

Interim condensed consolidated financial information and review report

National Industries Group Holding – KPSC and Subsidiaries

Kuwait

30 September 2024 (Unaudited)

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Report on review of interim condensed consolidated financial information

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of National Industries Group Holding - KPSC (the “Parent Company”) and its Subsidiaries (the “Group”) as of 30 September 2024 and the related interim condensed consolidated statements of profit or loss and profit or loss and other comprehensive income for the three-month and 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.

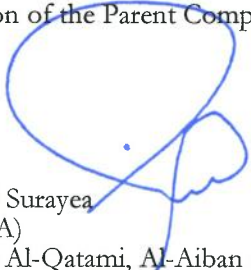
Conclusion

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, no violation of the Companies Law No. 1 of 2016 and its Executive Regulations, or of the Parent Company’s Memorandum of Incorporation and Articles of Association, as amended, have occurred during the nine-month period ended 30 September 2024 that might have had a material effect on the business or financial position of the Parent Company.

We further report that, during the course of our review, we have not become aware of any material violations of the provision of law no. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the nine-month period ended 30 September 2024 that might have had a material effect on the business or financial position of the Parent Company.



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

Kuwait
11 November 2024

Interim condensed consolidated statement of profit or loss

	Notes	Three months ended		Nine months ended	
		30 Sept. 2024 (Unaudited) KD '000	30 Sept. 2023 (Unaudited) KD '000	30 Sept. 2024 (Unaudited) KD '000	30 Sept. 2023 (Unaudited) KD '000
Revenue from sales and contracts with customers		44,419	36,914	128,026	110,940
Cost of sales and contracts with customers		(34,926)	(28,947)	(101,148)	(87,666)
Gross profit		9,493	7,967	26,878	23,274
Gain on sale of financial assets at fair value through profit or loss		873	592	2,168	2,224
Change in fair value of financial assets at fair value through profit or loss		7,479	(1,541)	16,452	(4,449)
Dividend income		3,321	5,905	20,178	28,041
Interest income		2,162	2,137	7,598	6,622
Share of results of associates	10	12,987	14,370	38,964	28,709
Rental income		835	795	2,349	2,468
Reversal of impairment of wakala investments	22-d	-	-	-	8,584
Reversal of provisions no longer required	22-b,e	-	-	4,496	-
Other income		1,548	657	5,400	3,765
Loss/(gain) on foreign currency exchange		(141)	200	(147)	(576)
		38,557	31,082	124,336	98,662
General, administrative and other expenses		(6,656)	(8,429)	(21,914)	(25,147)
Distribution costs		(2,134)	(2,053)	(6,388)	(6,707)
Finance costs		(11,168)	(10,279)	(33,424)	(30,050)
Impairment losses		(3,234)	(98)	(4,655)	(2,164)
Profit before taxation		15,365	10,223	57,955	34,594
Taxation charged on overseas subsidiaries		(432)	(114)	(734)	(556)
Profit for the period		14,933	10,109	57,221	34,038
Profit for the period attributable to:					
Owners of the Parent Company		9,208	3,250	39,398	16,739
Non-controlling interests		5,725	6,859	17,823	17,299
		14,933	10,109	57,221	34,038
Basic and diluted earnings per share attributable to the Owners of the Parent Company	5	3.88 Fils	1.37 Fils	16.61 Fils	7.06 Fils

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

Interim condensed consolidated statement of profit or loss and other comprehensive income

	Three months ended		Nine months ended	
	30 Sept. 2024 (Unaudited) KD '000	30 Sept. 2023 (Unaudited) KD '000	30 Sept. 2024 (Unaudited) KD '000	30 Sept. 2023 (Unaudited) KD '000
Profit for the period	14,933	10,109	57,221	34,038
Other comprehensive income/(loss):				
<i>Items that may be reclassified subsequently to consolidated statement of profit or loss:</i>				
Exchange differences arising on translation of foreign operations	371	1,069	449	(10,827)
Net change in fair value of financial assets at FVTOCI	-	4	-	4
Share of other comprehensive income/(loss) of associate:	2,935	504	2,283	(997)
	3,306	1,577	2,732	(11,820)
<i>Items that will not be reclassified subsequently to consolidated statement of profit or loss:</i>				
Defined benefit plan actuarial gain – net	2	-	(404)	-
Net changes in fair value of financial assets at FVTOCI	(6,880)	833	(3,544)	(9,654)
Share of other comprehensive income/(loss) of associates	991	1,677	2,773	(767)
	(5,887)	2,510	(1,175)	(10,421)
Total other comprehensive (loss)/income for the period	(2,581)	4,087	1,557	(22,241)
Total comprehensive income for the period	12,352	14,196	58,778	11,797
Total comprehensive income attributable to:				
Owners of the Parent Company	6,061	3,382	40,889	1,704
Non-controlling interests	6,291	10,814	17,889	10,093
	12,352	14,196	58,778	11,797

