



Grant Thornton

Al-Qatami, Al-Aiban & Partners

Interim condensed consolidated financial information and review report

Gulf Investment House – KPSC and Subsidiaries

Kuwait

30 September 2023 (Unaudited)

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Report on review of interim condensed consolidated financial information

To the Board of Directors of
Gulf Investment House – KPSC
Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Gulf Investment House KPSC (the “Parent Company”) and its subsidiaries (together “the Group”) as of 30 September 2023 and the related interim condensed consolidated statement of profit or loss, statement of profit or loss and other comprehensive income for the three-month and nine-month periods then ended and, interim condensed consolidated statements of changes in equity and cash flows for the nine-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, we have not become aware of any violation of the Companies Law No. 1 of 2016, as amended and its Executive Regulations, as amended, or of the Parent Company’s Memorandum of Incorporation and Articles of Association, as amended, during the nine-month period ended 30 September 2023 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 provision of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the nine-month period ended 30 September 2023 that might have had a material effect on the business or financial position of the Parent Company.



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

Interim condensed consolidated statement of profit or loss

	Note	Three months ended		Nine months ended	
		30 Sept. 2023 (Unaudited) KD	30 Sept. 2022 (Unaudited) KD	30 Sept. 2023 (Unaudited) KD	30 Sept. 2022 (Unaudited) KD
Income					
Sale of Goods		1,869,274	1,700,469	6,156,093	4,940,703
Cost of sales		(1,129,293)	(1,243,705)	(4,225,038)	(3,645,391)
Gross profit		739,981	456,764	1,931,055	1,295,312
Unrealised gain/(loss) on financial assets at fair value through profit or loss		492,619	(306,295)	705,324	(465,025)
Realised gain/(loss) on financial assets at fair value through profit or loss		244,060	13,392	512,400	(220,868)
Share of results of associates	9	133,949	(8,421)	1,240,112	92,009
Realised gain on disposal of investments in associates		-	-	-	2,470
Dividend income		-	98,490	432,894	363,183
Profit from saving deposits		24,798	12,932	81,735	41,921
(Impairment in value of)/reversal of provision for impairment of investment in associates	9	(344,544)	-	(1,115,009)	307,437
Other income		2,092	33,648	51,883	99,180
		1,292,955	300,510	3,840,394	1,515,619
Expenses and other charges					
Staff costs		(248,708)	(164,772)	(764,815)	(487,377)
Selling and distribution costs		(159,710)	(152,575)	(515,294)	(550,994)
General, administrative and other expenses		(330,303)	(121,448)	(782,562)	(284,484)
Reversal of impairment/(Impairment) in value of accounts receivable and other assets		133,529	-	133,529	(5,140)
Foreign exchange gain/(loss)		1,437	16,404	1,382	(94,795)
		(603,755)	(422,391)	(1,927,760)	(1,422,790)
Profit/(loss) before contribution to Kuwait Foundation for the Advancement of Sciences (“KFAS”), Zakat and National Labour Support Tax (NLST)					
		689,200	(121,881)	1,912,634	92,829
Provision for KFAS		(3,999)	1,235	(18,735)	(4,009)
Provision for Zakat		(4,468)	3,232	(17,064)	(3,788)
Provision for NLST		(3,406)	11,437	(27,825)	-
Profit/(loss) for the period		677,327	(105,977)	1,849,010	85,032
Attributable to:					
Owners of the Parent Company		500,637	(158,279)	1,435,988	(88,553)
Non-controlling interest		176,690	52,302	413,022	173,585
		677,327	(105,977)	1,849,010	85,032
Basic and diluted earnings/(loss) per share attributable to the owners of the Parent Company (Fils)	5	1.23	(0.39)	3.54	(0.22)

