

**KUWAIT FOUNDRY COMPANY K.S.C.P. AND
ITS SUBSIDIARY**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION (UNAUDITED)**

30 JUNE 2024



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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kuwait Foundry Company K.S.C.P. (the "Parent Company") and its subsidiary (collectively, "the Group") as at 30 June 2024, and the related interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income for the three-month and six-month periods then end, and the interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of the interim condensed consolidated financial information in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on the 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 IAS 34.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent 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 Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the six-month period ended 30 June 2024 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, we have not become aware of any violations of the provisions of Law No 7 of 2010 concerning the establishment of Capital Markets Authority ("CMA") and organization of security activity and its executive regulations, as amended, during the six months period ended 30 June 2024 that might have had a material effect on the business of the Parent Company or on its financial position.



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


Kuwait Foundry Company K.S.C.P and its subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2024

	Notes	30 June 2024 KD	(Audited) 31 December 2023 KD	30 June 2023 KD
ASSETS				
Non-current assets				
Property, plant and equipment		298,224	298,588	299,048
Financial assets at FVOCI	3	16,645,117	14,079,579	9,851,457
		<u>16,943,341</u>	<u>14,378,167</u>	<u>10,150,505</u>
Current assets				
Inventories		683,064	659,661	1,347,361
Trade and other receivables		110,826	81,499	150,613
Term deposits	4	1,100,000	750,000	6,500,000
Bank balances and cash		254,689	351,901	216,151
		<u>2,148,579</u>	<u>1,843,061</u>	<u>8,214,125</u>
TOTAL ASSETS		<u><u>19,091,920</u></u>	<u><u>16,221,228</u></u>	<u><u>18,364,630</u></u>
EQUITY AND LIABILITIES				
Equity				
Share capital		6,500,000	6,500,000	6,500,000
Share premium		-	2,239,981	2,239,981
Statutory reserve		3,250,000	3,616,280	3,616,280
Voluntary reserve		-	76,190	76,190
Fair value reserve		827,342	(1,738,196)	(5,966,318)
Foreign currency translation reserve		(1,418,868)	(1,418,868)	(1,418,868)
Retained earnings		9,171,633	6,136,448	6,828,438
		<u>18,330,107</u>	<u>15,411,835</u>	<u>11,875,703</u>
Liabilities				
Non-current liabilities				
Employees' end of service benefits		123,738	127,410	109,891
Current liabilities				
Trade and other payables	5	638,075	681,983	6,379,036
Total liabilities		<u>761,813</u>	<u>809,393</u>	<u>6,488,927</u>
TOTAL EQUITY AND LIABILITIES		<u><u>19,091,920</u></u>	<u><u>16,221,228</u></u>	<u><u>18,364,630</u></u>


Anas Abdulrahman Al-Asousi
Chairman


Al Muthana Mohammed Al-Maktoum
Board member and Chief Executive
Officer

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

Kuwait Foundry Company K.S.C.P and its subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(UNAUDITED)

For the period ended 30 June 2024

	Note	Three months ended 30 June		Six months ended 30 June	
		2024 KD	2023 KD	2024 KD	2023 KD
Revenue from contracts with customers		154,462	148,514	341,283	302,752
Cost of sales		(93,088)	(90,487)	(202,868)	(179,828)
GROSS PROFIT		61,374	58,027	138,415	122,924
Other operating income		6,090	126	7,033	3,381
Interest income		63,068	72,725	91,856	72,759
Foreign currency exchange loss		(9,127)	(20,244)	(10,416)	(5,499)
Selling and marketing expenses		(4,445)	(4,785)	(9,461)	(9,259)
General and administrative expenses		(80,746)	(48,145)	(210,291)	(124,158)
OPERATING PROFIT		36,214	57,704	7,136	60,148
Dividend income		-	-	4,618,500	7,047,200
Other income	12	-	-	2,550,000	-
PROFIT BEFORE TAX		36,214	57,704	7,175,636	7,107,348
Contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")		(445)	(577)	(71,877)	(71,073)
National Labour Support Tax ("NLST")		(927)	(1,516)	(179,217)	(177,796)
Zakat		(454)	(606)	(71,808)	(71,118)
PROFIT FOR THE PERIOD		34,388	55,005	6,852,734	6,787,361
BASIC AND DILUTED EARNINGS PER SHARE	6	0.53 Fils	0.78 Fils	105.43 Fils	95.62 Fils

