Investment properties		**60,147**	57,763	56,968
Investment in associates	10	**391,160**	376,071	338,228
Property, plant and equipment		**116,735**	116,060	117,259
Intangible assets		**10,240**	10,870	16,497
Goodwill		**9,223**	10,098	10,010
Total assets		**1,554,727**	1,501,274	1,438,686
Liabilities and equity				
Liabilities				
Due to banks	6	**17,922**	13,603	14,976
Accounts payable and other liabilities		**96,590**	96,256	94,024
Lease liabilities		**6,796**	6,637	7,155
Borrowings	11	**652,318**	634,763	617,579
Bonds	12	**68,100**	68,100	68,100
Provisions		**17,286**	16,630	15,978
Total liabilities		**859,012**	835,989	817,812
Equity				
Share capital	13	**240,994**	229,518	229,518
Share premium	13	**175,435**	175,435	175,435
Treasury shares	14	**(23,975)**	(23,975)	(23,975)
Statutory and general reserves		**52,679**	52,679	47,607
Other components of equity	15	**1,294**	(4,845)	(19,936)
Retained earnings		**75,980**	70,090	65,555
Equity attributable to the owners of the Parent Company		**522,407**	498,902	474,204
Non-controlling interests		**173,308**	166,383	146,670
Total equity		**695,715**	665,285	620,874
Total liabilities and equity		**1,554,727**	1,501,274	1,438,686

Sulaiman Hamad Al-Dalali
Vice Chairman

Ahmad Mohammed Hassan
Chief Executive Officer

The notes set out on pages 9 to 26 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity

	Equity attributable to the owners of the Parent Company							Non-controlling interests	Total
	Share capital KD '000	Share premium KD '000	Treasury shares KD '000	Statutory and general reserves KD '000	Other components of equity KD '000	Retained earnings KD '000	Sub-total KD '000	KD '000	KD '000
Balance at 1 January 2024	229,518	175,435	(23,975)	52,679	(4,845)	70,090	498,902	166,383	665,285
Issue of bonus shares (note 16)	11,476	-	-	-	-	(11,476)	-	-	-
Cash dividend (note 16)	-	-	-	-	-	(11,292)	(11,292)	-	(11,292)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(4,499)	(4,499)
Consolidation and other adjustments	-	-	-	-	466	(497)	(31)	(174)	(205)
Transactions with owners	11,476	-	-	-	466	(23,265)	(11,323)	(4,673)	(15,996)
Profit for the period	-	-	-	-	-	30,190	30,190	12,098	42,288
Other comprehensive income/(loss) for the period	-	-	-	-	5,044	(406)	4,638	(500)	4,138
Total comprehensive income for the period	-	-	-	-	5,044	29,784	34,828	11,598	46,426
Loss on sale of financial assets at FVTOCI	-	-	-	-	629	(629)	-	-	-
Balance at 30 June 2024	240,994	175,435	(23,975)	52,679	1,294	75,980	522,407	173,308	695,715

The notes set out on pages 9 to 26 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity (continued)

	Equity attributable to the owners of the Parent Company							Non-controlling interests	Total
	Share capital KD '000	Share premium KD '000	Treasury shares KD '000	Statutory and general reserves KD '000	Other components of equity KD '000	Retained earnings KD '000	Sub-total KD '000	KD '000	KD '000
Balance at 1 January 2023	218,589	175,435	(23,975)	47,607	(5,964)	75,277	486,969	143,199	630,168
Changes in non-controlling interests	-	-	-	-	-	-	-	(1,963)	(1,963)
Increase arising on acquisition of a subsidiary	-	-	-	-	-	-	-	10,649	10,649
Issue of bonus shares (note 16)	10,929	-	-	-	-	(10,929)	-	-	-
Cash dividend (note 16)	-	-	-	-	-	(10,754)	(10,754)	-	(10,754)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(4,435)	(4,435)
Consolidation and other adjustments	-	-	-	-	-	(333)	(333)	(59)	(392)
Transactions with owners	10,929	-	-	-	-	(22,016)	(11,087)	4,192	(6,895)
Profit for the period	-	-	-	-	-	13,489	13,489	10,440	23,929
Other comprehensive loss for the period	-	-	-	-	(15,167)	-	(15,167)	(11,161)	(26,328)
Total comprehensive (loss)/income for the period	-	-	-	-	(15,167)	13,489	(1,678)	(721)	(2,399)
Loss on sale of financial assets at FVTOCI	-	-	-	-	1,195	(1,195)	-	-	-
Balance at 30 June 2023	229,518	175,435	(23,975)	47,607	(19,936)	65,555	474,204	146,670	620,874