The notes set out on pages 7 to 17 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		Nine months ended	
	30 Sept. 2023 (Unaudited) KD	30 Sept. 2022 (Unaudited) KD	30 Sept. 2023 (Unaudited) KD	30 Sept. 2022 (Unaudited) KD
Profit/(loss) for the period	677,327	(105,977)	1,849,010	85,032
Other comprehensive income:				
<i>Items to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences arising on translation of foreign operations	74,908	154,260	66,566	284,674
Total other comprehensive income to be reclassified to profit or loss in subsequent periods	74,908	154,260	66,566	284,674
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>				
Net changes in fair value of investments in equity instruments designated at FVOCI	(3,342)	(1,766)	(116,657)	32,616
Share of other comprehensive income of associates	-	-	336,490	-
Total other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods	(3,342)	(1,766)	219,833	32,616
Total other comprehensive income for the period	71,566	152,494	286,399	317,290
Total comprehensive income for the period	748,893	46,517	2,135,409	402,322
Total comprehensive income/(loss) attributable to:				
Owners of the Parent Company	582,398	(16,479)	1,753,022	212,167
Non-controlling interests	166,495	62,996	382,387	190,155
	748,893	46,517	2,135,409	402,322

The notes set out on pages 7 to 17 an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position

	Note	30 Sept. 2023 (Unaudited) KD	31 Dec. 2022 (Audited) KD	30 Sept. 2022 (Unaudited) KD
Assets				
Cash and bank balances	6	5,693,389	6,897,574	4,469,377
Short-term deposits	6	3,596,000	2,265,000	6,000,000
Financial assets at fair value through profit or loss	7	14,586,597	17,268,772	14,831,413
Financial assets at fair value through other comprehensive income		652,987	901,403	1,231,434
Inventories		782,402	974,005	702,718
Accounts receivables and other assets	8	4,690,512	2,717,169	6,343,232
Investment in associates	9	19,012,541	17,819,575	15,077,104
Investment properties		756,245	753,509	776,948
Property, plant and equipment		2,534,236	1,505,321	742,333
Right of use of assets		2,649,488	1,589,564	-
Intangible assets		593,140	608,257	605,639
Goodwill		356,017	356,017	356,017
Total assets		55,903,554	53,656,166	51,136,215
Liabilities and equity				
Liabilities				
Trade payables and other liabilities		2,292,714	2,181,742	1,802,990
Lease liabilities		2,664,671	1,564,806	-
Total liabilities		4,957,385	3,746,548	1,802,990
Equity				
Share capital	10	40,649,566	40,649,566	40,649,566
Treasury shares	11	(787,180)	-	-
Statutory reserve		186,519	186,519	100,144
Cumulative changes in fair value		(121,736)	(849,456)	(519,424)
Foreign currency translation reserve		767,546	333,855	658,730
Retained earnings		3,128,360	2,536,749	1,739,905
Equity attributable to the owners of the Parent Company		43,823,075	42,857,233	42,628,921
Non-controlling interests		7,123,094	7,052,385	6,704,304
Total equity		50,946,169	49,909,618	49,333,225
Total liabilities and equity		55,903,554	53,656,166	51,136,215


