

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

**Interim Condensed Consolidated Financial Information (Unaudited)**  
And Review Report for the Six Month Period Ended 30 June 2023

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

**Interim Condensed Consolidated Financial Information (Unaudited)**  
And Review Report for the Six Month Period Ended 30 June 2023

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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 30 June 2023, and the interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the six month period then ended. 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 the Organization of Securities Activity 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 six month period ended 30 June 2023, that might have had a material effect on the business of the Group or on its interim condensed consolidated financial position.



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

**Kuwait: 3 August 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 30 June 2023**

		30 June 2023	(Audited) 31 December 2022	30 June 2022
	Notes	KD	KD	KD
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	9,870,374	6,789,296	5,911,042
<b>Investment in an associate</b>	5	2,682,899	2,707,103	3,576,911
Financial assets at fair value through other comprehensive income	6	<u>33,189,696</u>	<u>32,146,248</u>	<u>30,361,638</u>
		<u>45,742,969</u>	<u>41,642,647</u>	<u>39,849,591</u>
<b>Currents assets</b>				
Trade and other receivables		27,009,207	28,930,288	22,943,294
Financial assets at fair value through profit or loss	7	14,185,864	13,039,284	13,807,576
Inventories		9,160,604	7,587,082	7,930,333
Cash and cash equivalents	8	<u>2,602,488</u>	<u>8,175,000</u>	<u>7,455,242</u>
		<u>52,958,163</u>	<u>57,731,654</u>	<u>52,136,445</u>
<b>Total assets</b>		<u>98,701,132</u>	<u>99,374,301</u>	<u>91,986,036</u>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share 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		7,858,349	8,968,635	16,176,018
Retained earnings		<u>32,852,850</u>	<u>36,424,992</u>	<u>22,186,429</u>
<b>Total equity</b>		<u>73,822,730</u>	<u>78,505,158</u>	<u>71,473,978</u>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Provision for employees' end of service indemnity		<u>5,121,643</u>	<u>5,046,806</u>	<u>6,645,166</u>
<b>Current liabilities</b>				
Trade and other payables	9	14,135,507	14,882,119	12,890,379
Dividends payable		1,123,866	940,218	976,513
Financing from third party	10	<u>4,497,386</u>	<u>-</u>	<u>-</u>
		<u>19,756,759</u>	<u>15,822,337</u>	<u>13,866,892</u>
<b>Total liabilities</b>		<u>24,878,402</u>	<u>20,869,143</u>	<u>20,512,058</u>
<b>Total equity and liabilities</b>		<u>98,701,132</u>	<u>99,374,301</u>	<u>91,986,036</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



**Khalifa Hamoud Al Ghanim**  
CEO and Board Member



**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 six month period ended 30 June 2023

	Three months ended 30 June		Six months ended 30 June	
	2023 KD	2022 KD	2023 KD	2022 KD
<b>Revenues</b>				
Sales	29,910,454	20,855,240	69,675,370	53,769,117
Cost of sales	(28,942,789)	(20,799,895)	(66,058,204)	(52,715,904)
Gross profit	967,665	55,345	3,617,166	1,053,213
Unrealized profit / (loss) from financial assets at fair value through profit or loss	67,615	(1,761,636)	(383,503)	567,152
Loss / profit from sale of financial assets at fair value through profit or loss	(200,220)	191,314	(200,034)	315,740
Share of associate's business results	-	19,568	4,153	(183,107)
Interest income	552	1,183	552	1,183
Dividends income	908,397	1,213,883	908,397	1,213,883
Loss from foreign exchange	-	2,364	-	2,364
Other revenues	531,747	424,056	1,257,390	1,015,985
<b>Total revenues</b>	<b>2,275,756</b>	<b>146,077</b>	<b>5,204,121</b>	<b>3,986,413</b>
<b>Expenses and other charges</b>				
General and administrative expenses	(319,407)	(351,117)	(962,824)	(909,952)
Distribution expenses	(160,448)	(118,586)	(373,329)	(247,217)
Finance costs	(10,626)	-	(10,626)	-
Provision for doubtful debts no longer required	-	750,000	-	-
<b>Profit for the period before KFAS, NLST, Zakat and Directors' remuneration</b>	<b>1,785,275</b>	<b>426,374</b>	<b>3,857,342</b>	<b>2,829,244</b>
Contribution to Kuwait Foundation for the Advancement of Sciences	(17,894)	(4,068)	(38,573)	(28,097)
National Labour Support Tax	(23,800)	30,362	(75,595)	(71,608)
Zakat	(9,520)	12,145	(30,238)	(28,643)
Board of Directors' remuneration	(65,000)	(65,000)	(130,000)	(130,000)
<b>Net profit for the period</b>	<b>1,669,061</b>	<b>399,813</b>	<b>3,582,936</b>	<b>2,570,896</b>
<b>Basic earnings per share (fils) (Note 11)</b>	<b>16.65</b>	<b>3.99</b>	<b>35.75</b>	<b>25.65</b>