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

Interim condensed consolidated statement of financial position

	Note	30 Sept. 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	30 Sept. 2023 (Unaudited) KD '000
Assets				
Cash and cash equivalents	6	191,138	201,296	193,436
Accounts receivable and other assets		140,806	118,739	116,157
Inventories		48,536	47,180	43,407
Financial assets at amortised cost		10,319	5,197	1,532
Financial assets at fair value through profit or loss	7	413,147	385,839	388,561
Financial assets at fair value through other comprehensive income	8	152,268	164,974	147,200
Right of use of assets		5,789	7,187	7,364
Investment properties	9	68,592	57,763	56,951
Investment in associates	10	403,260	376,071	348,588
Property, plant and equipment		116,622	116,060	117,234
Intangible assets		9,930	10,870	15,996
Goodwill		6,198	10,098	10,169
Total assets		1,566,605	1,501,274	1,446,595
Liabilities and equity				
Liabilities				
Due to banks	6	13,796	13,603	14,087
Accounts payable and other liabilities		92,993	96,256	90,286
Lease liabilities		6,147	6,637	7,070
Borrowings	11	660,834	634,763	615,896
Bonds	12	68,100	68,100	68,100
Provisions		16,748	16,630	16,194
Total liabilities		858,618	835,989	811,633
Equity				
Share capital	13	240,994	229,518	229,518
Share premium	13	175,435	175,435	175,435
Treasury shares	14	(23,975)	(23,975)	(23,975)
Statutory and general reserves		52,679	52,679	47,607
Other components of equity	15	(2,459)	(4,845)	(19,995)
Retained earnings		85,806	70,090	68,966
Equity attributable to the owners of the Parent Company		528,480	498,902	477,556
Non-controlling interests		179,507	166,383	157,406
Total equity		707,987	665,285	634,962
Total liabilities and equity		1,566,605	1,501,274	1,446,595


Sa'ad Mohammed Al-Sa'ad
Chairman


Ahmad Mohammed Hassan
Chief Executive Officer

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

Interim condensed consolidated statement of changes in equity

	Equity attributable to the owners of the Parent Company							Non-controlling interests	Total
	Share capital KD '000	Share premium KD '000	Treasury shares KD '000	Statutory and general reserves KD '000	Other components of equity KD '000	Retained earnings KD '000	Sub-total KD '000		
Balance at 1 January 2024	229,518	175,435	(23,975)	52,679	(4,845)	70,090	498,902	166,383	665,285
Issue of bonus shares (note 16)	11,476	-	-	-	-	(11,476)	-	-	-
Cash dividend (note 16)	-	-	-	-	-	(11,292)	(11,292)	-	(11,292)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(4,499)	(4,499)
Consolidation and other adjustments	-	-	-	-	251	(270)	(19)	(266)	(285)
Transactions with owners	11,476	-	-	-	251	(23,038)	(11,311)	(4,765)	(16,076)
Profit for the period	-	-	-	-	-	39,398	39,398	17,823	57,221
Other comprehensive income/(loss) for the period	-	-	-	-	1,894	(403)	1,491	66	1,557
Total comprehensive income for the period	-	-	-	-	1,894	38,995	40,889	17,889	58,778
Loss on sale of financial assets at FVTOCI	-	-	-	-	241	(241)	-	-	-
Balance at 30 September 2024	240,994	175,435	(23,975)	52,679	(2,459)	85,806	528,480	179,507	707,987

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

Interim condensed consolidated statement of changes in equity (continued)

	Equity attributable to the owners of the Parent Company							Non-controlling interests		Total
	Share capital KD '000	Share premium KD '000	Treasury shares KD '000	Statutory and general reserves KD '000	Other components of equity KD '000	Retained earnings KD '000	Sub-total KD '000	KD '000	KD '000	
Balance at 1 January 2023	218,589	175,435	(23,975)	47,607	(5,964)	75,277	486,969	143,199	630,168	
Changes in non-controlling interests	-	-	-	-	-	-	-	(1,963)	(1,963)	
Arising on acquisition of a subsidiary	-	-	-	-	-	-	-	10,649	10,649	
Issue of bonus shares (note 16)	10,929	-	-	-	-	(10,929)	-	-	-	
Cash dividend (note 16)	-	-	-	-	-	(10,754)	(10,754)	-	(10,754)	
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(4,435)	(4,435)	
Consolidation and other adjustments	-	-	-	-	-	(363)	(363)	(137)	(500)	
Transactions with owners	10,929	-	-	-	-	(22,046)	(11,117)	4,114	(7,003)	
Profit for the period	-	-	-	-	-	16,739	16,739	17,299	34,038	
Other comprehensive loss for the period	-	-	-	-	(15,035)	-	(15,035)	(7,206)	(22,241)	
Total comprehensive (loss)/income for the period	-	-	-	-	(15,035)	16,739	1,704	10,093	11,797	
Loss on sale of financial assets at FVTOCI	-	-	-	-	1,004	(1,004)	-	-	-	
Balance at 30 September 2023	229,518	175,435	(23,975)	47,607	(19,995)	68,966	477,556	157,406	634,962	

