

**Kuwait Portland Cement Co. K.P.S.C.
and its Subsidiary
State of Kuwait**

Interim Condensed Consolidated Financial Information (Unaudited)
And report on review for the three month period ended 31 March 2023

**Kuwait Portland Cement Co. K.P.S.C.
and its Subsidiary
State of Kuwait**

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Report on Review of Interim Condensed Consolidated Financial Information to the Board of Directors
Kuwait Portland Cement Co. K.P.S.C.
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kuwait Portland Cement Co. K.P.S.C. ("The Parent Company") and its subsidiary (together referred to as "the Group") as at 31 March 2023, and the interim condensed consolidated statements of profit or loss, income and other comprehensive income, changes in equity and cash flows for the three month period then ended. The preparation and presentation of this interim condensed consolidated financial information is the responsibility of the Parent Company's management in accordance with IAS 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 the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim condensed consolidated 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 Other Legal and Regulatory Requirements

Furthermore, the interim condensed consolidated financial information is in agreement with the books of account. We further report that, based on our review, to the best of our knowledge and belief, no violations of Companies' Law No. 1 of 2016, and its executive regulations, as amended, Law No. 7 of 2010 concerning the Establishment of Capital Markets Authority and its Executive Regulations and related instructions, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, have occurred during the three month period ended 31 March 2023, that might have had a material effect on the business of the Group or on its interim condensed consolidated financial position.



Qais M. Al Nisf
License No. 38 "A"
BDO Al Nisf & Partners

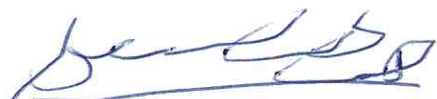
Kuwait: 2 May 2023

**Kuwait Portland Cement Co. K.P.S.C.
and its Subsidiary
State of Kuwait**

**Interim Condensed Consolidated Statement of Financial Position (Unaudited)
As at 31 March 2023**

		31 March 2023	(Audited) 31 December 2022	31 March 2022
	Notes	KD	KD	KD
Assets				
Non-current assets				
Property, plant and equipment		6,454,269	6,789,296	6,158,434
Investment in an associate	4	2,711,256	2,707,103	3,557,343
Financial assets at fair value through other comprehensive income	5	34,166,005	32,146,248	34,733,253
		<u>43,331,530</u>	<u>41,642,647</u>	<u>44,449,030</u>
Current assets				
Trade and other receivables	6	28,130,103	28,930,288	24,025,586
Inventories	7	7,169,788	7,587,082	11,430,847
Financial assets at fair value through profit or loss	8	12,724,593	13,039,284	18,767,841
Cash and cash equivalents	9	8,529,920	8,175,000	8,444,054
		<u>56,554,404</u>	<u>57,731,654</u>	<u>62,668,328</u>
Total assets		<u>99,885,934</u>	<u>99,374,301</u>	<u>107,117,358</u>
Equity and liabilities				
Equity				
Capital		10,022,196	10,022,196	10,022,196
Statutory reserve		10,022,196	10,022,196	10,022,196
Voluntary reserve		10,022,196	10,022,196	10,022,196
General reserve		2,500,000	2,500,000	2,500,000
Treasury shares reserve		544,943	544,943	544,943
Change in fair value reserve		8,822,897	8,968,635	20,528,752
Retained earnings		38,226,238	36,424,992	28,798,725
Total equity		<u>80,160,666</u>	<u>78,505,158</u>	<u>82,439,008</u>
Liabilities				
Non-current liabilities				
Provision for employees' end of service indemnity		4,981,048	5,046,806	6,302,567
		<u>4,981,048</u>	<u>5,046,806</u>	<u>6,302,567</u>
Current liabilities				
Trade and other payables	10	13,837,481	14,882,119	17,648,942
Dividends payable		906,739	940,218	726,841
		<u>14,744,220</u>	<u>15,822,337</u>	<u>18,375,783</u>
Total liabilities		<u>19,725,268</u>	<u>20,869,143</u>	<u>24,678,350</u>
Total equity and liabilities		<u>99,885,934</u>	<u>99,374,301</u>	<u>107,117,358</u>

The accompanying notes from pages 7 to 15 form an integral part of the interim condensed consolidated financial information.