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.  
and its Subsidiary  
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**Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income  
(Unaudited)**

For the six month period ended 30 June 2023

	Three months ended		Six months ended	
	30 June		30 June	
	2023	2022	2023	2022
	KD	KD	KD	KD
<b>Profit for the period</b>	<u>1,669,061</u>	<u>399,813</u>	<u>3,582,936</u>	<u>2,570,896</u>
Items of other comprehensive (loss) / income:				
<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>(964,548)</u>	<u>(4,421,293)</u>	<u>(1,110,286)</u>	<u>1,343,113</u>
Other comprehensive (loss) / income for the period	<u>(964,548)</u>	<u>(4,421,293)</u>	<u>(1,110,286)</u>	<u>1,343,113</u>
Total comprehensive income /(loss) for the period	<u>704,513</u>	<u>(4,021,480)</u>	<u>2,472,650</u>	<u>3,914,009</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 six month period ended 30 June 2023

	Share capital KD	Statutory reserve KD	Voluntary reserve KD	Reserve General KD	Treasury shares reserve KD	Change in 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	-	-	-	-	-	1,343,113	2,570,896	3,914,009
Transferred to retained earnings due to sale of financial assets at fair value through other comprehensive income	-	-	-	-	-	68,559	(68,559)	-
Realized profit on sale of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	71,940	71,940
Cash dividends	-	-	-	-	-	-	(7,015,490)	(7,015,490)
<b>Balance as at 30 June 2022</b>	<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>16,176,018</u>	<u>22,186,429</u>	<u>71,473,978</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 income for the period	-	-	-	-	-	(1,110,286)	3,582,936	2,472,650
Realised loss on sale of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	(139,588)	(139,588)
Cash dividends	-	-	-	-	-	-	(7,015,490)	(7,015,490)
<b>Balance as at 30 June 2023</b>	<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>7,858,349</u>	<u>32,852,850</u>	<u>73,822,730</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 six month period ended 30 June 2023

	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	KD	KD
<b>Operating activities</b>		
Net profit for the period	3,582,936	2,570,896
<i>Adjustments to:</i>		
Depreciation	985,519	675,174
Unrealized loss / (profit) from financial assets at fair value through profit or loss	383,503	(567,152)
Realized loss / (profit) on sale of assets at fair value through profit or loss	200,034	(315,740)
Share of associate's business results	(4,153)	183,107
Dividends income	(908,397)	(1,213,883)
Finance costs	10,626	-
Provision for employees' end of service indemnity	137,218	1,276,764
	<u>4,387,286</u>	<u>2,609,166</u>
<i>Movements in working capital:</i>		
Trade and other receivables	3,184,085	(1,939,283)
Inventories	(1,573,522)	(662,004)
Trade and other payables	(746,612)	3,666,581
<i>Cash from operations</i>	<u>5,251,237</u>	<u>3,674,460</u>
Payment of employees' end of service indemnity provision	(62,381)	(8,224)
<i>Net cash from operating activities</i>	<u>5,188,856</u>	<u>3,666,236</u>
<b>Investing activities</b>		
Paid for purchase of property, machinery and equipment	(631,597)	(372,844)
Financial assets at fair value through other comprehensive income	(2,293,322)	22,262
Financial assets at fair value through profit or loss	(3,634,799)	2,122,960
Proceeds from dispose of part of investment in an associate	28,357	-
Dividends income received	908,397	1,213,883
<i>Net cash (used in) / generated from investing activities</i>	<u>(5,622,964)</u>	<u>2,986,261</u>
<b>Financing activities</b>		
Financing from third party	1,704,064	-
Dividends payments	(6,831,842)	(6,803,256)
Finance costs paid	(10,626)	-
<i>Net cash used in financing activities</i>	<u>(5,138,404)</u>	<u>(6,803,256)</u>
Net decrease in cash and cash equivalents	(5,572,512)	(150,759)
Cash and cash equivalents at beginning of the period	8,175,000	7,606,001
<b>Cash and cash equivalents at end of the period (Note 8)</b>	<u>2,602,488</u>	<u>7,455,242</u>
<b>Non-cash transactions:</b>		
Trade and other receivables	(631,502)	-
Property, plant and equipment	(3,435,000)	-
Financial assets at fair value through profit or loss	1,273,180	-
Financing from third party	2,793,322	-

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.  
and its Subsidiary  
State of Kuwait**

**Notes to the Interim Condensed Consolidated Financial Information (Unaudited)**  
For the six month period ended 30 June 2023

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**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 30 June 2023 were authorized for issue by the Parent Company's board of directors on 3 August 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.

