

KUWAIT FOUNDRY COMPANY K.S.C.P.

**INTERIM CONDENSED FINANCIAL
INFORMATION (UNAUDITED)**

31 MARCH 2023





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INDEPENDENT AUDITOR’S REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF KUWAIT FOUNDRY COMPANY – K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Kuwait Foundry Company K.S.C.P. (the “Company”) as at 31 March 2023, and the related interim condensed statement of profit or loss, the interim condensed statement of comprehensive income, the interim condensed statement of changes in equity and the interim condensed statement of cash flows for the three-month period then ended. The management of the Company is responsible for the preparation and presentation of the interim condensed financial information in accordance with International Accounting Standard IAS 34, *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on the interim condensed 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 financial information is not prepared, in all material respects, in accordance with IAS 34.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed financial information is in agreement with the books of account of the Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Company's Memorandum of Incorporation and Articles of Association, as amended, during the three-month period ended 31 March 2023 that might have had a material effect on the business of the Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No 7 of 2010 concerning the Capital Markets Authority and its related regulations during the three-month period ended 31 March 2023 that might have had a material effect on the business of the Company or on its financial position.

ABDULKARIM AL SAMDAN
LICENCE NO. 208 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

11 May 2023
Kuwait

Kuwait Foundry Company K.S.C.P.

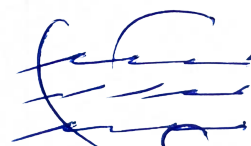
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2023

		<i>(Audited)</i>	
	<i>Notes</i>	<i>31 March</i> <i>2023</i> <i>KD</i>	<i>31 December</i> <i>2022</i> <i>KD</i>
			<i>31 March</i> <i>2022</i> <i>KD</i>
ASSETS			
Non-current assets			
Property, plant and equipment		299,549	300,348
Financial assets at fair value through other comprehensive income	3	14,094,096	10,243,097
		<u>14,393,645</u>	<u>10,543,445</u>
Current assets			
Inventories		1,340,664	1,333,105
Trade and other receivables		148,046	60,309
Cash and cash equivalents	4	9,154,993	2,287,547
		<u>10,643,703</u>	<u>3,680,961</u>
TOTAL ASSETS		<u><u>25,037,348</u></u>	<u><u>14,224,406</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	12	7,232,559	7,232,559
Share premium		8,026,028	8,026,028
Statutory reserve		3,616,280	3,616,280
Voluntary reserve		76,190	76,190
Fair value reserve		(1,723,679)	(5,574,678)
Foreign currency translation reserve		(1,418,868)	(1,418,868)
Retained earnings		8,364,596	1,632,240
		<u>24,173,106</u>	<u>13,589,751</u>
Liabilities			
Non-current liabilities			
Employees' end of service benefits		109,416	108,516
Current liabilities			
Trade and other payables	5	754,826	526,139
Total liabilities		<u>864,242</u>	<u>634,655</u>
TOTAL EQUITY AND LIABILITIES		<u><u>25,037,348</u></u>	<u><u>14,224,406</u></u>



Nawaf Arhamah Arhamah
Chairman



Al Muthana Mohammed Al Maktoum
Chief Executive Officer

Kuwait Foundry Company K.S.C.P.

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the period ended 31 March 2023

	<i>Three months ended</i>	
	<i>31 March</i>	
<i>Note</i>	2023	2022
	KD	KD
Revenue from contracts with customers	154,238	243,443
Cost of sales	(89,341)	(160,055)
GROSS PROFIT	64,897	83,388
Other income	3,289	8,531
Foreign currency exchange gain	14,745	149
Selling and marketing expenses	(4,474)	(5,630)
General and administrative expenses	(76,013)	(52,016)
OPERATING PROFIT	2,444	34,422
Dividend income	7,047,200	-
PROFIT BEFORE TAX	7,049,644	34,422
Contribution to Kuwait Foundation for the Advancement of Sciences (“KFAS”)	(70,496)	(385)
National Labour Support Tax (“NLST”)	(176,280)	(963)
Zakat	(70,512)	(385)
PROFIT FOR THE PERIOD	6,732,356	32,689
BASIC AND DILUTED EARNINGS PER SHARE	6 93.08 Fils	0.45 Fils

The attached notes 1 to 12 form part of this interim condensed financial information.