Ahmed Mahmoud Issa Al-Asfoor
Chairman



**Kuwait Portland Cement Co. K.P.S.C.
and its Subsidiary
State of Kuwait**

Interim Condensed Consolidated Statement of Profit or Loss (Unaudited)
For the three month period ended 31 March 2023

	Note	Three months ended 31 March	
		2023 KD	2022 KD
Revenues			
Sales		39,764,916	32,913,877
Cost of sales		(37,115,415)	(31,916,009)
Gross profit		2,649,501	997,868
Unrealized (losses) / profits from financial assets at fair value through profit or loss		(451,118)	2,328,788
Realized profits on sale of financial assets at fair value through profit or loss		186	124,426
Share of associate's business results		4,153	(202,675)
Other revenues		725,643	591,929
Total revenues		2,928,365	3,840,336
Expenses and other charges			
General and administrative expenses		(643,417)	(558,835)
Distribution expenses		(212,881)	(128,631)
Allowance for doubtful accounts		-	(750,000)
Profit for the period before KFAS, NLST, Zakat and Directors' remuneration		2,072,067	2,402,870
Contribution to Kuwait Foundation for the Advancement of Sciences		(20,679)	(24,029)
National Labour Support Tax		(51,795)	(101,970)
Zakat		(20,718)	(40,788)
Board of Directors' remuneration		(65,000)	(65,000)
Profit for the period		1,913,875	2,171,083
Basic earnings per share (fils)	11	19.10	21.66

The accompanying notes from pages 7 to 15 form an integral part of the interim condensed consolidated financial information.



**Kuwait Portland Cement Co. K.P.S.C.
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**Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
(Unaudited)**

For the three month period ended 31 March 2023

	Three months ended 31 March	
	2023	2022
	KD	KD
Profit for the period	<u>1,913,875</u>	<u>2,171,083</u>
(Other comprehensive loss) / other comprehensive income items <i>Items that can not be reclassified subsequently in the interim condensed consolidated statement of profit or loss:</i>		
Change in fair value of financial assets at fair value through other comprehensive income	<u>(145,738)</u>	<u>5,764,406</u>
(Other comprehensive loss) / other comprehensive income for the period	<u>(145,738)</u>	<u>5,764,406</u>
Total comprehensive income for the period	<u>1,768,137</u>	<u>7,935,489</u>

The accompanying notes from pages 7 to 15 form an integral part of the interim condensed consolidated financial information.



**Kuwait Portland Cement Co. K.P.S.C.
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Interim condensed consolidated statement of changes in equity (unaudited)
For the three month period ended 31 March 2023

	Capital KD	Statutory reserve KD	Voluntary reserve KD	Reserve General KD	Treasury shares reserve KD	Change of fair value reserve KD	Retained earnings KD	Total equity KD
Balance as at 31 December 2021	10,022,196	10,022,196	10,022,196	2,500,000	544,943	14,764,346	26,627,642	74,503,519
Total comprehensive income for the period	-	-	-	-	-	5,764,406	2,171,083	7,935,489
Balance as at 31 March 2022	<u>10,022,196</u>	<u>10,022,196</u>	<u>10,022,196</u>	<u>2,500,000</u>	<u>544,943</u>	<u>20,528,752</u>	<u>28,798,725</u>	<u>82,439,008</u>
Balance as at 31 December 2022	10,022,196	10,022,196	10,022,196	2,500,000	544,943	8,968,635	36,424,992	78,505,158
Total comprehensive (loss)/income for the period	-	-	-	-	-	(145,738)	1,913,875	1,768,137
Realised loss on sale of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	(112,629)	(112,629)
Balance as at 31 March 2023	<u>10,022,196</u>	<u>10,022,196</u>	<u>10,022,196</u>	<u>2,500,000</u>	<u>544,943</u>	<u>8,822,897</u>	<u>38,226,238</u>	<u>80,160,666</u>

The accompanying notes from pages 7 to 15 form an integral part of the interim condensed consolidated financial information.