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

Interim condensed consolidated statement of cash flows

	Note	Nine months ended 30 Sept. 2024 (Unaudited) KD '000	Nine months ended 30 Sept. 2023 (Unaudited) KD '000
OPERATING ACTIVITIES			
Profit before taxation		57,955	34,594
Adjustments for:			
Dividend income		(20,178)	(28,041)
Share of results of associates		(38,964)	(28,709)
Interest income		(7,598)	(6,622)
Depreciation and amortisation		10,697	11,902
Reversal of provisions no longer required		(4,496)	-
Reversal of impairment of wakala investments		-	(8,584)
Finance costs		33,424	30,050
Impairment losses		4,655	2,164
Net provisions charged		118	1,820
		35,613	8,574
Changes in operating assets and liabilities:			
Inventories		(1,356)	(1,541)
Accounts receivable and other assets		(22,306)	(15,054)
Financial assets at fair value through profit or loss		(27,308)	5,177
Accounts payable and other liabilities		1,896	2,207
Cash used in operations		(13,461)	(637)
Taxation paid		(1,233)	(584)
Net cash used in operating activities		(14,694)	(1,221)
INVESTING ACTIVITIES			
Net additions to property, plant and equipment		(8,497)	(6,577)
Additions to investment properties		(22,639)	-
Additions to investment in associate		-	(1,283)
Proceeds from sale of investment properties		11,813	-
Dividend received from associates		17,336	13,387
Proceeds from redemption/disposal of associates		-	4,290
Additions to right of use assets		(891)	(2,752)
Acquisition of financial assets at amortised cost		(5,122)	(151)
Purchase of financial assets at FVTOCI		(6,606)	(5,660)
Proceeds from sale of financial assets at FVTOCI		15,768	12,674
Dividend income received		20,178	28,041
Decrease in short-term deposits maturing after 3 months		2,113	97,983
Interest income received		7,218	7,042
Acquisition of subsidiaries		-	(7,507)
Net cash from investing activities		30,671	139,487

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

Interim condensed consolidated statement of cash flows (continued)

	Note	Nine months ended 30 Sept. 2024 (Unaudited) KD '000	Nine months ended 30 Sept. 2023 (Unaudited) KD '000
FINANCING ACTIVITIES			
Net increase in borrowings		26,071	2,709
Repayment of lease liabilities		(1,036)	(2,805)
Dividend paid to non-controlling interests		(4,499)	(4,435)
Dividend paid to the owners of the parent company		(11,292)	(10,754)
Finance costs paid		(33,295)	(28,576)
Net cash used in financing activities		(24,051)	(43,861)
Net (decrease)/increase in cash and cash equivalents		(8,074)	94,405
Foreign currency translation differences		(164)	163
		(8,238)	94,568
Cash and cash equivalents at beginning of the period		169,061	73,894
Cash and cash equivalents at end of the period	6	160,823	168,462
Non-cash transactions:			
Investment in associates		-	(8,584)
Wakala investments		-	8,584

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

Notes to the interim condensed consolidated financial information

1 Incorporation and activities

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

The main objectives of the Parent Company are as follows:

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

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

The Board of Directors of the Parent Company approved this interim condensed consolidated financial information for issue on 11 November 2024.

2 Basis of preparation

The interim condensed consolidated financial information of the Group for the nine-month period ended 30 September 2024 has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

The annual consolidated financial statements for the year ended 31 December 2023 were prepared in accordance with the IFRS Accounting Standards (“IFRS Accounting Standards”) as issued by the International Accounting Standards Board (“IASB”).

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

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

Operating results for the nine-month period ended 30 September 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024. For further details, refer to the consolidated financial statements and its related disclosures for the year ended 31 December 2023.

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the new and amended IFRS Accounting Standards effective as of 1 January 2024 as described in Note 3.1. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

3.1 New and amended IFRS Accounting Standards adopted by the Group

The following new IFRS Accounting Standards or amendments to existing IFRS Accounting Standards were effective for the current period.

<i>Description</i>	<i>Effective for annual periods beginning</i>
IAS 1 Amendments- Classification of liabilities with debt covenants	1 January 2024
IAS 1 Amendments- Classification of liabilities as current or non-current	1 January 2024
IAS 7 and IFRS 7 Supplier finance arrangement disclosures	1 January 2024
IFRS 16 Amendments- Lease liability in a sale and leaseback	1 January 2024

IAS 1 Amendments - Classification of liabilities with debt covenants

The amendments to IAS 1 clarify that classification of liabilities as either current or non-current depends only on the covenants that an entity is required to comply with on or before the reporting date. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

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

IAS 1 Amendments - Classification of current or non-current

The amendments to IAS 1 clarify the classification of a liability as either current or non-current is based on the entity's rights at the end of the reporting period. Stating management expectations around whether they will defer settlement or not does not impact the classification of the liability. It has added guidance about lending conditions and how these can impact classification and has included requirements for liabilities that can be settled using an entity's own instruments.