Abdulaziz A. Alsanad
Chairman


Mohammad S. AlAyoub
Chief Executive Officer

The notes set out on pages 7 to 17 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									
	Share Capital KD	Treasury shares KD	Statutory Reserve KD	Cumulative changes in fair value KD	Foreign currency translation reserve KD	Retained earnings KD	Sub-Total KD	Non-controlling interests KD	Total equity KD	
Balance as at 1 January 2023	40,649,566	-	186,519	(849,456)	333,855	2,536,749	42,857,233	7,052,385	49,909,618	
Acquisition of additional shares in subsidiary	-	-	-	-	-	-	-	(3,770)	(3,770)	
Purchase of treasury shares (Note 11)	-	(787,180)	-	-	-	-	(787,180)	-	(787,180)	
Dividend paid to non-controlling interest by the subsidiaries	-	-	-	-	-	-	-	(307,908)	(307,908)	
Transaction with owners	-	(787,180)	-	-	-	-	(787,180)	(311,678)	(1,098,858)	
Profit for the period	-	-	-	-	-	1,435,988	1,435,988	413,022	1,849,010	
Total other comprehensive (loss)/income for the period	-	-	-	(116,657)	433,691	-	317,034	(30,635)	286,399	
Total comprehensive (loss)/income for the period	-	-	-	(116,657)	433,691	1,435,988	1,753,022	382,387	2,135,409	
Transfer on derecognition/write off of financial assets at fair value through other comprehensive income	-	-	-	844,377	-	(844,377)	-	-	-	
Balance as at 30 September 2023	40,649,566	(787,180)	186,519	(121,736)	767,546	3,128,360	43,823,075	7,123,094	50,946,169	
Balance as at 1 January 2022	40,649,566	-	100,144	(562,754)	390,626	1,549,191	42,126,773	7,851,251	49,978,024	
Acquisition of additional shares in subsidiary (Note 5)	-	-	-	-	-	289,981	289,981	(1,337,102)	(1,047,121)	
Transaction with owners	-	-	-	-	-	289,981	289,981	(1,337,102)	(1,047,121)	
(Loss)/profit for the period	-	-	-	-	-	(88,553)	(88,553)	173,585	85,032	
Total other comprehensive income for the period	-	-	-	32,616	268,104	-	300,720	16,570	317,290	
Total comprehensive income/(loss) for the period	-	-	-	32,616	268,104	(88,553)	212,167	190,155	402,322	
Transfer to retained earnings on derecognition of investments at fair value through OCI	-	-	-	10,714	-	(10,714)	-	-	-	
Balance as at 30 September 2022	40,649,566	-	100,144	(519,424)	658,730	1,739,905	42,628,921	6,704,304	49,333,225	

The notes set out on pages 7 to 17 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Note	Nine months ended 30 Sept. 2023 (Unaudited) KD	Nine months ended 30 Sept. 2022 (Unaudited) KD
OPERATING ACTIVITIES			
Profit before KFAS, Zakat and NLST		1,912,634	92,829
Adjustments:			
Depreciation and amortisation		193,609	87,603
Dividend income		(432,894)	(363,183)
Profit from saving deposits		(81,735)	(41,921)
Share of results of associates	9	(1,240,112)	(92,009)
Impairment in value of/(reversal of provision) for impairment of investment in associates	9	1,115,009	(307,437)
Realised gain on disposal of investments in associates	9	-	(2,470)
(Reversal of impairment)/Impairment in value of accounts receivable and other assets		(133,529)	5,140
Provision for employees end of service benefits		75,258	69,735
		1,408,240	(551,713)
Changes in operating assets and liabilities:			
Financial assets at fair value through profit or loss		2,682,176	(4,124,020)
Accounts receivables and other assets		(1,281,741)	(3,564,962)
Inventories		58,073	(196,570)
Other liabilities		(600,905)	(526,267)
Cash used in operations		2,265,843	(8,963,532)
Employee end of service benefits paid		(8,649)	(29,189)
Net cash from/(used in) operating activities		2,257,194	(8,992,721)
INVESTING ACTIVITIES			
Additions to property and equipment		(928,890)	(133,013)
Addition in right of use of assets and intangible assets		-	(9,000)
Additions to investments in associates	9	(663,588)	(539,801)
Net cash flow from acquisition of subsidiary		(34,432)	(1,023,092)
Additions to investments in financial assets at fair value through other comprehensive income		-	(295,221)
Proceeds from disposal of investments in associates	9	-	46,103
Redemption proceeds received from financial assets at fair value through other comprehensive income		76,990	420,023
Dividends received from associates	9	-	81,966
Dividend income received		432,894	363,183
Profit received from saving deposits		81,735	41,921
Net cash used in investing activities		(1,035,291)	(1,046,931)
FINANCING ACTIVITIES			
Movement in restricted bank accounts	6	530	796
Dividend paid to non-controlling interest by the subsidiaries		(307,908)	-
Purchase of treasury shares		(787,180)	-
Net cash (used in)/from financing activities		(1,094,558)	796
Net increase/(decrease) in cash and cash equivalents		127,345	(10,038,856)
Cash and cash equivalents at beginning of the period		9,034,950	20,380,086
Cash and cash equivalents at end of the period	6	9,162,295	10,341,230