**Kuwait Portland Cement Co. K.P.S.C.
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Interim Condensed Consolidated Statement of Cash Flows (Unaudited)
For the three month period ended 31 March 2023

	Three months ended 31 March	
	2023	2022
	KD	KD
Operating activities		
Net profit for the period	1,913,875	2,171,083
<i>Adjustments to:</i>		
Depreciation	382,871	384,097
Unrealized loss / (profit) from assets at fair value through profit or loss	451,118	(2,328,788)
Profit on sale of assets at fair value through profit or loss	(186)	(124,426)
Share in associate's business results	(4,153)	202,675
Allowance for doubtful accounts	-	750,000
Provision for employees' end of service indemnity no longer required	(82,988)	-
Provision for employees' end of service indemnity	29,099	930,421
	<u>2,689,636</u>	<u>1,985,062</u>
<i>Movements in working capital:</i>		
Trade and other receivables	800,185	(3,771,575)
Inventories	417,294	(4,162,518)
Trade and other payables	(1,044,638)	8,425,144
<i>Cash from operations</i>	<u>2,862,477</u>	<u>2,476,113</u>
Payment of employees' end of service indemnity provision	(11,869)	(4,480)
<i>Net cash from operating activities</i>	<u>2,850,608</u>	<u>2,471,633</u>
Investing activities		
Paid for purchase of property, machinery and equipment	(47,844)	(329,159)
Assets at fair value through other comprehensive income	(2,278,124)	-
Financial assets at fair value through profit or loss	(136,241)	(1,266,983)
<i>Net cash used in investing activities</i>	<u>(2,462,209)</u>	<u>(1,596,142)</u>
Financing activities		
Dividends payments	(33,479)	(37,438)
<i>Net cash used in financing activities</i>	<u>(33,479)</u>	<u>(37,438)</u>
Net increase in cash and cash equivalents	354,920	838,053
Cash and cash equivalents at beginning of the period	8,175,000	7,606,001
Cash and cash equivalents at end of the period (Note 9)	<u>8,529,920</u>	<u>8,444,054</u>

The accompanying notes from pages 7 to 15 form an integral part of the interim condensed consolidated financial information.

**Kuwait Portland Cement Co. K.P.S.C.
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Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
For the three month period ended 31 March 2023

1. General Information

Kuwait Portland Cement Company K.P.S.C. ("the Parent Company") was incorporated on 7 July 1976 in Kuwait as per Memorandum of Incorporation No. 966, Volume 2, and was listed in Boursa Kuwait on 1 April 1995. The latest amendment to the Parent Company's Memorandum of Incorporation and Articles of Association was dated 16 May 2022 to amend number of board members to become 10 members instead of 9 members and to add a new article on allowing the Parent Company to practice the following new activity:

Recycling of solid building materials and any other materials related to building materials and waste.

Registration of such amendment in the commercial register was done on 6 June 2022 under No. 24170.

The principal activities of the Parent Company are as follows:

- Trading by import & export in bulk cement and packaging of the different types of cement.
- Constructing, operating, leasing, and renting of stores and silos necessary for the supply and distribution of the different types of cement.
- Acquisition of the means of transportation for that purpose.
- Utilizing the financial surpluses of the Parent Company by investing them in portfolios by specialized companies and entities.
- Manufacturing and marketing of readymade concrete
- Purchasing and importing raw materials, machines and vehicles related to the Group's purposes.
- Acquisition of movables and real estates related to the Group's purposes.
- Activity of aggregate import, trade and sale and acquisition of its equipment, means of transportation and crushers.
- Activity related to sand (Quarries) and acquisition of its equipment and means of transportation.
- Recycling of solid building materials and any other materials related to building materials and waste.