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

IAS 7 and IFRS 7 Amendments – Supplier finance arrangements

The amendments to IAS 7 and IFRS 7 added disclosure objectives to IAS 7 to enable the users of the financial statements to assess how the supplier finance arrangements affect an entity's liabilities and cash flows, and to understand the effect of these arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it. While the amendments do not explicitly define supplier finance arrangements it instead describes characteristics of such arrangements.

To meet the disclosure objectives, an entity is required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies (continued)

3.1 New and amended IFRS Accounting Standards adopted by the Group (continued)

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

- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

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

IFRS 16 Amendments – Lease liability in a sale and leaseback

The amendments to IFRS 16 requires a seller-lessee to measure the right-of-use asset arising from a sale and leaseback transaction at the proportion of the previous carrying amount of the asset that relates to the right of use the seller-lessee retains. Accordingly, in a sale and leaseback transaction the seller-lessee recognises only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. The initial measurement of the lease liability that arise from a sale and leaseback transaction is a consequence of how the seller-lessee measures the right-of-use asset and the gain or loss recognised at the date of the transaction. The new requirements do not prevent a seller-lessee from recognising in any gain or loss relating to the partial or full termination of a lease.

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

4 Judgement and estimates

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

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

Notes to the interim condensed consolidated financial information (continued)

5 Basic and diluted earnings per share

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

	Three months ended		Nine months ended	
	30 Sept. 2024 (Unaudited)	30 Sept. 2023 (Unaudited)	30 Sept. 2024 (Unaudited)	30 Sept. 2023 (Unaudited)
Profit for the period attributable to the owners of the Parent Company (KD '000)	9,208	3,250	39,398	16,739
Weighted average number of shares outstanding during the period (excluding treasury shares) – thousand shares	2,371,358,027	2,371,358,027	2,371,358,027	2,371,358,027
Basic and diluted earnings per share	3.88 Fils	1.37 Fils	16.61 Fils	7.06 Fils

The basic and diluted earnings per share reported during the previous period for the three-month and nine-month periods ended 30 September 2023 were 1.44 Fils and 7.06 Fils respectively, before retroactive adjustments relating to bonus share issue (Note 16).

There were no potential dilutive shares.

6 Cash and cash equivalents

	30 Sept. 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	30 Sept. 2023 (Unaudited) KD '000
Bank balances and cash	28,677	25,119	32,234
Short term deposits (a)	162,461	176,177	161,202
Cash and cash equivalents for the purpose of interim condensed consolidated statement of financial position	191,138	201,296	193,436
Less: restricted bank balances	(6)	(6)	(6)
Less: time deposits maturing after three months	(16,513)	(18,626)	(10,881)
Due to banks (b)	(13,796)	(13,603)	(14,087)
Cash and cash equivalents for the purpose of interim condensed consolidated statement of cash flows	160,823	169,061	168,462

- a) The effective interest rate on short-term deposits as of 30 September 2024 range from 3.25% to 5.65% per annum (31 December 2023: 2.9% to 5.7% per annum and 30 September 2023: 3.25% to 5.4% per annum).
- b) Due to banks include bank overdraft facilities which carry commercial interest rates. The facilities are secured by pledge of short-term deposits of KD600 thousand as at 30 September 2024 (31 December 2023: KD678 thousand and 30 September 2023: KD672 thousand).
- c) Cash and cash equivalents amounting to KD Nil as at 30 September 2024 (31 December 2023: KD30 thousand and 30 September 2023: KD91 thousand) are pledged against borrowings (Note 11).

Notes to the interim condensed consolidated financial information (continued)

7 Financial assets at fair value through profit or loss

	30 Sept. 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	30 Sept. 2023 (Unaudited) KD '000
Quoted securities:			
- Local	217,168	197,659	200,881
- Foreign	54,475	59,922	65,041
Unquoted securities:			
- Local	7,000	2,703	2,210
- Foreign	33,426	28,448	26,610
Managed portfolios and funds:			
- Investment in private equity funds	95,580	90,406	87,938
- Local funds	1,985	1,818	1,900
- Foreign portfolios	3,513	4,883	3,981
	413,147	385,839	388,561

- a) Quoted securities and managed funds with an aggregate carrying value of KD103,215 thousand as at 30 September 2024 (31 December 2023: KD106,272 thousand and 30 September 2023: KD108,322 thousand) are pledged against borrowings (Note 11).
- b) The Group has signed agreements whereby certain shares of financial assets at fair value through profit or loss with aggregate carrying value of KD127,275 thousand as at 30 September 2024 (31 December 2023: KD136,071 thousand and 30 September 2023: KD155,441 thousand) have been kept in custody portfolios against borrowings (Note 11).