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

Kuwait Foundry Company K.S.C.P and its subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (UNAUDITED)

For the period ended 30 June 2024

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	2024	2023	2024	2023
	KD	KD	KD	KD
PROFIT FOR THE PERIOD	34,388	55,005	6,852,734	6,787,361
Other comprehensive income (loss)				
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>				
Net gain (loss)				
on equity instruments designated at FVOCI	1,084,595	(4,242,639)	2,565,538	(391,640)
Total other comprehensive income (loss) for the period	1,084,595	(4,242,639)	2,565,538	(391,640)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	1,118,983	(4,187,634)	9,418,272	6,395,721

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

Kuwait Foundry Company K.S.C.P and its subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 June 2024

	<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 2024 (Audited)	6,500,000	2,239,981	3,616,280	76,190	(1,738,196)	(1,418,868)	6,136,448	15,411,835
Profit for the period	-	-	-	-	-	-	6,852,734	6,852,734
Other comprehensive income	-	-	-	-	2,565,538	-	-	2,565,538
Total comprehensive income	-	-	-	-	2,565,538	-	6,852,734	9,418,272
Cash dividends (Note 11)	-	(2,239,981)	(366,280)	(76,190)	-	-	(3,817,549)	(6,500,000)
At 30 June 2024	6,500,000	-	3,250,000	-	827,342	(1,418,868)	9,171,633	18,330,107

	<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	-	-	-	-	-	-	6,787,361	6,787,361
Other comprehensive loss	-	-	-	-	(391,640)	-	-	(391,640)
Total comprehensive (loss) income	-	-	-	-	(391,640)	-	6,787,361	6,395,721
Reduction in share capital	(732,559)	-	-	-	-	-	-	(732,559)
Cash dividends (Note 11)	-	(5,786,047)	-	-	-	-	(1,591,163)	(7,377,210)
At 30 June 2023	6,500,000	2,239,981	3,616,280	76,190	(5,966,318)	(1,418,868)	6,828,438	11,875,703

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

Kuwait Foundry Company K.S.C.P and its subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(UNAUDITED)

For the period ended 30 June 2024

	<i>Six months ended</i>	
	<i>30 June</i>	
	2024	2023
	KD	KD
OPERATING ACTIVITIES		
Profit before tax	7,175,636	7,107,348
<i>Non-cash adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation of property, plant and equipment	1,645	1,585
Dividend income	(4,618,500)	(7,047,200)
Provision for employees' end of service benefits	6,974	5,866
Interest income	(91,856)	(72,759)
	2,473,899	(5,160)
<i>Working capital changes:</i>		
Inventories	(23,403)	(14,256)
Trade and other receivables	(23,563)	(90,304)
Trade and other payables	(403,601)	(253,496)
	2,023,332	(363,216)
Cash flows from (used in) operations	(10,646)	(4,491)
Employees' end of service benefits paid		
Net cash flows from (used in) operating activities	2,012,686	(367,707)
INVESTING ACTIVITIES		
Purchase of items of property, plant and equipment	(1,281)	(285)
Dividend income received	4,618,500	7,047,200
Net movement in term deposits	(350,000)	(6,500,000)
Interest income received	86,092	72,759
Net cash flows from investing activities	4,353,311	619,674
FINANCING ACTIVITIES		
Cash dividends paid	(6,463,209)	(2,323,363)
Net cash flows used in financing activities	(6,463,209)	(2,323,363)
NET DECREASE IN BANK BALANCES AND CASH	(97,212)	(2,071,396)
Bank balances and cash as at the 1 January	351,901	2,287,547
BANK BALANCES AND CASH AT 30 JUNE	254,689	216,151

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

Kuwait Foundry Company K.S.C.P and its subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Kuwait Foundry Company K.S.C.P. (the "Parent Company") and its Subsidiary (collectively, the "Group") for the six months ended 30 June 2024 was authorised for issue in accordance with a resolution of the Parent Company's Board of Directors on 21 July 2024.