The notes set out on pages 9 to 26 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 '000	Six months ended 30 June 2023 (Unaudited) KD '000
OPERATING ACTIVITIES			
Profit before foreign taxation		**42,590**	24,371
Adjustments for:			
Dividend income		**(16,857)**	(22,136)
Share of results of associates		**(25,977)**	(14,339)
Interest income		**(5,436)**	(4,485)
Depreciation and amortisation		**5,846**	7,876
Reversal of provisions no longer required		**(4,496)**	-
Reversal of impairment of wakala investments		**-**	(8,584)
Finance costs		**22,256**	19,771
Impairment losses - net		**1,421**	2,066
Net provisions charged		**656**	1,604
		20,003	6,144
Changes in operating assets and liabilities:			
Inventories		**(510)**	(1,997)
Accounts receivable and other assets		**(14,706)**	(11,279)
Financial assets at fair value through profit or loss		**(14,491)**	3,539
Accounts payable and other liabilities		**(5,709)**	8,771
Cash (used in)/from operations		**(15,413)**	5,178
Taxation paid		**(922)**	(467)
Net cash (used in)/from operating activities		**(16,335)**	4,711
INVESTING ACTIVITIES			
Net additions to property, plant and equipment		**(3,970)**	(3,886)
Additions to investment properties		**(4,350)**	-
Additions to investment in associate		**-**	(1,283)
Proceeds from sale of investment properties		**2,237**	-
Dividend received from associates		**12,795**	10,334
Additions to right of use assets		**(861)**	(2,357)
Acquisition of financial assets at amortised cost		**(4,833)**	(141)
Purchase of financial assets at FVTOCI		**(6,615)**	(5,699)
Proceeds from sale of financial assets at FVTOCI		**14,866**	10,350
Dividend income received		**16,857**	22,136
Decrease/(increase) in short-term deposits maturing after 3 months		**9,969**	(10,083)
Interest income received		**5,084**	4,485
Acquisition of subsidiaries		**-**	(7,507)
Net cash from investing activities		**41,179**	16,349

Interim condensed consolidated statement of cash flows (continued)

	Note	Six months ended 30 June 2024 (Unaudited) KD '000	Six months ended 30 June 2023 (Unaudited) KD '000
FINANCING ACTIVITIES			
Net increase in borrowings		**17,555**	4,392
Repayment of lease liabilities		**(1,039)**	(2,372)
Dividend paid to non-controlling interests		**(4,499)**	(4,375)
Dividend paid to the owners of the parent company		**(11,125)**	(10,535)
Finance costs paid		**(21,924)**	(19,171)
Net cash used in financing activities		**(21,032)**	(32,061)
Net increase/(decrease) in cash and cash equivalents		**3,812**	(11,001)
Foreign currency translation differences		**(996)**	267
		2,816	(10,734)
Cash and cash equivalents at beginning of the period		**169,061**	73,894
Cash and cash equivalents at end of the period	6	**171,877**	63,160
Non-cash transactions:			
Investment in associates		**-**	(8,584)
Wakala investments		**-**	8,584

Notes to the interim condensed consolidated financial information

1 Incorporation and activities

National Industries Group Holding – KPSC ("the Parent Company") was incorporated in 1961 as a Kuwaiti shareholding company in accordance with the Commercial Companies Law in the State of Kuwait and, in April 2003, its legal status was changed to a "Holding Company". The Parent Company along with its subsidiaries are jointly referred to as "the Group". The Parent Company's shares are traded on the Kuwait Stock Exchange and Dubai Financial Market.

The main objectives of the Parent Company are as follows:

- Owning stocks and shares in Kuwaiti or non-Kuwaiti shareholding companies and shares in Kuwaiti or non-Kuwaiti limited liability companies and participating in the establishment of, lending to and managing of these companies and acting as a guarantor for these companies.
- Lending money to companies in which it owns 20% or more of the capital of the borrowing company, along with acting as guarantor on behalf of these companies.
- Owning industrial equities such as patents, industrial trademarks, royalties, or any other related rights, and franchising them to other companies or using them within or outside the State of Kuwait.
- Owning real estate and moveable property to conduct its operations within the limits as stipulated by law.
- Employing excess funds available by investing them in investment and real estate portfolios managed by specialised companies.

The address of the Parent Company's registered office is PO Box 417, Safat 13005, State of Kuwait.

The Board of Directors of the Parent Company approved this interim condensed consolidated financial information for issue on 13 August 2024.

2 Basis of preparation

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 International Accounting Standards. In the opinion of the Group'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.

Notes to the interim condensed consolidated financial information (continued)

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.

Description	*Effective for annual periods beginning*
IAS 1 Amendments- Classification of liabilities with debt covenants	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.

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

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 7 and IFRS 7 Amendments – Supplier finance arrangements (continued)

- 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.

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

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.