The address of the Parent Company's registered office is P.O. Box, 42191-70652, Shuwaikh, State of Kuwait.

The interim condensed consolidated financial information of Kuwait Portland Cement Company K.S.C. (Public) and its subsidiary (the Group) for the period ended 31 March 2023 were authorized for issue by the Parent Company's Board of Directors on 2 May 2023.

2. Basis of preparation

This interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The interim condensed consolidated financial information does not include all the information and disclosures required for complete annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS). In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for fair presentation have been included.

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Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
For the three month period ended 31 March 2023

2. Basis of preparation (Continued)

Operating results for the three-month period ended 31 March 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023. For further information, please refer to the annual audited consolidated financial statements of the Group for the year ended 31 December 2022.

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

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those adopted in the preparation of the annual consolidated financial statements of the Group for the financial year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any standard, interpretation or amendment that was issued but not yet effective.

Several amendments are applied for the first time in 2023, but they do not have an impact on the interim condensed consolidated financial information of the Group.

IFRS 17: Insurance Contracts

In May 2017, IASB issued IFRS (17) Insurance Contracts, which is a new comprehensive accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adoption for contracts with direct participation features (Variable fee approach).
- A simplified approach (premium allocation approach) mainly for short duration contracts.

This standard is not expected to have any impact on the Group's interim condensed consolidated financial information.

Definition of Accounting Estimates - Amendments to IAS (8)

The amendments to IAS (8) clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

This standard is not expected to have any impact on the Group's interim condensed consolidated financial information.

2. Basis of preparation (Continued)

New standards, interpretations and amendments adopted by the Group (Continued)

Disclosure of Accounting Policies - Amendments to IAS (1) and IFRS Practice Statement (2)

Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

This standard is not expected to have any impact on the Group's interim condensed consolidated financial information, but may affect the disclosures of accounting policies in the Group's consolidated financial statements.

3. Use of judgements and estimates

In preparation of the interim condensed consolidated financial information, the management made judgments and estimates that may affect the adoption of accounting policies and the reported amounts of assets and liabilities, revenues and expenses. Actual results may differ from these estimates.

The significant judgements made by management in adoption of the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements, except for new significant judgements and key sources of estimation uncertainty related to the application of IFRS 15 and IFRS 9, which were described below.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the group's chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the group audit committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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3. Use of judgements and estimates (Continued)

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further details about the assumptions made in measuring fair value are included in Note 14.

4. Investment in an associate

Movement in investment in an associate is as follows:

	31 March 2023	(Audited) 31 December 2022	31 March 2022
	KD	KD	KD
Balance at beginning of the year	2,707,103	3,760,018	3,760,018
Group's share in associates' business results	4,153	(152,915)	(202,675)
Impairment losses in an associate	-	(900,000)	-
Net carrying amount at end of the period / year	<u>2,711,256</u>	<u>2,707,103</u>	<u>3,557,343</u>

The financial statements prepared by the management were relied upon in calculating the group's share of the results of the operations of the associate Company for the period ending on March 31, 2023.

5. Financial assets at fair value through other comprehensive income

	31 March 2023	(Audited) 31 December 2022	31 March 2022
	KD	KD	KD
Quoted financial assets	34,066,005	32,046,248	34,615,253
Unquoted financial assets	100,000	100,000	118,000
	<u>34,166,005</u>	<u>32,146,248</u>	<u>34,733,253</u>

6. Trade and other receivables

	31 March 2023	(Audited) 31 December 2022	31 March 2022
	KD	KD	KD
Trade receivables	32,931,650	33,816,269	29,767,681
Allowance for doubtful accounts	<u>(5,513,921)</u>	<u>(5,513,921)</u>	<u>(6,263,921)</u>
	27,417,729	28,302,348	23,503,760
Prepayments	95,703	126,151	108,393
Other receivables	616,671	501,789	413,433
	<u>28,130,103</u>	<u>28,930,288</u>	<u>24,025,586</u>