The consolidated financial statements of the Group for the year ended 31 December 2023 were approved by the Parent Company's shareholders in the annual general assembly meeting ("AGM") held on 23 May 2024.

The Parent Company is a public shareholding company, incorporated and domiciled in Kuwait and whose shares are publicly traded in Boursa Kuwait. The Parent Company's registered office is located at Al Rai Industrial Area, Street (10), Kuwait.

The Parent Company's primary objectives are, as follows:

- ▶ Casting of iron and other metals, manufacturing the sanitary tools,
- ▶ Manufacturing the accessories for sewage systems, manufacturing of casting joint for "Asbestos" pipes,
- ▶ Manufacturing of water valves, manufacturing of water pumps, manufacturing casting accessories for Rain water drains,
- ▶ Manufacturing casting joints for water extensions, manufacturing casting pipes by centrifugal method,
- ▶ Manufacturing all the requirements related to casting industry, importing the materials necessary to achieve its objectives and all the commercial activities related to marketing and distribution of its products.
- ▶ The Parent Company may have an interest or participate under any manner in the entities carrying out works similar to its objective or which may assist the Group to achieve its objectives in Kuwait or abroad. It may buy these entities or take it as its subsidiaries.
- ▶ The Parent Company may invest its available excess funds through portfolios managed by specialised companies and parties. The Parent Company may also pledge the its's properties, provide guarantees, make loans and lend to subsidiaries, associates and companies in which the Parent Company's ownership is 5% or more.

In 2023, the Group established a new subsidiary "Kuwait Foundry Holding Company K.S.C. (Closed)" with an issued and paid-up share capital of KD 525,000. The Group owns 99.9% equity interest in the subsidiary. The Group's effective interest in the subsidiary is 100%. The remaining shares/ units are held indirectly in the name of nominees on behalf of the Parent Company. The nominees have confirmed in writing that the Parent Company is the beneficial owner of the shares/ units in the subsidiary.

The interim condensed consolidated financial information of the Group include the financial statements of following subsidiary:

<i>Name of the Company</i>	<i>Country of incorporation</i>	<i>Principal activities</i>	<i>% equity interest</i>	<i>% equity interest</i>	<i>% equity interest</i>
			<i>30 June 2024</i>	<i>31 December 2023</i>	<i>30 June 2023</i>
Kuwait Foundry Holding Company K.S.C. (Closed)"	Kuwait	Investment activities	100%	100%	100%

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The interim condensed consolidated financial information of the Parent Company, for the six months ended 30 June 2024 has been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34").

The Group has prepared the interim condensed consolidated financial information on the basis that it will continue to operate as a going concern. 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 Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end date of authorization of interim condensed consolidated financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED)

As at and for the period ended 30 June 2024

**2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S MATERIAL ACCOUNTING
POLICY INFORMATION (continued)**

2.1 Basis of preparation (continued)

The interim condensed consolidated financial information is presented in Kuwaiti Dinars ("KD"), which is also the functional currency of the Parent Company.

The interim condensed consolidated financial information does not include all of the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2023.

Further, results for the six-month period ended 30 June 2024, are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

2.2 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 followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial information of the Group.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's interim condensed consolidated financial information.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

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

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- ▶ What is meant by a right to defer settlement.
- ▶ That a right to defer must exist at the end of the reporting period.
- ▶ That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- ▶ That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments had no impact on the Group's interim condensed consolidated financial information.

Kuwait Foundry Company K.S.C.P and its subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

3 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<i>30 June</i> <i>2024</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2023</i> <i>KD</i>	<i>30 June</i> <i>2023</i> <i>KD</i>
Unquoted equity securities	16,645,117	14,079,579	9,851,457

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 TERM DEPOSITS

Term deposits are made for periods between three months and one year and carry an effective profit rate of 4.25% per annum (31 December 2023: 4.45% and 30 June 2023: 4.125%).