**Kuwait Portland Cement Co. K.P.S.C.  
and its Subsidiary  
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**Notes to the Interim Condensed Consolidated Financial Information (Unaudited)**

For the six month period ended 30 June 2023

**2. Basis of preparation (Continued)**

Operating results for the six month period ended 30 June 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.
- Definition of Accounting Estimates - Amendments to IAS (8).
- Disclosure of Accounting Policies - Amendments to IAS (1) and IFRS Practice Statement (2)

**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 adopting 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.

**4. Property, plant and equipment**

	<b>30 June 2023</b>	<b>(Audited) 31 December 2022</b>	<b>30 June 2022</b>
	KD	KD	KD
Carrying amount as at beginning of the period / year	6,789,296	6,213,372	6,213,372
Additions	4,066,597	1,586,724	372,844
Disposals	(16,750)	(53,460)	-
Depreciation charged during the period/year	(985,519)	(997,785)	(675,174)
Depreciation related to disposals	16,750	40,445	-
Carrying amount as at the end of the period / year	<u>9,870,374</u>	<u>6,789,296</u>	<u>5,911,042</u>

The additions include buildings with a value of KD 3,435,000 that the Parent Company acquired according to a final ruling in its favor (Note 16), which is registered in the name of a local bank against an ijarah contract with a promise to ownership (Note 10).



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**Notes to the Interim Condensed Consolidated Financial Information (Unaudited)**  
For the six month period ended 30 June 2023

**5. Investment in an associate**

Movement in investment in an associate is as follows:

	<b>30 June 2023</b>	<b>(Audited) 31 December 2022</b>	<b>30 June 2022</b>
	KD	KD	KD
Balance at beginning of the period/year	2,707,103	3,760,018	3,760,018
Group's share in associates' business results	4,153	(152,915)	(183,107)
Disposals	(28,357)	-	-
Impairment losses in an associate	-	(900,000)	-
Net carrying amount at end of the period / year	<u>2,682,899</u>	<u>2,707,103</u>	<u>3,576,911</u>

Financial statements prepared by the management were relied on in calculating the Group's share of the results of the operations of an associate company.

The Group made a partial sale of its investment in the associate for an amount of KD 28,357, and the sale price was determined at the same carrying amount and did not result in any profit or loss.

During the subsequent period, the investment in an associate was reclassified to financial assets at fair value through other comprehensive income, as the Parent Company lost significant influence as a result of the resignation of its representative from the membership of the board of directors of the associate.

**6. Financial assets at fair value through other comprehensive income**

	<b>30 June 2023</b>	<b>(Audited) 31 December 2022</b>	<b>30 June 2022</b>
	KD	KD	KD
Quoted financial assets	33,089,696	32,046,248	30,261,638
Unquoted financial assets	100,000	100,000	100,000
	<u>33,189,696</u>	<u>32,146,248</u>	<u>30,361,638</u>

**7. Financial assets at fair value through profit or loss**

	<b>30 June 2023</b>	<b>(Audited) 31 December 2022</b>	<b>30 June 2022</b>
	KD	KD	KD
Local quoted financial assets	13,935,400	11,515,932	10,675,271
Local unquoted financial assets	188,822	1,462,002	3,059,000
Foreign quoted financial assets	5,895	5,603	17,558
Foreign unquoted financial assets	55,747	55,747	55,747
	<u>14,185,864</u>	<u>13,039,284</u>	<u>13,807,576</u>

**Kuwait Portland Cement Co. K.P.S.C.  
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**Notes to the Interim Condensed Consolidated Financial Information (Unaudited)**  
For the six month period ended 30 June 2023

**8. Cash and cash equivalents**

	<b>30 June 2023</b>	<b>(Audited) 31 December 2022</b>	<b>30 June 2022</b>
	KD	KD	KD
Cash on hand	206,600	191,007	296,858
Bank balances	1,861,684	2,236,400	3,184,929
Cash at investment portfolios	534,204	5,747,593	3,973,455
	<u>2,602,488</u>	<u>8,175,000</u>	<u>7,455,242</u>

**9. Trade and other payables**

	<b>30 June 2023</b>	<b>(Audited) 31 December 2022</b>	<b>30 June 2022</b>
	KD	KD	KD
Trade payables	11,997,697	12,357,295	11,018,472
Accrued expenses	876,246	1,303,622	875,915
Accrued leaves	788,692	762,736	737,644
Contribution to Kuwait Foundation for the Advancement of Sciences	93,363	54,790	28,097
National Labour Support Tax	178,221	102,626	71,608
Zakat	71,288	41,050	28,643
Board of Directors' remuneration	130,000	260,000	130,000
	<u>14,135,507</u>	<u>14,882,119</u>	<u>12,890,379</u>