Notes to the interim condensed consolidated financial information (continued)

5 Basic and diluted earnings/(loss) per share

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

	Three months ended		Six months ended	
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	**30 June 2024 (Unaudited)**	30 June 2023 (Unaudited)
Profit/(loss) for the period attributable to the owners of the Parent Company (KD '000)	**676**	(2,395)	**30,190**	13,489
Weighted average number of shares outstanding during the period (excluding treasury shares) – thousand shares	**2,371,358**	2,371,358	**2,371,358**	2,371,358
Basic and diluted earnings/(loss) per share	**0.29 Fils**	(1.01) Fils	**12.73 Fils**	5.69 Fils

The basic and diluted (loss)/earnings per share reported during the previous period for the three-month and six month periods ended 30 June 2023 were (1.06) Fils and 5.97 Fils respectively, before retroactive adjustments relating to bonus share issue (Note 16).

There were no potential dilutive shares.

6 Cash and cash equivalents

	30 June 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	30 June 2023 (Unaudited) KD '000
Bank balances and cash	**29,861**	25,119	32,526
Short term deposits (a)	**168,601**	176,177	164,562
Cash and cash equivalents for the purpose of interim condensed consolidated statement of financial position	**198,462**	201,296	197,088
Less: restricted bank balances	**(6)**	(6)	(6)
Less: time deposits maturing after three months	**(8,657)**	(18,626)	(118,946)
Due to banks (b)	**(17,922)**	(13,603)	(14,976)
Cash and cash equivalents for the purpose of interim condensed consolidated statement of cash flows	**171,877**	169,061	63,160

a) The effective interest rate on short-term deposits as of 30 June 2024 range from 3.25% to 6% per annum (31 December 2023: 2.9% to 5.7% per annum and 30 June 2023: 3.25% to 5.5% per annum).

b) Due to banks include bank overdraft facilities which carry commercial interest rates. The facilities are secured by pledge of short-term deposits of KD600 thousand as at 30 June 2024 (31 December 2023: KD678 thousand and 30 June 2023: KD666 thousand).

c) Cash and cash equivalents amounting to KD111 thousand as at 30 June 2024 (31 December 2023: KD30 thousand and 30 June 2023: KD65 thousand) are pledged against borrowings (Note 11).

Notes to the interim condensed consolidated financial information (continued)

7 Accounts receivable and other assets

	30 June 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	30 June 2023 (Unaudited) KD '000
Financial assets			
Trade receivables – net	**78,707**	68,125	65,573
Due from related parties	**24,232**	19,385	22,492
Accrued income	**1,496**	1,289	1,720
Other financial assets	**8,530**	9,412	12,274
	112,965	98,211	102,059
Non-financial assets			
Advance for purchase of investment property (a)	**1,761**	-	-
Prepayments and other assets	**29,319**	20,528	8,500
	31,080	20,528	8,500
	144,045	118,739	110,559

a) During the period, one of Group's subsidiaries entered into an agreement with third parties to acquire a part of a local freehold land for a consideration of KD17,611 thousand out of which an amount of KD1,761 thousand has been paid upto the reporting date and the remaining consideration will be settled on completion of the legal formalities of the contract.

8 Financial assets at fair value through profit or loss

	30 June 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	30 June 2023 (Unaudited) KD '000
Quoted securities:			
- Local	**213,635**	197,659	203,593
- Foreign	**53,534**	59,922	61,108
Unquoted securities:			
- Local	**4,414**	2,703	2,244
- Foreign	**29,560**	28,448	25,339
Managed portfolios and funds:			
- Investment in private equity funds	**92,859**	90,406	92,198
- Local funds	**1,694**	1,818	1,942
- Foreign portfolios	**4,634**	4,883	3,775
	400,330	385,839	390,199

a) Quoted securities and managed funds with an aggregate carrying value of KD103,685 thousand as at 30 June 2024 (31 December 2023: KD106,272 thousand and 30 June 2023: KD137,802 thousand) are pledged against borrowings (Note 11).

b) The Group has signed agreements whereby certain shares of financial assets at fair value through profit or loss with aggregate carrying value of KD144,093 thousand as at 30 June 2024 (31 December 2023: KD136,071 thousand and 30 June 2023: KD154,401 thousand) have been kept in custody portfolios against borrowings (Note 11).