The notes set out on pages 7 to 17 form an integral part of this interim consolidated financial information.

Notes to the interim condensed consolidated financial information

1 Incorporation and activities

This interim condensed consolidated financial information of Gulf Investment House - K.P.S.C (the “Parent Company”) and its subsidiaries (collectively the “Group”) for the period ended 30 September 2023 were authorised for issue in accordance with a resolution of the Board of Directors on 13 November 2023.

The Parent Company is a Kuwaiti shareholding company registered and incorporated in the State of Kuwait on 8 September 1998 under the Commercial Companies Law. The Parent Company is registered with the Central Bank of Kuwait as a finance company. The Parent Company’s shares are traded on the Kuwait Stock Exchange and Abu Dhabi Securities Exchange.

The Parent Company is a subsidiary of GIH Financing Ltd (The Ultimate Parent Company).

The Parent Company was registered with the Capital Market Authority (“CMA”) as an investment company. However, during 2018, the Parent Company has been removed from the registry of the CMA and hence is no longer registered as a licensed investment company with CMA as at 31 Decemebr 2018.

The Group is primarily engaged in investment activities and related financial and advisory services. All activities of the Group are carried out in compliance with the Noble Islamic Sharee’a, as approved by the Parent Company’s Fatwa and Sharee’a Supervisory Board.

The Parent Company’s registered head office is at Jawharat Al Khaleej Complex, Al Qibla, Block 6, Fadh Al Salem Street, Floor 8, PO Box 28808, 13149 Safat, Kuwait.

The annual consolidated financial statements for the year ended 31 December 2022 were authorised for issuance by the Board of Directors on 28 March 2023 and by the shareholders at the Annual General Meeting which was held on 28 May 2023.

2 Basis of preparation and presentation

This interim condensed consolidated financial information of the Group for the nine-months period ended 30 September 2023 has been prepared in accordance with IAS 34, Interim Financial Reporting.

The annual consolidated financial statements for the year ended 31 December 2022 were prepared in accordance with the International Financial Reporting Standards (“IFRS”) promulgated by the International Accounting Standards Board (“IASB”), and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) of the IASB.

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

Operating results for the nine-months period ended 30 September 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023. For further details, refer to the consolidated financial statements and its related disclosures for the year ended 31 December 2022.

3 Changes in accounting policies

The accounting policies used in the preparation of these 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 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies (continued)

3.1 New and amended standards adopted by the Group

The following new amendments or standards were effective for the current period.

<i>Standard or Interpretation</i>	<i>Effective for annual periods beginning</i>
IAS 1 Amendments- Disclosure of accounting policies	1 January 2023
IAS 8 Amendments- Definition of accounting estimates	1 January 2023

IAS 1 Amendments – Disclosure of accounting policies

The amendments to IAS 1 require entities to disclose material accounting policies instead of significant accounting policies. The amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial.

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

IAS 8 Amendments – Definition of accounting estimates

The amendments to IAS 8 inserted the definition of accounting estimates replacing the definition of a change in accounting estimates. Accounting estimates are now defined as monetary amounts in financial statements that are subject to measurement uncertainty.

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

3.2 IASB Standards issued but not yet effective

At the date of authorisation of this interim condensed consolidated financial information, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Group.

Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncements. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's interim condensed consolidated financial information is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's interim condensed consolidated financial information.