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Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
For the three month period ended 31 March 2023

7. Inventories

	31 March 2023	(Audited) 31 December 2022	31 March 2022
	KD	KD	KD
Raw materials	361,857	449,713	373,959
Cement	1,189,687	845,390	816,593
Steel	3,358,717	3,006,554	7,238,901
Spare parts	628,591	723,250	447,986
Goods in transit	1,049,331	1,779,752	1,579,732
Cement sacks	111,495	129,852	17,665
Aggregate	497,811	680,272	983,712
	<u>7,197,489</u>	<u>7,614,783</u>	<u>11,458,548</u>
Provision of slow moving inventories	(27,701)	(27,701)	(27,701)
	<u>7,169,788</u>	<u>7,587,082</u>	<u>11,430,847</u>

8. Financial assets at fair value through profit or loss

	31 March 2023	(Audited) 31 December 2022	31 March 2022
	KD	KD	KD
Local quoted financial assets	11,201,055	11,515,932	15,634,672
Local unquoted financial assets	1,462,002	1,462,002	3,059,000
Foreign quoted financial assets	5,789	5,603	18,422
Foreign unquoted financial assets	55,747	55,747	55,747
	<u>12,724,593</u>	<u>13,039,284</u>	<u>18,767,841</u>

9. Cash and cash equivalents

	31 March 2023	(Audited) 31 December 2022	31 March 2022
	KD	KD	KD
Cash on hand	179,999	191,007	100,844
Bank balances	5,016,692	2,236,400	8,055,595
Cash at investment portfolios	3,333,229	5,747,593	287,615
	<u>8,529,920</u>	<u>8,175,000</u>	<u>8,444,054</u>

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Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
For the three month period ended 31 March 2023

10. Trade and other payables

	31 March 2023	(Audited) 31 December 2022	31 March 2022
	KD	KD	KD
Trade payables	11,243,348	12,357,295	15,130,759
Accrued expenses	1,242,561	1,303,622	867,486
Accrued leaves	734,914	762,736	756,333
Contribution to Kuwait Foundation for the Advancement of Sciences	75,469	54,790	100,935
National Labour Support Tax	154,421	102,626	334,592
Zakat	61,768	41,050	133,837
Board of Directors' remuneration	325,000	260,000	325,000
	<u>13,837,481</u>	<u>14,882,119</u>	<u>17,648,942</u>

11. Basic earnings per share (fils)

Basic earnings per share are calculated by dividing net profit for the period by the weighted average number of shares:

	Three months ended 31 March	
	2023	2022
Profit for the period – KD	1,913,875	2,171,083
Weighted average number of outstanding shares (shares)	100,221,960	100,221,960
Basic earnings per share (fils)	19.10	21.66

12. Related party transactions

Related party transactions primarily comprise of subsidiaries, significant shareholders, directors and key management personnel of the Group, and entities of which they are principal owners. All related party transactions are carried out on terms approved by the Group's management.

Related parties transactions included in the interim condensed consolidated financial information were as follows:

	Three months ended 31 March	
	2023	2022
	KD	KD
Interim condensed consolidated statement of profit or loss:		
<i>Staff and executive managers:</i>		
Salaries and other benefits	186,512	185,038
Board of Directors' remuneration	65,000	65,000

**Kuwait Portland Cement Co. K.P.S.C.
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Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
For the three month period ended 31 March 2023

13. Segment information

IFRS 8 requires that operating segments to be identified based on the internal reports of Group segments which are regularly reviewed by the chief decision maker so as to evaluate their performance. The Parent Company's management has classified the Group's products and services into the following operational segments according to the IFRS 8: "Operating Segments":

- Cement, steel, aggregate and ready mix.
- Investments.