8 Financial assets at fair value through other comprehensive income

	30 Sept. 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	30 Sept. 2023 (Unaudited) KD '000
Quoted securities:			
- Local	8,796	7,929	7,681
- Foreign	23,968	26,800	26,681
Unquoted securities:			
- Local	14,452	12,681	12,160
- Foreign	85,336	86,968	73,834
Managed portfolios and funds:			
- Foreign	19,304	21,583	22,424
Debt securities:			
- Local	412	77	-
- Foreign	-	8,936	4,420
	152,268	164,974	147,200

- a) Quoted securities with an aggregate carrying value of KD18,782 thousand (31 December 2023: KD21,088 thousand and 30 September 2023: KD23,076 thousand) and unquoted securities with an aggregate carrying value of KD Nil (31 December 2023: KD591 thousand and 30 September 2023: KD591 thousand) are pledged against borrowings (Note 11).
- b) The Group has signed agreements whereby certain shares of financial assets at fair value through other comprehensive income with aggregate carrying value of KD Nil (31 December 2023: KD2,568 thousand and 30 September 2023: KD2,760 thousand) have been kept in custody portfolios against borrowings (Note 11).

Notes to the interim condensed consolidated financial information (continued)

9 Investment properties

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

	30 Sept. 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	30 Sept. 2023 (Unaudited) KD '000
Balance at 1 January	57,763	56,907	56,907
Additions during the period – 9.1	22,639	-	-
Disposals - 9.1	(11,813)	-	-
Change in fair value	-	807	-
Foreign currency translation adjustment	3	49	44
Balance at the end of the period/year	68,592	57,763	56,951

9.1 This includes purchase of investment property by one of Group's subsidiaries for a total consideration of KD17,611 thousand out of which KD9,460 thousand was settled by exchange of investment property (owned through a subsidiary) and the remaining balance amounting to KD8,151 thousand was settled in cash.

9.2 Investments properties with a carrying value of KD36,213 thousand (31 December 2023: KD36,981 and 30 September 2023: KD36,413) are pledged against borrowings (Note 11).

10 Investment in associates

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

	30 Sept. 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	30 Sept. 2023 (Unaudited) KD '000
Balance at 1 January	376,071	354,380	354,380
Additions during the period/year	-	12,647	9,867
Reclassified to subsidiaries	-	(10,745)	(10,745)
Share of results	38,964	66,961	28,709
Redemption/Disposals	-	(4,290)	(4,290)
Share of other comprehensive income/(loss)	5,056	2,866	(1,764)
Dividend received	(17,336)	(17,458)	(14,330)
Impairment losses	(85)	(16,650)	(1,350)
Foreign currency translation adjustment	469	(11,774)	(12,008)
Other adjustments	121	134	119
Balance at the end of the period/year	403,260	376,071	348,588

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

Notes to the interim condensed consolidated financial information (continued)

10 Investment in associates (continued)

- b) The Group has signed agreements whereby certain shares of investment in associates with aggregate carrying value of KD269,680 thousand (31 December 2023: KD260,919 thousand and 30 September 2023: KD206,327 thousand) have been kept in custody portfolios with specialized institutions against borrowings (Note 11).

11 Borrowings

	30 Sept. 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	30 Sept. 2023 (Unaudited) KD '000
Short term:			
Term loans	182,578	187,989	182,374
Islamic financing arrangements	83,809	56,193	52,242
	266,387	244,182	234,616
Long term:			
Term loans			
- Current portion	4,844	5,269	31,931
- Due after more than one year	132,832	142,337	121,719
Islamic financing arrangements			
- Current portion	31,971	31,564	22,070
- Due after more than one year	224,800	211,411	205,560
	394,447	390,581	381,280
	660,834	634,763	615,896

- a) Borrowings include facilities of KD19,315 thousand obtained by one of Group's subsidiaries from local banks which have not been renewed as of 30 September 2024. Management of the subsidiary is in the process of renewing these facilities.
- b) As at 30 September 2024, some of the borrowings are secured against certain balances of cash and cash equivalents and pledged and/or in custody portfolios with specialised institutions that includes financial assets at fair value through profit and loss, financial assets at fair value through other comprehensive income, investment in associates, investment properties, property plant and equipment, investment in subsidiaries.

12 Bonds

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

Notes to the interim condensed consolidated financial information (continued)

12 Bonds (continued)

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

The bonds are unsecured.

13 Share capital and share premium

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

Share premium is not available for distribution.

14 Treasury shares

	30 Sept. 2024 (Unaudited)	31 Dec. 2023 (Audited)	30 Sept. 2023 (Unaudited)
Number of shares	38,584,622	36,747,261	36,747,261
Percentage of issued shares	1.60%	1.60%	1.60%
Market value (KD '000)	8,566	7,460	7,349
Cost (KD'000)	23,975	23,975	23,975

- a) Reserves of the Parent Company equivalent to the cost of the treasury shares have been earmarked as non-distributable.
- b) Treasury shares owned by one of the Group's subsidiaries with a market value of KD Nil thousand (31 December 2023: KD4,636 thousand and 30 September 2023: KD4,545 thousand) have been pledged against certain borrowings (note 11).
- c) As at 30 September 2024, an associate held 10% (31 December 2023: 10% and 30 September 2023: 10%) of the Parent Company's shares.