5 TRADE AND OTHER PAYABLES

	<i>30 June</i> <i>2024</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2023</i> <i>KD</i>	<i>30 June</i> <i>2023</i> <i>KD</i>
Trade payables	643	2,034	3,450
Advances from customers	43,785	56,969	62,281
Accrued expenses	3,150	23,860	-
KFAS payable	71,877	64,656	71,073
Zakat payable	71,808	71,873	71,118
NLST payable	179,217	179,682	177,796
Dividends and distributions payable	243,160	206,864	5,971,417
Directors' remuneration payable (Note 7)	-	54,000	-
Other payables	24,435	22,045	21,901
	638,075	681,983	6,379,036

6 BASIC AND DILUTED 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>30 June</i>		<i>Six months ended</i> <i>30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Net profit for the period (KD)	34,388	55,005	6,852,734	6,787,361
Weighted average number of ordinary shares	65,000,000	70,443,158	65,000,000	70,982,565
Basic and diluted EPS (Fils)	0.53	0.78	105.43	95.62

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 consolidated financial information.

Kuwait Foundry Company K.S.C.P and its subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

7 RELATED PARTY DISCLOSURES

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

The following table provides the total amount of transactions that have been entered with related parties during the six months ended 30 June 2024 and 2023:

	<i>Major shareholder KD</i>	<i>Six months ended 30 June</i>	
		<i>2024 KD</i>	<i>2023 KD</i>
<i>Condensed consolidated statement of profit or loss:</i>			
Revenue from contracts with customers	10,332	10,332	6,446

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 Group. The aggregate value of transactions and outstanding balances related to key management personnel were as follows:

	<i>Transaction values for the Six months ended</i>		<i>Balance outstanding as at (Audited)</i>		
	<i>30 June 2024 KD</i>	<i>30 June 2023 KD</i>	<i>30 June 2024 KD</i>	<i>31 December 2023 KD</i>	<i>30 June 2023 KD</i>
Salaries and other short-term benefits	32,745	32,332	4,516	15,282	4,569
Post-employment benefits	1,559	1,222	8,412	6,853	5,815
	34,304	33,554	12,928	22,135	10,384

The Board of Directors of the Parent Company at the meeting held on 26 March 2024 proposed a directors' remuneration amounting to KD 54,000 (2022: KD 42,000) for the year ended 31 December 2023. The ordinary annual general assembly meeting for the year ended 31 December 2023 on 23 May 2024 approved the proposal.

Kuwait Foundry Company K.S.C.P and its subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

8 SEGMENT INFORMATION

For management purposes, the Group 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 Group's investments in securities and investment units to utilise the Group's financial surplus.

The following tables present revenue and profit information for the Group's operating segments for the six months ended 30 June 2024 and 2023, respectively:

	<i>Manufacturing KD</i>	<i>Investment KD</i>	<i>Unallocated KD</i>	<i>Total KD</i>
<i>Six months ended 30 June 2024</i>				
Revenue	<u>341,283</u>	<u>4,710,356</u>	<u>2,557,033</u>	<u>7,608,672</u>
Segment profit	<u>118,538</u>	<u>4,710,356</u>	<u>2,023,840</u>	<u>6,852,734</u>
Depreciation of property, plant and equipment	<u>(563)</u>	<u>-</u>	<u>(1,082)</u>	<u>(1,645)</u>
<i>Six months ended 30 June 2023</i>				
Revenue	<u>302,752</u>	<u>7,047,200</u>	<u>76,140</u>	<u>7,426,092</u>
Segment profit (loss)	<u>108,166</u>	<u>7,119,959</u>	<u>(440,764)</u>	<u>6,787,361</u>
Depreciation of property, plant and equipment	<u>(592)</u>	<u>-</u>	<u>(993)</u>	<u>(1,585)</u>

The following table presents assets and liabilities information for the Group's operating segments as at 30 June 2024, 31 December 2023 and 30 June 2023, respectively:

	<i>Manufacturing KD</i>	<i>Investment KD</i>	<i>Unallocated KD</i>	<i>Total KD</i>
<i>As at 30 June 2024</i>				
Total assets	<u>987,916</u>	<u>17,745,117</u>	<u>358,887</u>	<u>19,091,920</u>
Total liabilities	<u>69,029</u>	<u>-</u>	<u>692,784</u>	<u>761,813</u>
<i>As at 31 December 2023 (Audited)</i>				
Total assets	<u>979,080</u>	<u>14,829,579</u>	<u>412,569</u>	<u>16,221,228</u>
Total liabilities	<u>82,739</u>	<u>-</u>	<u>726,654</u>	<u>809,393</u>
<i>As at 30 June 2023</i>				
Total assets	<u>1,664,824</u>	<u>16,351,457</u>	<u>348,349</u>	<u>18,364,630</u>
Total liabilities	<u>87,632</u>	<u>-</u>	<u>6,401,295</u>	<u>6,488,927</u>

As at and for the period ended 30 June 2024

9 COMMITMENTS AND CONTINGENT LIABILITIES

The Group had no capital commitments or contingent liabilities as at the reporting date.