Below is the analysis of income and profit of segments as disclosed:

	Operating segments revenues		Operating segments net profit	
	Three months ended 31 March		Three months ended 31 March	
	2023	2022	2023	2022
	KD	KD	KD	KD
Cement, steel, aggregate and Investments	39,764,916	32,913,877	2,649,501	997,868
	-	-	(446,779)	2,250,539
Total for operations	39,764,916	32,913,877	2,202,722	3,248,407
Unallocated income			725,643	591,929
General, administrative and Allowances for doubtful			(856,298)	(687,466)
Withholdings and tax			-	(750,000)
Directors' remuneration			(93,192)	(166,787)
Net profit for the period			(65,000)	(65,000)
			<u>1,913,875</u>	<u>2,171,083</u>

For the purposes of monitoring segment performance and allocating resources between segments, the segment assets and liabilities are as follows:

	31 March 2023	(Audited) 31 December 2022	31 March 2022
	KD	KD	KD
	Assets		
Cement, steel, aggregate and ready mix	50,284,080	51,481,666	53,616,264
Investments	49,601,854	47,892,635	53,501,094
	<u>99,885,934</u>	<u>99,374,301</u>	<u>107,117,358</u>
Liabilities			
Cement, steel, aggregate and ready mix	18,818,529	19,928,925	23,951,509
Unallocated	906,739	940,218	726,841
	<u>19,725,268</u>	<u>20,869,143</u>	<u>24,678,350</u>

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14. Fair value measurement

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

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

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

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

31 March 2023	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
	KD	KD	KD
<i>Financial assets at fair value through other comprehensive income</i>			
Quoted equities	34,066,005		34,066,005
Unquoted equities	-	100,000	100,000
Total	<u>34,066,005</u>	<u>100,000</u>	<u>34,166,005</u>
<i>Financial assets at fair value through profit or loss</i>			
Quoted equities	11,206,844	-	11,206,844
Unquoted equities	-	1,517,749	1,517,749
Total	<u>11,206,844</u>	<u>1,517,749</u>	<u>12,724,593</u>
31 December 2022			
	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
	KD	KD	KD
<i>Financial assets at fair value through other comprehensive income</i>			
Quoted equities	32,046,248	-	32,046,248
Unquoted equities	-	100,000	100,000
Total	<u>32,046,248</u>	<u>100,000</u>	<u>32,146,248</u>
<i>Financial assets at fair value through profit or loss</i>			
Quoted equities	11,521,535	-	11,521,535
Unquoted equities	-	1,517,749	1,517,749
Total	<u>11,521,535</u>	<u>1,517,749</u>	<u>13,039,284</u>

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14. Fair value measurement (Continued)

31 March 2022	Level 1	Level 3	Total
	KD	KD	KD
<i>Financial assets at fair value through other comprehensive income</i>			
Quoted equities	34,615,253	-	34,615,253
Unquoted equities	-	118,000	118,000
Total	<u>34,615,253</u>	<u>118,000</u>	<u>34,733,253</u>
<i>Financial assets at fair value through profit or loss</i>			
Quoted equities	15,653,094	-	15,653,094
Unquoted equities	-	3,114,747	3,114,747
Total	<u>15,653,094</u>	<u>3,114,747</u>	<u>18,767,841</u>

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Valuation of unquoted equity investments classified under level 3 is normally based on price to book value technique, dividend yield method and external valuations with marketability discount provided in the range of 10% to 50%.

15. Contingent liabilities

	31 March	(Audited)	31 March
	2023	31 December	2022
	KD	KD	KD
Letters of guarantee	<u>32,040,433</u>	<u>32,040,433</u>	<u>43,386,633</u>

16. General Assembly of Shareholders

On 2 May 2023, the Parent Company's shareholders' general assembly meeting was held and decided the following:

- Approval of the consolidated financial statements for the financial year ended 31 December 2022.
- Approval of the distribution of cash dividends at 70% of the capital, at 70 fils per share, with a total amount of KD 7,015,495, for shareholders registered on the maturity date 17 May 2023 (distributing cash dividends at 70% of the capital, at 70 fils per share, for the year ended 31 December 2021).
- Approval of Board of Directors' remuneration of KD 260,000.