Notes to the interim condensed consolidated financial information (continued)

15 Other components of equity

	Cumulative changes in fair value KD '000	Treasury shares reserve KD '000	Foreign currency translation reserve KD '000	Total KD '000
Balances as at 1 January 2024	7,675	15,915	(28,435)	(4,845)
Consolidation and other adjustments	251	-	-	251
Share of other comprehensive income of associates	3,820	-	-	3,820
Changes in fair value of financial assets at FVTOCI	(2,156)	-	-	(2,156)
Foreign currency translation differences	-	-	230	230
Other comprehensive income	1,664	-	230	1,894
Loss on sale of investments at FVTOCI	241	-	-	241
Balances as at 30 September 2024	9,831	15,915	(28,205)	(2,459)
Balances at 1 January 2023	1,204	15,915	(23,083)	(5,964)
Share of other comprehensive loss of associates	(1,275)	-	-	(1,275)
Changes in fair value of financial assets at FVTOCI	(8,693)	-	-	(8,693)
Foreign currency translation differences	-	-	(5,067)	(5,067)
Other comprehensive loss	(9,968)	-	(5,067)	(15,035)
Loss on sale of investments at FVTOCI	1,004	-	-	1,004
Balances at 30 September 2023	(7,760)	15,915	(28,150)	(19,995)

16 Annual general assembly and dividend

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

Notes to the interim condensed consolidated financial information (continued)

17 Segmental analysis

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

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

	Investment		Building materials and contracting services		Specialist engineering and chemical		Hotel and IT services		Total	
	30 Sept. 2024 KD '000	30 Sept. 2023 KD '000	30 Sept. 2024 KD '000	30 Sept. 2023 KD '000	30 Sept. 2024 KD '000	30 Sept. 2023 KD '000	30 Sept. 2024 KD '000	30 Sept. 2023 KD '000	30 Sept. 2024 KD '000	30 Sept. 2023 KD '000
Segment revenue	97,605	75,964	38,382	36,090	79,877	64,940	9,767	9,910	225,631	186,904
Less:										
Gain on sale of financial assets at fair value through profit or loss									(2,168)	(2,224)
Change in fair value of financial assets at fair value through profit or loss									(16,452)	4,449
Dividend income									(20,178)	(28,041)
Interest income									(7,598)	(6,622)
Share of results of associates									(38,964)	(28,709)
Rental income									(2,349)	(2,468)
Reversal of impairment of wakala investment									(4,496)	(8,584)
Reversal of provisions no longer required									(5,400)	(3,765)
Other income										
Revenue from sales and contract with customers, per consolidated statement of profit or loss	74,504	59,307	4,623	2,256	11,463	2,737	936	920	128,026	110,940
Segment profit									91,526	65,220
Less:										
Finance costs									(33,424)	(30,050)
Other unallocated loss									(147)	(576)
Profit before taxation									57,955	34,594

Notes to the interim condensed consolidated financial information (continued)

17 Segmental analysis (continued)

	Investment KD '000	Building materials and contracting services KD '000	Specialist engineering and chemical KD '000	Hotel and IT services KD '000	Total KD '000
30 September 2024:					
Segment assets	1,266,310	49,602	238,216	12,477	1,566,605
Segment liabilities	(27,397)	(23,518)	(59,713)	(5,260)	(115,888)
Segment net assets	1,238,913	26,084	178,503	7,217	1,450,717
Borrowings, bonds and due to banks					(742,730)
Total equity, per consolidated statement of financial position					707,987
31 December 2023:					
Segment assets	1,215,798	49,078	225,020	11,378	1,501,274
Segment liabilities	(31,665)	(25,096)	(56,994)	(5,768)	(119,523)
Segment net assets	1,184,133	23,982	168,026	5,610	1,381,751
Borrowings, bonds and due to banks					(716,466)
Total equity, per consolidated statement of financial position					665,285
30 September 2023:					
Segment assets	1,161,760	46,906	225,927	12,002	1,446,595
Segment liabilities	(27,770)	(24,705)	(55,892)	(5,183)	(113,550)
Segment net assets	1,133,990	22,201	170,035	6,819	1,333,045
Borrowings, bonds and due to banks					(698,083)
Total equity, per consolidated statement of financial position					634,962

Notes to the interim condensed consolidated financial information (continued)

18 Related party balances and transactions

Related parties represent associates, directors and key management personnel of the Group, and other related parties such as major shareholders and companies in which directors and key management personnel of the Group are principal owners or over which they are able to exercise significant influence or joint control. Pricing policies and terms of these transactions are approved by the Group's management.