Kuwait Foundry Company K.S.C.P.

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

(UNAUDITED)

For the period ended 31 March 2023

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2023</i>	<i>2022</i>
	<i>KD</i>	<i>KD</i>
PROFIT FOR THE PERIOD	6,732,356	32,689
Other comprehensive income		
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>		
Net gain on equity instruments designated at fair value through other comprehensive income	3,850,999	761,668
Other comprehensive income for the period	3,850,999	761,668
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	10,583,355	794,357

The attached notes 1 to 12 form part of this interim condensed financial information.

Kuwait Foundry Company K.S.C.P.

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 March 2023

	<i>Share capital KD</i>	<i>Share premium KD</i>	<i>Statutory reserve KD</i>	<i>Voluntary reserve KD</i>	<i>Fair value reserve KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Retained earnings KD</i>	<i>Total equity KD</i>
As at 1 January 2023 (Audited)	7,232,559	8,026,028	3,616,280	76,190	(5,574,678)	(1,418,868)	1,632,240	13,589,751
Profit for the period	-	-	-	-	-	-	6,732,356	6,732,356
Other comprehensive income	-	-	-	-	3,850,999	-	-	3,850,999
Total comprehensive income	-	-	-	-	3,850,999	-	6,732,356	10,583,355
At 31 March 2023	7,232,559	8,026,028	3,616,280	76,190	(1,723,679)	(1,418,868)	8,364,596	24,173,106
As at 1 January 2022 (Audited)	7,232,559	8,026,028	3,616,280	76,190	(4,018,920)	(1,418,868)	589,519	14,102,788
Profit for the period	-	-	-	-	-	-	32,689	32,689
Other comprehensive income	-	-	-	-	761,668	-	-	761,668
Total comprehensive income	-	-	-	-	761,668	-	32,689	794,357
At 31 March 2022	7,232,559	8,026,028	3,616,280	76,190	(3,257,252)	(1,418,868)	622,208	14,897,145

The attached notes 1 to 12 form part of this interim condensed financial information.

Kuwait Foundry Company K.S.C.P.

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 31 March 2023

	<i>Three months ended</i>	
	<i>31 March</i>	
	2023	2022
<i>Note</i>	KD	KD
OPERATING ACTIVITIES		
Profit before tax	7,049,644	34,422
<i>Non-cash adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation of property, plant and equipment	799	1,389
Dividend income	(7,047,200)	-
Provision for employees' end of service benefits	2,468	7,118
Interest income	(34)	(137)
	5,677	42,792
<i>Working capital changes:</i>		
Inventories	(7,559)	55,743
Trade and other receivables	(87,737)	(64,102)
Trade and other payables	(88,601)	(25,642)
Cash flows (used in) from operations	(178,220)	8,791
Employees' end of service benefits paid	(1,568)	(3,003)
Net cash flows (used in) from operating activities	(179,788)	5,788
INVESTING ACTIVITIES		
Dividend income received	7,047,200	-
Interest income received	34	137
Net cash flows from investing activities	7,047,234	137
FINANCING ACTIVITIES		
Cash dividends paid	-	(32,804)
Net cash flows used in financing activities	-	(32,804)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,867,446	(26,879)
Cash and cash equivalents as at the 1 January	2,287,547	472,654
CASH AND CASH EQUIVALENTS AT 31 MARCH	9,154,993	445,775
4		

The attached notes 1 to 12 form part of this interim condensed financial information.

1 CORPORATE INFORMATION

The interim condensed financial information of Kuwait Foundry Company K.S.C.P. (the "Company") for the three months ended 31 March 2023 was authorised for issue in accordance with a resolution of the Company's Board of Directors on 11 May 2023.