<i>Standard or Interpretation</i>	<i>Effective for annual periods beginning</i>
IAS 1 Amendments- Classification of current and non-current	1 January 2024
IAS 1 Amendments- Classification of liabilities with debt covenants	1 January 2024
IFRS 16 Amendments- Leases	1 January 2024

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.

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies (continued)

3.2 IASB Standards issued but not yet effective (continued)

IAS 1 Amendments - Classification of current or non-current (continued)

Management does not anticipate that the adoption of amendments in the future will have a significant impact on the Group's consolidated financial statements.

IAS 1 Amendments - Classification of liabilities with debt covenants

The amendments to IAS 1 clarify that classification of liabilities depends only on the covenants that an entity is required to comply with on or before the reporting date of the classification of a liability as current or non-current. 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.

Management does not anticipate that the adoption of amendments in the future will have a significant impact on the Group's consolidated financial statements.

IFRS 16 Amendments – Leases

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.

Management does not anticipate that the adoption of amendments in the future will have a significant impact on the Group's consolidated financial statements.

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 2022.

Notes to the interim condensed consolidated financial information (continued)

5 Basic and diluted earnings/(loss) per share

Basic and diluted earnings/(loss) 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 (excluding treasury shares):

	Three months ended		Nine months ended	
	30 Sept. 2023 (Unaudited)	30 Sept. 2022 (Unaudited)	30 Sept. 2023 (Unaudited)	30 Sept. 2022 (Unaudited)
Profit/(loss) for the period attributable to the owners of the Parent Company (KD)	500,637	(158,279)	1,435,988	(88,553)
Weighted average number of shares during the period	405,442,984	406,495,660	406,140,912	406,495,660
Basic and diluted earnings/(loss) per share (Fils)	1.23	(0.39)	3.54	(0.22)

6 Cash and cash equivalents

Cash and cash equivalents for the purpose of the interim condensed consolidated statement of cash flows are made up as follows:

	30 Sept. 2023 (Unaudited) KD	31 Dec. 2022 (Audited) KD	30 Sept. 2022 (Unaudited) KD
Cash and bank balances	5,693,389	6,897,574	4,469,377
Short term deposits	3,596,000	2,265,000	6,000,000
	9,289,389	9,162,574	10,469,377
Less: Dividend restricted bank accounts*	(127,094)	(127,624)	(128,147)
Cash and cash equivalents as per the statement of cash flows	9,162,295	9,034,950	10,341,230

The short terms deposits have original maturity of nine months or less and carry profit in the range of 4.35% to 5.3% (31 December 2022: 2% to 5% and 30 September 2022: 1.35% to 2.10%) per annum.

*Relates to amount set apart to meet unclaimed dividend balances, as and when they are claimed by the shareholders. An amount of KD530 (31 December 2022: KD1,319 and 30 September 2022: KD796) was paid during the current period, out of dividend payable which relates to dividend for prior years.

7 Financial assets at fair value through profit or loss

	30 Sept. 2023 (Unaudited) KD	31 Dec. 2022 (Audited) KD	30 Sept. 2022 (Unaudited) KD
Quoted securities	5,442,069	9,320,257	8,292,585
Unquoted securities	8,141,957	7,933,396	6,499,201
Unquoted funds managed by external fund managers	-	15,119	39,627
Debt instruments	1,002,571	-	-
	14,586,597	17,268,772	14,831,413

Notes to the interim condensed consolidated financial information (continued)

7 Financial assets at fair value through profit or loss (continued)

Fair values of unquoted securities and unquoted funds managed by external fund managers are determined using valuation techniques that are not based on observable market prices or rates. The fair value of debt instruments are determined based on net assets value of operations (Note 14.2).