Notes to the interim condensed consolidated financial information (continued)

9 Financial assets at fair value through other comprehensive income

	30 June 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	30 June 2023 (Unaudited) KD '000
Quoted securities:			
- Local	**9,277**	7,929	7,529
- Foreign	**24,153**	26,800	26,689
Unquoted securities:			
- Local	**14,297**	12,681	13,205
- Foreign	**91,797**	86,968	78,394
Managed portfolios and funds:			
- Foreign	**20,142**	21,583	22,909
Debt securities:			
- Local	**393**	77	-
- Foreign	**-**	8,936	-
	160,059	164,974	148,726

a) Foreign debt securities represented investments in Ijarah Sukuk and carried annual average profit rate of 21%.

b) Quoted securities with an aggregate carrying value of KD19,539 thousand (31 December 2023: KD21,088 thousand and 30 June 2023: KD22,022 thousand) and unquoted securities with an aggregate carrying value of KD583 thousand (31 December 2023: KD591 thousand and 30 June 2023: KD564 thousand) are pledged against borrowings (Note 11).

c) The Group has signed agreements whereby certain shares of financial assets at fair value through other comprehensive income with aggregate carrying value of KD Nil (31 December 2023: KD2,568 thousand and 30 June 2023: KD2,983 thousand) have been kept in custody portfolios against borrowings (Note 11).

10 Investment in associates

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

	30 June 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	30 June 2023 (Unaudited) KD '000
Balance at 1 January	**376,071**	354,380	354,380
Additions during the period/year	**-**	12,647	9,867
Reclassified to subsidiaries	**-**	(10,745)	(10,745)
Share of results	**25,977**	66,961	14,339
Redemption/Disposals	**-**	(4,290)	-
Share of other comprehensive income/(loss)	**1,130**	2,866	(3,945)
Dividend received	**(12,795)**	(17,458)	(11,835)
Impairment losses – net	**(85)**	(16,650)	(1,350)
Foreign currency translation adjustment	**798**	(11,774)	(12,633)
Other adjustments	**64**	134	150
Balance at the end of the period/year	**391,160**	376,071	338,228

a) Investment in associates with a carrying value of KD1,933 thousand (31 December 2023: KD1,938 thousand and 30 June 2023: KD2,925 thousand) are pledged against borrowings (Note 11).

Notes to the interim condensed consolidated financial information (continued)

10 Investment in associates (continued)

b) The Group has signed agreements whereby certain shares of investment in associates with aggregate carrying value of KD244,215 thousand (31 December 2023: KD260,919 thousand and 30 June 2023: KD201,403 thousand) have been kept in custody portfolios with specialized institutions against borrowings (Note 11).

11 Borrowings

	30 June 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	30 June 2023 (Unaudited) KD '000
Short term:			
Term loans	**179,655**	187,989	180,009
Islamic financing arrangements (a)	**76,595**	56,193	53,448
	256,250	244,182	233,457
Long term:			
Term loans			
- Current portion	**4,971**	5,269	30,514
- Due after more than one year	**145,938**	142,337	123,287
Islamic financing arrangements			
- Current portion	**35,413**	31,564	40,367
- Due after more than one year	**209,746**	211,411	189,954
	396,068	390,581	384,122
	652,318	634,763	617,579

a) Islamic financing arrangement include a facility of KD16,615 thousand obtained by one of Group's subsidiaries from a local bank which have not been renewed as of 30 June 2024. Management of the subsidiary is in the process of renewing this facility.

b) As at 30 June 2024, some of the borrowings are secured against certain balances of cash and cash equivalents and pledged and/or in custody portfolios with specialised institutions that includes financial assets at fair value through profit and loss, financial assets at fair value through other comprehensive income, investment in associates, investment properties, property plant and equipment, investment in subsidiaries and treasury shares.

12 Bonds

	30 June 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	30 June 2023 (Unaudited) KD '000
Short term:			
Floating rate bonds	**7,600**	-	-
Fixed rate bonds	**22,400**	-	-
	30,000	-	-
Long term:			
Floating rate bonds	**34,450**	42,050	42,050
Fixed rate bonds	**3,650**	26,050	26,050
	38,100	68,100	68,100
	68,100	68,100	68,100

Notes to the interim condensed consolidated financial information (continued)

12 Bonds (continued)

Floating rate bonds with a carrying value of KD34,450 thousand and fixed rate bonds with a carrying value of KD3,650 thousand mature on 8 September 2027 whilst floating rate bonds with a carrying value of KD7,600 thousand and fixed rate bonds with a carrying value of KD22,400 thousand mature on 11 February 2025.

The bonds are unsecured.

13 Share capital and share premium

	Authorised	Issued	Paid up
30 June 2024			
Shares of 100 Fils each	**3,000,000,000**	**2,409,942,649**	**2,409,942,649**
31 December 2023			
Shares of 100 Fils each	3,000,000,000	2,295,183,476	2,295,183,476
30 June 2023			
Shares of 100 Fils each	3,000,000,000	2,295,183,476	2,295,183,476

Share premium is not available for distribution.