10 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability; or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ 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 in the interim condensed consolidated financial information at fair value on a recurring basis, the Group 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 methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

Valuation methods and assumptions

The following methods and assumptions were used to estimate the fair values:

Unlisted equity investments

The Group invests in private equity companies that are not quoted in an active market. Transactions in such investments do not occur on a regular basis. The Group uses a mix of income and market comparison valuation techniques for the majority of these positions. The Group determines comparable public companies (peers) based on industry, size, leverage and strategy, and calculates an appropriate trading multiple for each comparable company identified. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the investee company to measure the fair value. The Group classifies the fair value of these investments as Level 3.

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

Other financial assets and liabilities

For all other financial assets and liabilities, management assessed that the carrying value is an approximation of fair value.

Kuwait Foundry Company K.S.C.P and its subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED)

As at and for the period ended 30 June 2024

10 FAIR VALUE MEASUREMENT (continued)

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

	<i>Non-listed equity instruments</i>
	<i>Financial assets at FVOCI</i>
	<i>KD</i>
30 June 2024	
As at 1 January 2024	14,079,579
Remeasurement recognised in OCI	2,565,538
As at 30 June 2024	16,645,117
	<i>Non-listed equity instruments</i>
	<i>Financial assets at FVOCI</i>
	<i>KD</i>
31 December 2023 (Audited)	
As at 1 January 2023	10,243,097
Remeasurement recognised in OCI	3,836,482
As at 31 December 2023	14,079,579
	<i>Non-listed equity instruments</i>
	<i>Financial assets at FVOCI</i>
	<i>KD</i>
30 June 2023	
As at 1 January 2023	10,243,097
Remeasurement recognised in OCI	(391,640)
As at 30 June 2023	9,851,457

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 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 six months ended 30 June 2024.

The Group 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 consolidated financial information.

Kuwait Foundry Company K.S.C.P and its subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

10 FAIR VALUE MEASUREMENT (continued)

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>Valuation technique</i>	<i>Significant unobservable inputs</i>	<i>Multiplier</i>	<i>Sensitivity of the input to fair value</i>
<i>FVOCI</i>				10% increase (decrease) in the Sector PBV multiple would result in an increase (decrease) in fair value by KD 1,655,182 (31 December 2023: KD 1,393,502, 30 June 2023: KD 974,641)
Unquoted securities	Market multiple approach	Sector multiple	1.5	
		DLOM	40%	5% increase (decrease) in the DLOM would result in (decrease) increase in fair value by KD 1,379,318 (31 December 2023: KD 1,161,251, 30 June 2023: KD 812,201)

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

11 DISTRIBUTIONS MADE AND PROPOSED

The Company's Board of Directors in their meeting held on 26 March 2024 proposed a cash dividend of 35 fils per share amounting to KD 2,275,000 through partially utilising the share premium, statutory reserve and voluntary reserve (2023: 22 and 89 fils per share amounting to KD 1,591,163 and KD 5,786,047 respectively). The ordinary annual general assembly meeting for the year ended 31 December 2023 has convened on 23 May 2024 and has approved for a cash dividends of 100 fils per share amounting to KD 6,500,000 through utilising the share premium of KD 2,239,981, statutory reserve KD 366,280, voluntary reserve KD 76,190 and retained earnings KD 3,817,549 (2023: KD 7,377,210 through utilising the share premium of KD 5,786,047, and retained earnings KD 1,591,163).

12 OTHER INCOME

During the period, based on the court judgement, the Group received a payment of KD 2,550,000 against the default in payment of the advance for sale of land in accordance the related contract. The sale transaction was cancelled as a result. This has been recorded as other income in the interim condensed consolidated statement of profit or loss.