8 Accounts receivable and other assets

	30 Sept. 2023 (Unaudited) KD	31 Dec. 2022 (Audited) KD	30 Sept. 2022 (Unaudited) KD
Trade receivable	1,439,567	1,652,968	1,473,197
Provision for doubtful debts	(71,178)	(204,707)	(204,707)
	1,368,389	1,448,261	1,268,490
Staff receivables	29,486	17,212	20,201
Dividend receivable from an associate (Note 13)	238,044	296,288	296,288
Refundable deposits	107,544	49,923	61,117
Prepaid expenses	150,955	48,929	108,703
Due from an associate (Note 13)	682,259	-	194,830
Due from a related party (Note 13)	92,997	-	-
Other receivables	614,080	254,352	330,375
Projects under progress	624,318	75,000	-
Advance payment to incorporate subsidiaries	582,440	527,204	763,228
Advance payment for the purchase of investments	200,000	-	3,300,000
	4,690,512	2,717,169	6,343,232

9 Investment in associates

The movement of investment in associates is as follows:

	30 Sept. 2023 (Unaudited) KD	31 Dec. 2022 (Audited) KD	30 Sept. 2022 (Unaudited) KD
Carrying value as at beginning of the year	17,819,575	13,947,672	13,947,672
Additions during the period/year	663,588	2,843,973	539,801
Share of results	232,302	442,375	92,009
Gains on bargain purchases of associates (Note 9a)	1,007,810	1,355,484	-
Disposals during the period	-	(465,150)	-
Partial disposal during the period	-	(43,632)	(43,633)
(Impairment)/reversal of impairment for investment in associates (Note 9b)	(1,115,009)	(392,169)	307,437
Share of foreign currency translation reserve	80,688	227,507	330,303
Other comprehensive income	323,587	1,682	1,682
Dividend received	-	(81,966)	(81,966)
Other adjustments	-	(16,201)	(16,201)
	19,012,541	17,819,575	15,077,104

Notes to the interim condensed consolidated financial information (continued)

9 Investment in associates (continued)

- a) During the period, the Parent Company has acquired an additional 8.5% equity interest in Majan Development Company – Joint Stock (Closed), for a consideration of KD254,541. The addition has resulted in a net bargain purchase of KD775,123, which has been recorded as part of the share of result of associates during the current period in the interim condensed consolidated statement of profit or loss. Consequently, at 30 September 2023, the Group ownership in this associate increased to 29.83%.

Further, during the period, the Parent Company has acquired an additional 1.41% equity interest in Inovent BSC, for a consideration of KD322,761. The addition has resulted in a net bargain purchase of KD168,101, which has been recorded as part of the share of result of associates during the current period in the interim condensed consolidated statement of profit or loss. Consequently, at 30 September 2023, the Group ownership in this associate increased to 25.25%.

The Parent Company has acquired an additional 1.89% equity interest in Mada'in Properties PJSC, for a consideration of KD86,285. The addition has resulted in a net bargain purchase of KD64,586, which has been recorded as part of the share of result of associates during the current period in the interim condensed consolidated statement of profit or loss. Consequently, at 30 September 2023, the Group ownership in this associate increased to 17.78%.

- b) The carrying value of investment in associates is tested for impairment by estimating the recoverable amount using fair value approach. The fair value calculation uses adjusted net assets values of investees and market observable data which includes price to book value multiples and price to earnings multiples of comparable companies. As a result, during the period, the Parent Company has made impairment provisions aggregating KD1,115,009 against three of its associates, based on the impairment assessment carried out.

10 Share Capital

The authorised, issued and paid up capital of the Parent Company amounts to KD40,649,566 (31 December 2022 and 30 September 2022: KD40,649,566) distributed over 406,495,660 shares (31 December 2022 and 30 September 2022: 406,495,660) with 100 Fils par value.

11 Treasury Shares

	30 Sept. 2023 (Unaudited)
Number of shares	2,021,515
Percentage of issued shares	0.5%
Market value	782,326
Cost	787,180

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

Notes to the interim condensed consolidated financial information (continued)

12 Segment analysis

The Group activities are concentrated in three main segments: Investments and Real Estate and manufacturing. These segments are regularly reviewed by the Chief Operating Decision Maker (CODM) for resource allocation and performance assessment. Segment results include revenue and expense directly attributable to each reporting segment as the Group does not have any inter segment charges. Segment assets comprise those operating assets that are directly attributable to the segment.