14 Treasury shares

	30 June 2024 (Unaudited)	31 Dec. 2023 (Audited)	30 June 2023 (Unaudited)
Number of shares	**38,584,622**	36,747,261	36,747,261
Percentage of issued shares	**1.60%**	1.60%	1.60%
Market value (KD '000)	**8,257**	7,460	7,349
Cost (KD'000)	**23,975**	23,975	23,975

a) Reserves of the Parent Company equivalent to the cost of the treasury shares have been earmarked as non-distributable.

b) Treasury shares owned by one of the Group's subsidiaries with a market value of KD5,131 thousand (31 December 2023: KD4,636 thousand and 30 June 2023: KD4,591 thousand) have been pledged against certain borrowings (note 11).

c) As at 30 June 2024, an associate held 10% (31 December 2023: 10% and 30 June 2023: 10%) of the Parent Company's shares.

Notes to the interim condensed consolidated financial information (continued)

15 Other components of equity

	Cumulative changes in fair value KD '000	Treasury shares reserve KD '000	Foreign currency translation reserve KD '000	Total KD '000
Balances as at 1 January 2024	**7,675**	**15,915**	**(28,435)**	**(4,845)**
Consolidation and other adjustments	**466**	**-**	**-**	**466**
Share of other comprehensive income of associates	**1,451**	**-**	**-**	**1,451**
Changes in fair value of financial assets at FVTOCI	**3,900**	**-**	**-**	**3,900**
Foreign currency translation differences	**-**	**-**	**(307)**	**(307)**
Other comprehensive income/(loss)	**5,351**	**-**	**(307)**	**5,044**
Loss on sale of investments at FVTOCI	**629**	**-**	**-**	**629**
Balances as at 30 June 2024	**14,121**	**15,915**	**(28,742)**	**1,294**
Balances at 1 January 2023	1,204	15,915	(23,083)	(5,964)
Share of other comprehensive loss of associates	(3,205)	-	-	(3,205)
Changes in fair value of financial assets at FVTOCI	(6,272)	-	-	(6,272)
Foreign currency translation differences	-	-	(5,690)	(5,690)
Other comprehensive loss	(9,477)	-	(5,690)	(15,167)
Loss on sale of investments at FVTOCI	1,195	-	-	1,195
Balances at 30 June 2023	(7,078)	15,915	(28,773)	(19,936)

16 Annual general assembly and dividend

The Annual General Assembly of the shareholders of the Parent Company held on 9 May 2024 approved the consolidated financial statements for the year ended 31 December 2023 and the boards of directors' proposal to distribute cash dividend of 5% equivalent to KD11,292 thousand (2022: cash dividend of 5%), and to issue 5% bonus shares (2022: 5% bonus shares), and an amount of KD480 thousand as remuneration to the Board of Directors for the year ended 31 December 2023.

Notes to the interim condensed consolidated financial information (continued)

17 Segmental analysis

The Group's activities are concentrated in four main segments: investment, building material and contracting services, specialist engineering and hotel and IT operations. The segments' results are reported to the higher management of the Group.

The Group's format for reporting segment information is business segments; which conforms to the internal reporting presented to management:

	Investment		Building materials and contracting services		Specialist engineering and chemical		Hotel and IT services		Total	
Six-month ended:	**30 June 2024 KD '000**	30 June 2023 KD '000	**30 June 2024 KD '000**	30 June 2023 KD '000	**30 June 2024 KD '000**	30 June 2023 KD '000	**30 June 2024 KD '000**	30 June 2023 KD '000	**30 June 2024 KD '000**	30 June 2023 KD '000
Segment revenue	**68,400**	53,049	**25,177**	24,420	**51,986**	42,695	**6,444**	6,911	**152,007**	127,075
Less:										
Gain on sale of financial assets at fair value through profit or loss									**(1,295)**	(1,632)
Change in fair value of financial assets at fair value through profit or loss									**(8,973)**	2,908
Dividend income									**(16,857)**	(22,136)
Interest income									**(5,436)**	(4,485)
Share of results of associates									**(25,977)**	(14,339)
Rental income									**(1,514)**	(1,673)
Reversal of impairment of wakala investment									**-**	(8,584)
Reversal of provisions no longer required									**(4,496)**	-
Other income									**(3,852)**	(3,108)
Revenue from sales and contract with customers, per consolidated statement of profit or loss									**83,607**	74,026
Segment profit	**53,394**	41,464	**3,256**	1,230	**7,668**	1,623	**534**	601	**64,852**	44,918
Less:										
Finance costs									**(22,256)**	(19,771)
Other unallocated income/(loss)									**(6)**	(776)
Profit before taxation									**42,590**	24,371

Notes to the interim condensed consolidated financial information (continued)