The financial statements of the Company for the year ended 31 December 2022 were approved in the annual general assembly meeting (AGM) of the shareholders held on 4 May 2023. Dividends declared and paid by the Company for the year then ended are provided in Note 11.

The Company is a public shareholding company, incorporated and domiciled in Kuwait and whose shares are publicly traded in Boursa Kuwait. The Company's registered office is located at Al Rai Industrial Area, Street (10). The Company operates in the iron industry and is principally engaged in the casting of iron and other metals and the manufacturing of industrial supplies and related products. The Company also invests surplus funds through investment portfolios.

2 BASIS OF PREPARATION AND CHANGES TO THE COMPANY'S ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed financial information of the Company, for the three months ended 31 March 2023 has been prepared in accordance with IAS 34, *Interim Financial Reporting* ("IAS 34").

The Company has prepared the interim condensed financial information on the basis that it will continue to operate as a going concern. The management considers that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed financial information does not include all of the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2022.

Further, 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.

2.2 New and amended standards and interpretations

The accounting policies and methods of computation adopted in the preparation of the interim condensed financial information are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2022, except for the adoption of new amendments effective as of 1 January 2023. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's interim condensed financial information.

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

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide 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.

These amendments had no impact on the interim condensed financial information of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

Kuwait Foundry Company K.S.C.P.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

3 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<i>31 March</i> <i>2023</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2022</i> <i>KD</i>	<i>31 March</i> <i>2022</i> <i>KD</i>
Unquoted equity securities	14,094,096	10,243,097	12,560,523

The hierarchy for determining the fair values of the financial assets at fair value through other comprehensive income by valuation techniques is presented in Note 10.

4 CASH AND CASH EQUIVALENTS

For the purpose of the interim condensed statement of cash flows, cash and cash equivalents are comprised of the following:

	<i>31 March</i> <i>2023</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2022</i> <i>KD</i>	<i>31 March</i> <i>2022</i> <i>KD</i>
Cash in hand	1,937	2,232	2,200
Cash at banks*	9,153,056	2,285,315	443,575
Total cash and cash equivalents	9,154,993	2,287,547	445,775

*An amount of KD 525,000 (31 December 2022: KD 525,000 and 31 March 2022: KD Nil) has been restricted in relation to establishing a new subsidiary.

Cash at banks earns interest at floating rates based on daily bank deposit rates.

At 31 March 2023, the Company had available KD 499,952 undrawn committed overdraft facilities (31 December 2022: KD 500,000 and 31 March 2022: KD Nil).

5 TRADE AND OTHER PAYABLES

	<i>31 March</i> <i>2023</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2022</i> <i>KD</i>	<i>31 March</i> <i>2022</i> <i>KD</i>
Trade payables	5,429	7,427	7,454
Advances from customers	55,172	55,323	51,894
Accrued expenses	12,850	14,350	7,523
KFAS payable	132,130	61,634	73,270
Zakat payable	89,634	24,213	385
NLST payable	224,267	47,987	963
Dividends and distributions payable	169,973	251,017	302,822
Directors' remuneration payable	42,000	42,000	-
Other payables	23,371	22,188	54,149
	754,826	526,139	498,460

Kuwait Foundry Company K.S.C.P.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

6 EARNINGS PER SHARE (EPS)

Basic EPS is calculated by dividing the profit for the period by the weighted average number of shares outstanding during the period (excluding treasury shares). Diluted EPS is calculating by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

	<i>Three months ended</i>	
	<i>31 March</i>	
	<u>2023</u>	<u>2022</u>
Net profit for the period (KD)	6,732,356	32,689
Weighted average number of ordinary shares	72,325,590	72,325,590
Basic and diluted EPS (Fils)	93.08	0.45

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of this interim condensed financial information.

7 RELATED PARTY DISCLOSURES

These represent transactions with certain parties (major shareholders, associates, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties) entered by the Company in the ordinary course of business. Pricing policies and terms of these transactions are approved by the Company's management.