	Investments KD	Real estate KD	Manufacturing KD	Unallocated KD	Total KD
Nine months ended 30 September 2023 (Unaudited)					
Segment income	1,909,340	-	5,740,709	415,383	8,065,432
Segment result	1,909,340	-	1,533,295	(1,593,625)	1,849,010
Total assets	42,538,943	756,245	7,161,395	5,446,971	55,903,554
Total liabilities	-	-	1,548,809	3,408,576	4,957,385
As at 31 December 2022 (Audited)					
Total assets	35,989,750	753,509	1,938,279	14,974,628	53,656,166
Total liabilities	-	-	-	3,746,548	3,746,548
Net assets	35,989,750	753,509	1,938,279	11,228,080	49,909,618
Nine months ended 30 September 2022 (Unaudited)					
Segment income	121,128	-	4,821,723	218,159	5,161,010
Segment result	107,323	-	734,543	(756,834)	85,032
Total assets	41,609,328	776,948	5,524,342	3,225,597	51,136,215
Total liabilities	-	-	1,455,735	347,255	1,802,990

13 Related party transactions

Related parties represent the associates, major shareholders, directors and key management personnel of the Group, and other related parties 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 transactions are as follows:

	30 Sept. 2023 (Unaudited) KD	30 Sept. 2022 (Unaudited) KD
Balance included in the consolidated statement of finance position:		
Due from related parties – associates (included in accounts receivables and other assets)		
- Dividends receivable from an associate (Note 8)	238,044	296,288
- Due from an associate (Note 8)	682,259	194,830
- Due from a related party (Note 8)	92,997	-

Notes to the interim condensed consolidated financial information (continued)

13 Related party transactions (continued)

	Nine months ended 30 Sept. 2023 (Unaudited) KD	Nine months ended 30 Sept. 2022 (Unaudited) KD
Compensation of key management personnel of the Group		
Salaries and other short-term benefits	194,746	146,947
Terminal benefits	21,345	7,282
Consultancy fees paid	28,000	15,000
	244,091	169,229

14 Summary of financial assets and liabilities by category and fair value measurement

14.1 Categories of financial assets and liabilities

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 Sept. 2023 (Unaudited) KD	31 Dec. 2022 (Audited) KD	30 Sept. 2022 (Unaudited) KD
At amortised cost:			
• Bank balances and short term deposits	9,289,389	9,162,574	10,469,377
• Accounts receivables and other assets	3,483,754	2,189,965	5,580,004
	12,773,143	11,352,539	16,049,381
Financial assets at fair value through profit or loss:			
• Quoted securities	5,442,069	9,320,257	8,292,585
• Unquoted securities	8,141,957	7,933,396	6,499,201
• Unquoted funds managed by external fund managers	-	15,119	39,627
• Debt instruments	1,002,571	-	-
	14,586,597	17,268,772	14,831,413
Financial assets at fair value through other comprehensive income			
• Quoted equity securities	-	320	195,673
• Unquoted equity securities	652,987	813,505	104,689
• Unquoted funds managed by external fund managers	-	87,578	931,072
	652,987	901,403	1,231,434
Total financial assets	28,012,727	29,522,714	32,112,228
Financial liabilities (at amortised costs) :			
• Other liabilities	2,292,714	2,181,742	1,802,990
• Lease liabilities	2,664,671	1,564,806	-
	4,957,385	3,746,548	1,802,990

Notes to the interim condensed consolidated financial information (continued)

14 Summary of financial assets and liabilities by category and fair value measurement (continued)

14.1 Categories of financial assets and liabilities (continued)

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. The Group measures financial instruments such as transaction amount at fair value through profit or loss and financial asset at fair value through other comprehensive income at fair value and measurement details are disclosed in Note 14.2 to the interim condensed consolidated financial information. In the opinion of the Group's management, the carrying amounts of all other financial assets and liabilities which are carried at amortised costs are considered a reasonable approximation of their fair values.