Details of significant related party balances and transactions are as follows:

	30 Sept. 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	30 Sept. 2023 (Unaudited) KD '000	
Balances included in the interim condensed consolidated statement of financial position				
Due from related parties (included in accounts receivable and other assets)				
- Due from associates	20,948	17,798	18,188	
- Due from other related parties	3,228	1,587	1,745	
Due to related parties (included in accounts payable and other liabilities)				
- Due to associates	20	20	43	
- Due to other related parties	278	1,623	480	
	<u>Three months ended</u>		<u>Nine months ended</u>	
	30 Sept. 2024 (Unaudited) KD '000	30 Sept. 2023 (Unaudited) KD '000	30 Sept. 2024 (Unaudited) KD '000	30 Sept. 2023 (Unaudited) KD '000
Transactions included in the interim condensed consolidated statement of profit or loss				
Management fees	34	341	52	1,040
Purchase of raw materials – from associates	198	199	524	508
Impairment of associates	-	-	85	1,350
Impairment of receivables	-	-	318	713
Compensation of key management personnel of the Group				
Short term employee benefits	660	1,112	2,388	3,057
Pension and end of service benefits	79	30	244	194
	739	1,142	2,632	3,251

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

19 Fair value measurement

19.1 Fair value hierarchy

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Notes to the interim condensed consolidated financial information (continued)

19 Fair value measurement (continued)

19.1 Fair value hierarchy (continued)

Financial assets and financial liabilities measured at fair value in the interim condensed consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

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

19.2 Fair value measurement of financial instruments

The carrying amounts of the Group's financial assets and liabilities as stated in the interim condensed consolidated statement of financial position may also be categorized as follows:

	30 Sept. 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	30 Sept. 2023 (Unaudited) KD '000
Financial assets:			
At amortised cost:			
• Cash and cash equivalents	191,138	201,296	193,436
• Accounts receivable and other financial assets	111,713	98,211	96,567
• Financial assets at amortised cost	10,319	5,197	1,532
	313,170	304,704	291,535
At fair value:			
• Financial assets at FVTPL	413,147	385,839	388,561
• Financial assets at FVTOCI	152,268	164,974	147,200
	565,415	550,813	535,761
Total financial assets	878,585	855,517	827,296
Financial liabilities:			
At amortised cost:			
• Due to banks	13,796	13,603	14,087
• Accounts payable and other financial liabilities	80,015	95,988	82,843
• Lease liabilities	6,147	6,637	7,070
• Borrowings	660,834	634,763	615,896
• Bonds	68,100	68,100	68,100
	828,892	819,091	787,996

Management considers that the carrying amounts of financial assets and financial liabilities, which are stated at amortised cost, approximate their fair values.

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

Notes to the interim condensed consolidated financial information (continued)

19 Fair value measurement (continued)

19.2 Fair value measurement of financial instruments (continued)

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

	Note	Level 1 KD'000	Level 2 KD'000	Level 3 KD'000	Total KD'000
At 30 September 2024					
At FVTPL:					
- Quoted securities	a	271,643	-	-	271,643
- Unquoted securities	b	-	6,508	33,918	40,426
- Managed portfolios and funds	c	565	4,683	95,830	101,078
At FVTOCI:					
- Quoted securities	a	32,764	-	-	32,764
- Unquoted securities	b	-	10,596	89,192	99,788
- Managed portfolios and funds	c	-	2	19,302	19,304
- Debt securities	d	-	412	-	412
		304,972	22,201	238,242	565,415
At 31 December 2023					
At FVTPL:					
- Quoted securities	a	257,581	-	-	257,581
- Unquoted securities	b	-	-	31,151	31,151
- Managed portfolios and funds	c	703	5,999	90,405	97,107
At FVTOCI:					
- Quoted securities	a	34,729	-	-	34,729
- Unquoted securities	b	-	16,218	83,431	99,649
- Managed portfolios and funds	c	-	58	21,525	21,583
- Debt securities	d	-	9,013	-	9,013
		293,013	31,288	226,512	550,813
At 30 September 2023					
At FVTPL:					
- Quoted shares	a	265,922	-	-	265,922
- Unquoted securities	b	-	-	28,820	28,820
- Managed portfolios and funds	c	788	5,093	87,938	93,819
At FVTOCI:					
- Quoted shares	a	34,362	-	-	34,362
- Unquoted securities	b	-	3,920	82,074	85,994
- Managed portfolios and funds	c	-	406	22,018	22,424
- Debt securities	d	-	4,420	-	4,420
		301,072	13,839	220,850	535,761

Measurement at fair value

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

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

Notes to the interim condensed consolidated financial information (continued)

19 Fair value measurement (continued)

19.2 Fair value measurement of financial instruments (continued)

a) Quoted securities

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

b) Unquoted securities (Level 2 and 3)

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

c) Managed portfolios and funds

Private equity funds (Level 3)

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

Other managed portfolios and funds (Level 2 and 3)

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

d) Debt securities

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

Measurement at fair value

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

	30 Sept. 2024 (Unaudited) KD '000	31 Dec. 2023 (Audited) KD '000	30 Sept. 2023 (Unaudited) KD '000
Opening balance	226,512	228,603	228,603
Net change in fair value	12,307	3,700	(7,864)
Transferred out of level 3	-	(5,675)	-
Net additions during the period/year	(577)	(116)	111
Closing balance	238,242	226,512	220,850

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

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

20 Fiduciary assets

One of the subsidiaries of the Group manages mutual funds, portfolios on behalf of related and third parties, and maintains securities in fiduciary accounts which are not reflected in the interim condensed consolidated statement of financial position. Assets under management at 30 September 2024 amounted to KD2,092 thousand (31 December 2023: KD2,938 thousand and 30 September 2023: KD3,108 thousand) of which assets managed on behalf of the related parties amounted to KD2,053 thousand (31 December 2023: KD2,900 thousand and 30 September 2023: KD3,014 thousand).