The following table provides the total amount of transactions that have been entered with related parties during the three months ended 31 March 2023 and 2022:

	<i>Three months ended 31 March</i>		
	<i>Major shareholder</i>	<i>2023</i>	<i>2022</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Statement of profit or loss:			
Revenue from contracts with customers	4,266	4,266	3,229

Terms and conditions of transactions with related parties

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash, there have been no guarantees provided or received for any related party receivables or payables.

Transactions with key management personnel

Key management personnel comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Company. The aggregate value of transactions and outstanding balances related to key management personnel were as follows:

	<i>Transaction values for the</i>		<i>Balance outstanding as at</i>		
	<i>three months ended</i>		<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>31 March</i>	<i>31 March</i>	<i>2023</i>	<i>2022</i>	<i>2022</i>
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>	<i>2022</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Salaries and other short-term benefits	16,166	15,456	12,187	12,418	-
Employees end of service benefits	495	404	5,203	4,593	2,547
	16,661	15,860	17,390	17,011	2,547

The Board of Directors of the Company at the meeting held on 29 March 2023 proposed a directors' remuneration amounting to KD 42,000 (2021: KD Nil) for the year ended 31 December 2022. The proposal was approved by the shareholder at the annual general assembly (AGM) on 4 May 2023.

Kuwait Foundry Company K.S.C.P.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

8 SEGMENT INFORMATION

For management purposes, the Company is organised into two major business segments. The principal activities and services under these segments are as follows:

- ▶ **Manufacturing:** which represents the manufacturing of iron and other metal products.
- ▶ **Investment:** which represents the Company's investments in securities and investment units to utilise the Company's financial surplus.

The following tables present revenue and profit information for the Company's operating segments for the three months ended 31 March 2023 and 2022, respectively:

	<i>Manufacturing KD</i>	<i>Investment KD</i>	<i>Unallocated KD</i>	<i>Total KD</i>
<i>Three months ended 31 March 2023</i>				
Revenue	<u>154,238</u>	<u>7,047,234</u>	<u>3,255</u>	<u>7,204,727</u>
Segment profit (loss)	<u>75,168</u>	<u>7,047,234</u>	<u>(390,046)</u>	<u>6,732,356</u>
Depreciation of property and equipment	<u>(300)</u>	<u>-</u>	<u>(499)</u>	<u>(799)</u>
	<i>Manufacturing KD</i>	<i>Investment KD</i>	<i>Unallocated KD</i>	<i>Total KD</i>
<i>Three months ended 31 March 2022</i>				
Revenue	<u>243,443</u>	<u>137</u>	<u>8,394</u>	<u>251,974</u>
Segment profit (loss)	<u>77,758</u>	<u>137</u>	<u>(45,206)</u>	<u>32,689</u>
Depreciation of property and equipment	<u>(830)</u>	<u>-</u>	<u>(559)</u>	<u>(1,389)</u>

The following table presents assets and liabilities information for the Company's operating segments as at 31 March 2023, 31 December 2022 and 31 March 2022, respectively:

	<i>Manufacturing KD</i>	<i>Investment KD</i>	<i>Unallocated KD</i>	<i>Total KD</i>
<i>As at 31 March 2023</i>				
Total assets	<u>1,643,226</u>	<u>14,094,096</u>	<u>9,300,026</u>	<u>25,037,348</u>
Total liabilities	<u>83,972</u>	<u>-</u>	<u>780,270</u>	<u>864,242</u>
<i>As at 31 December 2022 (Audited)</i>				
Total assets	<u>1,644,655</u>	<u>10,243,097</u>	<u>2,336,654</u>	<u>14,224,406</u>
Total liabilities	<u>84,938</u>	<u>-</u>	<u>549,717</u>	<u>634,655</u>
<i>As at 31 March 2022</i>				
Total assets	<u>2,395,033</u>	<u>12,560,523</u>	<u>545,613</u>	<u>15,501,169</u>
Total liabilities	<u>113,494</u>	<u>-</u>	<u>490,530</u>	<u>604,024</u>

Kuwait Foundry Company K.S.C.P.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

9 COMMITMENTS AND CONTINGENT LIABILITIES

	<i>31 March</i> <i>2023</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2022</i> <i>KD</i>	<i>31 March</i> <i>2022</i> <i>KD</i>
Contingent liabilities			
Guarantees to an unrelated party	-	-	2,150

The Company had no capital commitments as at the reporting date.