17 Segmental analysis (continued)

	Investment KD '000	Building materials and contracting services KD '000	Specialist engineering and chemical KD '000	Hotel and IT services KD '000	Total KD '000
30 June 2024:					
Segment assets	**1,254,577**	**49,265**	**238,236**	**12,649**	**1,554,727**
Segment liabilities	**(29,584)**	**(21,221)**	**(64,352)**	**(5,515)**	**(120,672)**
Segment net assets	**1,224,993**	**28,044**	**173,884**	**7,134**	**1,434,055**
Borrowings, bonds and due to banks					**(738,340)**
Total equity, per consolidated statement of financial position					**695,715**
31 December 2023:					
Segment assets	1,215,798	49,078	225,020	11,378	1,501,274
Segment liabilities	(31,665)	(25,096)	(56,994)	(5,768)	(119,523)
Segment net assets	1,184,133	23,982	168,026	5,610	1,381,751
Borrowings, bonds and due to banks					(716,466)
Total equity, per consolidated statement of financial position					665,285
30 June 2023:					
Segment assets	1,164,022	45,976	216,145	12,543	1,438,686
Segment liabilities	(36,322)	(24,812)	(50,093)	(5,930)	(117,157)
Segment net assets	1,127,700	21,164	166,052	6,613	1,321,529
Borrowings, bonds and due to banks					(700,655)
Total equity, per consolidated statement of financial position					620,874

Notes to the interim condensed consolidated financial information (continued)

18 Related party balances and transactions

Related parties represent associates, directors and key management personnel of the Group, and other related parties such as major shareholders and companies in which directors and key management personnel of the Group are principal owners or over which they are able to 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 '000	31 Dec. 2023 (Audited) KD '000	30 June 2023 (Unaudited) KD '000
Balances included in the interim condensed consolidated statement of financial position			
Due from related parties (included in accounts receivable and other assets)			
- Due from associates	**20,914**	17,798	20,411
- Due from key management personnel	**-**	-	68
- Due from other related parties	**3,318**	1,587	2,013
Due to related parties (included in accounts payable and other liabilities)			
- Due to associates	**20**	20	20
- Due to other related parties	**334**	1,623	680

	Three months ended		Six months ended	
	30 June 2024 (Unaudited) KD '000	30 June 2023 (Unaudited) KD '000	30 June 2024 (Unaudited) KD '000	30 June 2023 (Unaudited) KD '000
Transactions included in the interim condensed consolidated statement of profit or loss				
Management fees	**10**	(390)	**34**	699
Purchase of raw materials – from associates	**149**	154	**326**	309
Impairment of associates	**-**	-	**-**	1,350
Impairment of receivables	**-**	(220)	**318**	713
Compensation of key management personnel of the Group				
Short term employee benefits	**815**	763	**1,728**	1,970
Pension and end of service benefits	**80**	(52)	**165**	139
	895	711	**1,893**	2,109

Refer Note 20 and Note 21 for details of fiduciary assets and contingent liabilities and commitments held and issued on behalf of related parties.

19 Fair value measurement

19.1 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.

Notes to the interim condensed consolidated financial information (continued)

19 Fair value measurement (continued)

19.1 Fair value hierarchy (continued)

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).

19.2 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 '000	31 Dec. 2023 (Audited) KD '000	30 June 2023 (Unaudited) KD '000
Financial assets:			
At amortised cost:			
• Cash and cash equivalents	**198,462**	201,296	197,088
• Accounts receivable and other financial assets	**112,965**	98,211	102,059
• Financial assets at amortised cost	**10,030**	5,197	1,522
	321,457	304,704	300,669
At fair value:			
• Financial assets at FVTPL	**400,330**	385,839	390,199
• Financial assets at FVTOCI	**160,059**	164,974	148,726
	560,389	550,813	538,925
Total financial assets	**881,846**	855,517	839,594
Financial liabilities:			
At amortised cost:			
• Due to banks	**17,922**	13,603	14,976
• Accounts payable and other financial liabilities	**82,370**	95,988	90,954
• Lease liabilities	**6,796**	6,637	7,155
• Borrowings	**652,318**	634,763	617,579
• Bonds	**68,100**	68,100	68,100
	827,506	819,091	798,764

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)

19 Fair value measurement (continued)

19.2 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'000	Level 2 KD'000	Level 3 KD'000	Total KD'000
At 30 June 2024					
At FVTPL:					
- Quoted securities	a	267,169	-	-	267,169
- Unquoted securities	b	-	1,183	32,791	33,974
- Managed portfolios and funds	c	564	5,764	92,859	99,187
At FVTOCI:					
- Quoted securities	a	33,430	-	-	33,430
- Unquoted securities	b	-	14,074	92,020	106,094
- Managed portfolios and funds	c	-	58	20,084	20,142
- Debt securities	d	-	393	-	393
		301,163	21,472	237,754	560,389
At 31 December 2023					
At FVTPL:					
- Quoted securities	a	257,581	-	-	257,581
- Unquoted securities	b	-	-	31,151	31,151
- Managed portfolios and funds	c	703	5,999	90,405	97,107
At FVTOCI:					
- Quoted securities	a	34,729	-	-	34,729
- Unquoted securities	b	-	16,218	83,431	99,649
- Managed portfolios and funds	c	-	58	21,525	21,583
- Debt securities	d	-	9,013	-	9,013
		293,013	31,288	226,512	550,813
At 30 June 2023					
At FVTPL:					
- Quoted shares	a	264,701	-	-	264,701
- Unquoted securities	b	-	-	27,583	27,583
- Managed portfolios and funds	c	765	4,953	92,197	97,915
At FVTOCI:					
- Quoted shares	a	34,218	-	-	34,218
- Unquoted securities	b	-	8,319	83,280	91,599
- Managed portfolios and funds	c	-	452	22,457	22,909
		299,684	13,724	225,517	538,925