**10. Financing from third party**

	<b>30 June 2023</b>	<b>(Audited) 31 December 2022</b>	<b>30 June 2022</b>
	KD	KD	KD
Ijarah contract (a)	2,793,322	-	-
Bank facilities (b)	1,704,064	-	-
	<u>4,497,386</u>	<u>-</u>	<u>-</u>

Financing from third party is as follows:

- a- Ijarah contract with a promise to ownership in exchange for buildings at a value of KD 3,435,000 (Note 4) and due on 30 September 2023, is as follows:

	<b>30 June 2023</b>	<b>(Audited) 31 December 2022</b>	<b>30 June 2022</b>
	KD	KD	KD
Ijarah liability	2,750,000	-	-
Costs charged to ijarah contract	43,322	-	-
	<u>2,793,322</u>	<u>-</u>	<u>-</u>



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**Notes to the Interim Condensed Consolidated Financial Information (Unaudited)**  
For the six month period ended 30 June 2023

**10. Financing from third party (Continued)**

b- Bank facilities represented in overdrafts granted by a local bank that are due within one year and carry an interest rate of 1.5% per annum over Central Bank of Kuwait discount rate.

**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 30 June		Six months ended 30 June	
	2023	2022	2023	2022
Loss for the period (KD)	1,669,061	399,813	3,582,936	2,570,896
Weighted average number of outstanding shares (shares)	100,221,960	100,221,960	100,221,960	100,221,960
<b>Basic earnings per share (fils)</b>	<b>16.65</b>	<b>3.99</b>	<b>35.75</b>	<b>25.65</b>

**12. Related party transactions**

Related parties mainly consist of major shareholders, directors and key management personnel, Board members of the Group and entities controlled or significantly influenced by such parties. 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 30 June		Six months ended 30 June	
	2023	2022	2023	2022
	KD	KD	KD	KD
<b>Interim condensed consolidated statement of profit or loss:</b>				
<i>Staff and executive managers:</i>				
Salaries and other benefits	185,038	185,038	370,076	370,076
Directors' remuneration	65,000	65,000	130,000	130,000

**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.



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**14. Fair value measurement (Continued)**

- 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:

<b>30 June 2023</b>	<u><b>Level 1</b></u>	<u><b>Level 3</b></u>	<u><b>Total</b></u>
	KD	KD	KD
<i>Financial assets at fair value through profit or loss</i>			
Quoted equities	13,941,295	-	13,941,295
Unquoted equities	-	244,569	244,569
<i>Financial assets at fair value through other comprehensive income</i>			
Quoted equities	33,089,696	-	33,089,696
Unquoted equities	-	100,000	100,000
<b>31 December 2022</b>	<u><b>Level 1</b></u>	<u><b>Level 3</b></u>	<u><b>Total</b></u>
	KD	KD	KD
<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
<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
<b>30 June 2022</b>	<u><b>Level 1</b></u>	<u><b>Level 3</b></u>	<u><b>Total</b></u>
	KD	KD	KD
<i>Financial assets at fair value through profit or loss</i>			
Quoted equities	10,692,829	-	10,692,829
Unquoted equities	-	3,114,747	3,114,747
<i>Financial assets at fair value through other comprehensive income</i>			
Quoted equities	30,261,638	-	30,261,638
Unquoted equities	-	100,000	100,000



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**Notes to the Interim Condensed Consolidated Financial Information (Unaudited)**

For the six month period ended 30 June 2023

**14. Fair value measurement (Continued)**

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 the Group's 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.

**15. Contingent liabilities**

	<b>30 June 2023</b>	<b>(Audited) 31 December 2022</b>	<b>30 June 2022</b>
	KD	KD	KD
Letters of guarantee	32,040,433	32,040,433	43,386,633

**16. Lawsuits and claims**

During the period, an appeal judgment was issued in favor of the Parent Company in the amount of KD 1,273,180 related to a claim for the value of a real estate portfolio and its returns, after the court deducted the value of two real estate owned by a Kuwaiti bank from the dues of the aforementioned Company, charged with indebtedness to the bank, and this judgment is being appealed by cassation to claim the rest of the dues.

The effect of the above ruling is as follows:

	<b>30 June 2023</b>
	KD
Total due to the Parent Company according to the issued ruling	1,273,180
Addition to leased real estate properties based on valuation from an accredited valuer to property, plant and equipment (Note 4)	3,435,000
Addition to indebtedness represented in ijarah contract (Note 10)	(2,793,322)
Total amount of recoveries from financial assets at fair value through profit or loss	641,678
The residual of the total balance of the real estate portfolio within financial assets at fair value through profit or loss and transferred to trade and other receivables according to the judgment issued in favor of the Parent Company.	631,502



**Notes to the Interim Condensed Consolidated Financial Information (Unaudited)**  
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**17. 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 2022).
- Approval of Board of Directors' remuneration of KD 260,000.