14.2 Fair value hierarchy for financial instruments measured at fair value

The following table presents the financial assets which are measured at fair value in the interim condensed consolidated statement of financial position in accordance with the fair value hierarchy.

This hierarchy groups financial assets and liabilities into nine levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities.

The fair value hierarchy has the following levels:

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 assets or liabilities that are not based on observable market data (unobservable inputs).

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

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

30 September 2023	Level 1	Level 2	Level 3	Total
	KD	KD	KD	KD
Financial assets at fair value through profit or loss				
• Quoted securities	5,442,069	-	-	5,442,069
• Unquoted securities	-	-	8,141,957	8,141,957
• Debt instruments	-	1,002,571	-	1,002,571
Financial assets at fair value through other comprehensive income				
• Unquoted equity securities	-	-	652,987	652,987
Total financial assets at fair value	5,442,069	1,002,571	8,794,944	15,239,584

Notes to the interim condensed consolidated financial information (continued)

14 Summary of financial assets and liabilities by category and fair value measurement (continued)

14.2 Fair value hierarchy for financial instruments measured at fair value (continued)

	Level 1	Level 2	Level 3	Total
	KD	KD	KD	KD
31 December 2022				
Financial assets at fair value:				
Financial assets at fair value through profit or loss				
• Quoted securities	9,320,257	-	-	9,320,257
• Unquoted securities	-	-	7,933,396	7,933,396
• Unquoted funds managed by external fund managers	-	-	15,119	15,119
Financial assets at fair value through other comprehensive income				
• Quoted securities	320	-	-	320
• Unquoted equity securities	-	-	813,505	813,505
• Managed funds	-	-	87,578	87,578
Total financial assets at fair value	9,320,577	-	8,849,598	18,170,175
30 September 2022				
Financial assets at fair value through profit or loss				
• Quoted securities	8,292,585	-	-	8,292,585
• Unquoted securities	-	-	6,499,201	6,499,201
• Unquoted funds managed by external fund managers	-	-	39,627	39,627
Financial assets at fair value through other comprehensive income				
• Quoted securities	195,673	-	-	195,673
• Unquoted equity securities	-	-	104,689	104,689
• Managed funds	-	-	931,072	931,072
Total financial assets at fair value	8,488,258	-	7,574,589	16,062,847

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

Level 3 Fair value measurements

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

	30 Sept. 2023 (Unaudited) KD	31 Dec. 2022 (Audited) KD	30 Sept. 2022 (Unaudited) KD
Balance at the beginning of the period/year	8,849,598	6,962,203	6,962,203
Net change in fair value recognised in profit or loss	200,622	720,988	723,353
Net change in fair value recognised in other comprehensive income	(168,466)	(110,269)	24,409
(Disposal)/addition during the period/year	(86,810)	1,276,676	(135,376)
Balance at the end of the period/year	8,794,944	8,849,598	7,574,589

Notes to the interim condensed consolidated financial information (continued)

15 Dividend distribution

Subject to the requisite consent of the relevant authorities and approval from general assembly, the Parent Company's Board of Directors propose not to make any distributions (31 December 2022: Nil).

16 Comparative information

Certain 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 increase in cash and cash equivalents.

17 Subsequent event

Subsequent to the reporting date, one of the subsidiaries of the Group has acquired additional equity stake of 25.47% in Al-Rouyah Capital Holding Company KSCC (ownership increased from 2.3% to 27.77%) for a consideration of KD1,162,959. Management is in the process of assessing the impact arising from this transaction and the effect will be adjusted in the next reporting period.

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