Measurement at fair value

The Group's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialists for complex valuations, where required. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximizing the use of market-based information.

The methods and valuation techniques used for the purpose of measuring fair values, are unchanged compared to the previous reporting period/year.

Notes to the interim condensed consolidated financial information (continued)

19 Fair value measurement (continued)

19.2 Fair value measurement of financial instruments (continued)

a) Quoted securities
Quoted securities represent all listed equity securities which are publicly traded in stock exchanges. Where quoted prices in an active market are available, the fair value of such investments have been determined by reference to their quoted bid prices at the reporting date (Level 1).

b) Unquoted securities (Level 2 and 3)
The consolidated financial statements include investments in unlisted securities which are measured at fair value. Fair value is estimated using discounted cash flow model or observable market prices or other valuation techniques which include some assumptions that are not supportable by observable market prices or rates.

c) Managed portfolios and funds

Private equity funds (Level 3)
The underlying investments in these private equity funds mainly represent foreign quoted and unquoted securities. Information for these investments is limited to periodic financial reports provided by the investment managers. These investments are carried at net asset values reported by the investment managers. Due to the nature of these investments, the net asset values reported by the investment managers represent the best estimate of fair values available for these investments.

Other managed portfolios and funds (Level 2 and 3)
The underlying investments of international managed portfolios and funds represent quoted and unquoted securities. They are valued based on periodic reports received from the portfolio/fund managers.

d) Debt securities
Debt securities mainly represent investment in Ijara sukuk in Pakistan. The fair value of Ijara sukuk is derived using "Pakistan Islamic Revaluation Value" rates. The rates are simple average of quotes received from eight different pre-defined/ approved dealers/ brokers.

Measurement at fair value
The Group measurement of financial assets and liabilities classified in level 3 uses valuation techniques inputs that are not based on observable market date. The financial instruments within this level can be reconciled from beginning to ending balances as follows:

	30 June 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	30 June 2023 (Unaudited) KD '000
Opening balance	**226,512**	228,603	228,603
Net change in fair value	**10,879**	3,700	(2,668)
Transferred out level 3	**-**	(5,675)	-
Net additions during the period/year	**363**	(116)	(418)
Closing balance	**237,754**	226,512	225,517

Changing inputs to the level 3 valuations to reasonably possible alternative assumption would not change significantly amounts recognised in profit or loss, total assets or total liabilities or total equity.

Notes to the interim condensed consolidated financial information (continued)-

20 Fiduciary assets

One of the subsidiaries of the Group manages mutual funds, portfolios on behalf of related and third parties, and maintains securities in fiduciary accounts which are not reflected in the interim condensed consolidated statement of financial position. Assets under management at 30 June 2024 amounted to KD2,999 thousand (31 December 2023: KD2,938 thousand and 30 June 2023: KD3,312 thousand) of which assets managed on behalf of the related parties amounted to KD2,960 thousand (31 December 2023: KD2,900 thousand and 30 June 2023: KD3,014 thousand).

21 Contingent liabilities and commitments

At 30 June 2024, the Group had contingent liabilities in respect of outstanding bank guarantees amounting to KD54,745 thousand (31 December 2023: KD72,722 thousand and 30 June 2023: KD51,948 thousand).

At the reporting date, the Group had commitments for the purchase of investments, the acquisition of property, plant and equipment and investment properties and the incorporation of investment in associates totalling KD23,267 thousand (31 December 2023: KD19,915 thousand and 30 June 2023: KD29,241 thousand).