10 FAIR VALUE MEASUREMENT

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

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management assessed that cash and short-term deposits, trade and other receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value measurements for the unquoted securities have been categorised as Level 3 fair values based on the inputs to the valuation techniques used.

There were no changes in the Company's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the three months ended 31 March 2023.

Reconciliation of recurring fair value measurements categorised within Level 3 of the fair value hierarchy:

	<i>Non-listed equity instruments</i> <i>Financial assets at FVOCI</i> <i>KD</i>
<i>31 March 2023</i>	
As at 1 January 2023	10,243,097
Remeasurement recognised in OCI	3,850,999
As at 31 March 2023	14,094,096

Kuwait Foundry Company K.S.C.P.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2023

10 FAIR VALUE MEASUREMENT (continued)

Reconciliation of recurring fair value measurements categorised within Level 3 of the fair value hierarchy: (continued)

	<i>Non-listed equity instruments</i>
	<i>Financial assets at FVOCI</i>
	<i>KD</i>
<i>31 December 2022 (Audited)</i>	
As at 1 January 2022	11,798,855
Remeasurement recognised in OCI	(1,555,758)
As at 31 December 2022	<u>10,243,097</u>
	<i>Non-listed equity instruments</i>
	<i>Financial assets at FVOCI</i>
	<i>KD</i>
<i>31 March 2022</i>	
As at 1 January 2022	11,798,855
Remeasurement recognised in OCI	761,668
As at 31 March 2022	<u>12,560,523</u>

The Company has performed a sensitivity analysis to the range of significant unobservable inputs used in the fair value measurements during the period. Based on such analysis, there is no material impact on the interim condensed financial information.

Description of significant unobservable inputs to valuation of financial assets:

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis are as shown below:

<i>FVOCI</i>	<i>Valuation technique</i>	<i>Significant unobservable inputs</i>	<i>Multiplier</i>	<i>Sensitivity of the input to fair value</i>
				10% increase (decrease) in the Sector PBV multiple would result in an increase (decrease) in fair value by KD 1,398,904 (31 December 2022: KD 1,013,865, 31 March 2022: KD 1,235,715)
Unquoted securities	Market multiple approach	Sector multiple	1	
		DLOM	40%	5% increase (decrease) in the DLOM would result in (decrease) increase in fair value by KD 1,165,753 (31 December 2022: KD 844,887, 31 March 2022: KD 1,029,762)

* Discount for lack of marketability "DLOM" represents the amounts that the Company has determined that market participants would take into account when pricing the investments.

11 DISTRIBUTIONS MADE AND PROPOSED

The Board of Directors of the Company in their meeting held on 29 March 2023, proposed a cash dividend of 22 fils per share (aggregating to KD 1,591,163) for the year ended 31 December 2022. The proposed dividend was approved by the shareholders at the AGM held on 4 May 2023.

The Company's Board of Directors in their meeting held on 11 May 2023 proposed distributing interim dividends of 80 fils per share from equity reserves of KD 5,786,047 through partially utilising the share premium. The proposal is subject to the approval at the Ordinary General Assembly and the regulatory authorities.

12 REDUCTION OF SHARE CAPITAL

The Company's Board of Directors in their meeting held on 29 March 2023 proposed the reduction of authorised, issued and paid-up share capital of the Company from KD 7,232,559 to KD 6,500,000 and distributing the reduction amount of KD 732,559 to the shareholders pro-rated to their shareholding in the Company. This proposal has been approved by the shareholders at the Extraordinary General Meeting (EGM) held on 4 May 2023. The legal proceedings related to the above resolutions are still in progress as at the date of authorisation of this interim condensed financial information.

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