21 Contingent liabilities and commitments

At 30 September 2024, the Group had contingent liabilities in respect of outstanding bank guarantees amounting to KD55,501 thousand (31 December 2023: KD72,722 thousand and 30 September 2023: KD52,243 thousand).

At the reporting date, the Group had commitments for the purchase of investments, the acquisition of property, plant and equipment and investment properties and the incorporation of investment in associates totalling KD14,293 thousand (31 December 2023: KD19,915 thousand and 30 September 2023: KD20,081 thousand).

22 Legal cases

The significant legal cases of the Group are summarised below:

- a) One of the Group's subsidiaries has filed legal cases against one of its customers regarding gross trade receivables of KD109,261 thousand. These are shown in the Group's consolidated financials at its acquisition fair values. During 2023, the court of first instance issued a verdict for one of the cases in favour of the subsidiary which was appealed by the defendant. Management of the subsidiary and their legal advisors believe that a favourable decision of the court is probable and the balance is fully recoverable along with additional compensation. The litigations are at initial stages and the final outcome cannot be determined at present.
- b) During the period, the Court of Cassation ruled in favour of a government entity ordering one of the Group's subsidiaries to settle an amount of USD1.868 million (equivalent to KD580 thousand) for gas usage from 2004 to 2011. The subsidiary had made a provision for this legal dispute amounting to KD2,700 thousand in prior periods. Consequently, during the period, the subsidiary reversed the excess provision of KD2,120 thousand reflecting the updated legal obligation.
- c) During the previous year, the General Manager of the Public Authority for Industry in Kuwait (in his capacity) filed a legal case against one of the subsidiaries requesting eviction from a non-contracted plot of land claiming that the subsidiary is obligated to pay an amount of KD20,038 thousand for utilizing the aforementioned area since 1 April 2007 along with any fees and expenses. This legal case is at its early stages and has been transferred to the experts committee. The next court hearing is scheduled for 5 December 2024. The subsidiary's management (after consulting with external legal counsel) believes that it is not obligated to pay any financial liabilities on that land due to the absence of any contracts with the above government entity. The information usually required by IAS 37, Provisions, Contingent Liabilities and Contingent Assets, is not disclosed on the grounds that it can be expected to prejudice seriously the outcome of the litigation. The subsidiary is planning to strongly contest the legal case and after consulting with their external legal counsel, believes that the claim can be successfully countered.

Notes to the interim condensed consolidated financial information (continued)

22 Legal cases (continued)

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

Prior to the above settlement agreement, the acquired company had filed lawsuits against a local bank ("Bank") seeking return of 33,544,500 shares of Boubyan Bank, transferred by the bank through a sale contract, and associated benefits. The Court of Cessation ruled in favour of the acquired company granting fully rights over the transferred shares. As a result, Noor recognised its share of net assets of ECC as an investment in associate amounting to KD8,584 thousand against partial settlement of the wakala investments and recognised a gain on reversal of impairment of wakala investments of KD8,584 thousand in the interim condensed consolidated statement of profit or loss as of 31 March 2023.

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

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

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

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

Notes to the interim condensed consolidated financial information (continued)

23 Subsequent events

Subsequent to the reporting date, the board of directors of the Parent Company in their meeting held on 13 October 2024 approved a non-binding offer submitted to Foulath Holding Co.- BSC (Bahrain) regarding the acquisition of 100% of the shares of the Foulath Holding Co.- BSC (Bahrain) which is conditional upon the completion of due diligence after which a binding offer will be made with a final price. Currently, the Parent Company owns 10% shareholding in Foulath and is classified as financial assets at fair value through other comprehensive income in the Group's interim condensed consolidated financial information.

24 Comparative information

Certain other comparative figures have been reclassified to conform to the presentation in the current period, and such reclassification does not affect previously reported net assets, net equity and net results for the period or net decrease in cash and cash equivalents.

About Grant Thornton

Grant Thornton is a global network of 58,000 people in member firms in over 130 countries with a common goal — to help you realise your ambitions. Which is why our network combines global scale and capability with local insights and understanding. So, whether you're growing in one market or many, looking to operate more effectively, managing risk and regulation, or realising stakeholder value, our member firms have the assurance, tax and advisory capabilities you need with the quality you expect.

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