22 Legal cases

The significant legal cases of the Group are summarised below:

a) One of the Group's subsidiaries has filed legal cases against one of its customers regarding gross trade receivables of KD43,077 thousand. These are shown in the Group's consolidated financials at its acquisition fair values. During 2023, the court of first instance issued a verdict for one of the cases in favour of the subsidiary which was appealed by the defendant. Management of the subsidiary and their legal advisors believe that a favourable decision of the court is probable and the balance is fully recoverable along with additional compensation. The litigations are at initial stages and the final outcome cannot be determined at present.

b) During the period, the Court of Cassation ruled in favour of a government entity ordering one of the Group's subsidiaries to settle an amount of USD1.868 million (equivalent to KD580 thousand) for gas usage from 2004 to 2011. The subsidiary had made a provision for this legal dispute amounting to KD2,700 thousand in prior periods. Consequently, during the period, the subsidiary reversed the excess provision of KD2,120 thousand reflecting the updated legal obligation.

c) During the previous year, the General Manager of the Public Authority for Industry in Kuwait (in his capacity) filed a legal case against one of the subsidiaries requesting eviction from a non-contracted plot of land claiming that the subsidiary is obligated to pay an amount of KD16,185 thousand for utilizing the aforementioned area since 1 April 2007 along with any fees and expenses. This legal case is at its early stages and has been transferred to the experts committee. The next court hearing is scheduled for 10 October 2024. The subsidiary's management (after consulting with external legal counsel) believes that it is not obligated to pay any financial liabilities on that land due to the absence of any contracts with the above government entity. The information usually required by IAS 37, Provisions, Contingent Liabilities and Contingent Assets, is not disclosed on the grounds that it can be expected to prejudice seriously the outcome of the litigation. The subsidiary is planning to strongly contest the legal case and after consulting with their external legal counsel, believes that the claim can be successfully countered.

Notes to the interim condensed consolidated financial information (continued)

22 Legal cases (continued)

d) In previous years, one of the Group's subsidiaries, Noor Financial Investment Company ("Noor"), had Wakala investments of KD14,324 thousand placed with a local Islamic investment company which matured in the last quarter of 2008. The investee company defaulted on settlement, consequently, Noor fully provided for the balance and initiated various legal cases against the investee company which were eventually decided in its favor. During 2019, a settlement agreement was reached transferring 50% shares of Excellent Choice General Trading and Contracting Co. - WLL (acquired company) to Noor.

Prior to the above settlement agreement, the acquired company had filed lawsuits against a local bank ("Bank") seeking return of 33,544,500 shares of Boubyan Bank, transferred by the bank through a sale contract, and associated benefits. The Court of Cessation ruled in favour of the acquired company granting fully rights over the transferred shares. As a result, Noor recognised its share of net assets of ECC as an investment in associate amounting to KD8,584 thousand against partial settlement of the wakala investments and recognised a gain on reversal of impairment of wakala investments of KD8,584 thousand in the interim condensed consolidated statement of profit or loss as of 31 March2023.

Further, in previous years, the acquired company filed a lawsuit against the legal representative of the Kuwait Clearing Company and others regarding the disbursement of dividends from previous years pertaining to the above shares of Boubyan Bank for an amount of KD1,354 thousand, which were held by the Kuwait Clearing Company. The court of first-instance ruling was issued on 24 October 2023 in favor of the acquired company, obliging the defendant to pay the amount of these dividends to the acquired company.

On 18 April 2024, the Court of Appeal upheld the above-mentioned ruling issued in favor of the acquired company. The Group will recognize its share of the amount as income on collection from the defendants.

e) On 1 December 2011, the Group's Jordanian subsidiary, Noor Jordan Kuwait Financial Investment Company Limited ("the Seller" or "Noor Jordan") disposed of its entire equity interest in one of its Jordanian subsidiaries to nine individual buyers ("the Buyers"). Subsequent to the transfer of shares and control to the Buyers, they filed a case against the Seller claiming misrepresentation in valuing the net assets of the company sold. On 15 September 2022, the Court of First Instance ruled in favour of the Seller. However, the Buyers filed an appeal to the Court of Appeals which ruled to annul the decision and returned it back to the Court of First Instance for review. Later, the Court of First Instance issued another verdict in favor of the Seller. However, this verdict was appealed before the Amman Court of Appeal, which issued its final decision on 5 December 2023 (in absentia) in favor of the Buyers and ordered the Seller and its representatives to jointly pay an amount of JOD2,744 thousand equivalents to KD1,188 thousand. Therefore, the Group had recognised a provision of KD2,377 thousand in the consolidated financial statements for the year ended 31 December 2023 which represented the judgment amount plus the legal interest according to the Civil Procedure Code in Jordan.

Noor Jordan submitted a request at the Court of Cassation to challenge the verdict issued by the Court of Appeal. This request was accepted in January 2024. On 4 April 2024, Court of Cassation issued a verdict and referred the case back to Court of Appeal. On 23 June 2024, the Court of Appeal issued verdict in favor of Noor Jordan dismissing all criminal charges. Consequently, the Group has reversed the provision of KD2,376 thousand in this interim condensed consolidated information for the period ended 30 June 2024.

Notes to the interim condensed consolidated financial information (continued)

23 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.

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