

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

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

31 MARCH 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 31 March 2024, and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three-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.

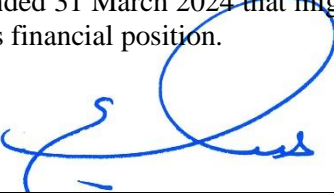
Conclusion

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 three-month period ended 31 March 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 three months period ended 31 March 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

12 May 2024
Kuwait

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2024

		<i>(Audited)</i>	
	<i>Notes</i>	<i>31 March 2024 KD</i>	<i>31 December 2023 KD</i>
		<i>31 March 2024 KD</i>	<i>31 March 2023 KD</i>
ASSETS			
Non-current assets			
Property, plant and equipment		298,389	298,588
Financial assets at FVOCI	3	15,560,522	14,079,579
		<u>15,858,911</u>	<u>14,378,167</u>
Current assets			
Inventories		669,168	659,661
Trade and other receivables		161,471	81,499
Cash and cash equivalents	4	8,145,711	1,101,901
		<u>8,976,350</u>	<u>1,843,061</u>
TOTAL ASSETS		<u><u>24,835,261</u></u>	<u><u>16,221,228</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		6,500,000	6,500,000
Share premium		2,239,981	2,239,981
Statutory reserve		3,616,280	3,616,280
Voluntary reserve		76,190	76,190
Fair value reserve		(257,253)	(1,738,196)
Foreign currency translation reserve		(1,418,868)	(1,418,868)
Retained earnings		12,954,794	6,136,448
		<u>23,711,124</u>	<u>15,411,835</u>
Liabilities			
Non-current liabilities			
Employees' end of service benefits		122,395	127,410
Current liabilities			
Trade and other payables	5	1,001,742	681,983
Total liabilities		<u>1,124,137</u>	<u>809,393</u>
TOTAL EQUITY AND LIABILITIES		<u><u>24,835,261</u></u>	<u><u>16,221,228</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 31 March 2024

	Note	Three months ended 31 March	
		2024 KD	2023 KD
Revenue from contracts with customers		186,821	154,238
Cost of sales		(109,780)	(89,341)
GROSS PROFIT		77,041	64,897
Interest income		28,788	-
Other operating income		943	3,289
Foreign currency exchange (loss) gain		(1,289)	14,745
Selling and marketing expenses		(5,016)	(4,474)
General and administrative expenses		(129,545)	(76,013)
OPERATING LOSS		(29,078)	2,444
Dividend income		4,618,500	7,047,200
Other income	12	2,550,000	-
PROFIT BEFORE TAX		7,139,422	7,049,644
Contribution to Kuwait Foundation for the Advancement of Sciences (“KFAS”)		(71,432)	(70,496)
National Labour Support Tax (“NLST”)		(178,290)	(176,280)
Zakat		(71,354)	(70,512)
PROFIT FOR THE PERIOD		6,818,346	6,732,356
BASIC AND DILUTED EARNINGS PER SHARE	6	104.90 Fils	93.08 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 31 March 2024

		<i>Three months ended</i>	
		<i>31 March</i>	
	<i>Note</i>	<i>2024</i>	<i>2023</i>
		<i>KD</i>	<i>KD</i>
PROFIT FOR THE PERIOD		6,818,346	6,732,356
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 FVOCI	10	1,480,943	3,850,999
Total other comprehensive income for the period		1,480,943	3,850,999
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		8,299,289	10,583,355

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 31 March 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	-	-	-	-	-	-	6,818,346	6,818,346
Other comprehensive income	-	-	-	-	1,480,943	-	-	1,480,943
Total comprehensive income	-	-	-	-	1,480,943	-	6,818,346	8,299,289
At 31 March 2024	6,500,000	2,239,981	3,616,280	76,190	(257,253)	(1,418,868)	12,954,794	23,711,124

	<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

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 31 March 2024

	Note	Three months ended 31 March	
		2024 KD	2023 KD
OPERATING ACTIVITIES			
Profit before tax		7,139,422	7,049,644
<i>Non-cash adjustments to reconcile profit before tax to net cash flows:</i>			
Depreciation of property, plant and equipment		809	799
Dividend income		(4,618,500)	(7,047,200)
Provision for employees' end of service benefits		2,814	2,468
Interest income		(28,788)	(34)
		<u>2,495,757</u>	<u>5,677</u>
<i>Working capital changes:</i>			
Inventories		(9,507)	(7,559)
Trade and other receivables		(79,972)	(87,737)
Trade and other payables		27,224	(88,601)
		<u>2,433,502</u>	<u>(178,220)</u>
Cash flows from (used in) operations			
Employees' end of service benefits paid		(7,829)	(1,568)
		<u>2,425,673</u>	<u>(179,788)</u>
Net cash flows from (used in) operating activities			
INVESTING ACTIVITIES			
Dividend income received		4,618,500	7,047,200
Interest income received		247	34
Purchase of items of property, plant and equipment		(610)	-
		<u>4,618,137</u>	<u>7,047,234</u>
Net cash flows from investing activities			
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as at the 1 January		7,043,810	6,867,446
		<u>1,101,901</u>	<u>2,287,547</u>
CASH AND CASH EQUIVALENTS AT 31 March	4	<u><u>8,145,711</u></u>	<u><u>9,154,993</u></u>

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 31 March 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 three months ended 31 March 2024 was authorised for issue in accordance with a resolution of the Parent Company’s Board of Directors on 12 May 2024.

The ordinary annual general assembly meeting (“AGM”) for the year ended 31 December 2023 has not been convened as at the date of authorisation of these interim condensed financial statements. The consolidated financial statements of the Group for the year ended 31 December 2023 will be tabled for approval by the Parent Company’s shareholders at the AGM to be 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 31 March 2024</i>	<i>% equity interest 31 December 2023</i>	<i>% equity interest 31 March 2023</i>
Kuwait Foundry Holding Company K.S.C. (Closed)”	Kuwait	Investment activities	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 three months ended 31 March 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 31 March 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 three-month period ended 31 March 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 31 March 2024

3 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<i>31 March</i> <i>2024</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2023</i> <i>KD</i>	<i>31 March</i> <i>2023</i> <i>KD</i>
Unquoted equity securities	15,560,522	14,079,579	14,094,096

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 consolidated statement of cash flows, cash and cash equivalents are comprised of the following:

	<i>31 March</i> <i>2024</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2023</i> <i>KD</i>	<i>31 March</i> <i>2023</i> <i>KD</i>
Cash in hand	1,599	1,816	1,937
Short term deposit	3,400,000	750,000	-
Cash at banks	4,744,112	350,085	8,628,056
Restricted cash*	-	-	525,000
Total cash and cash equivalents	8,145,711	1,101,901	9,154,993

Short-term deposits are made for periods of less than three months and carry an effective profit rate of 4.40 % per annum (31 December 2023: 4.45% and 31 March 2023: Nil%). Cash at banks earns interest at floating rates based on daily bank deposit rates.

*An amount of KD Nil (31 December 2023: KD Nil and 31 March 2023: KD 525,000) was restricted in relation to establishing a new subsidiary. The legal proceedings with respect to the incorporation of the subsidiary were completed on 18 April 2023.

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

5 TRADE AND OTHER PAYABLES

	<i>31 March</i> <i>2024</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2023</i> <i>KD</i>	<i>31 March</i> <i>2023</i> <i>KD</i>
Trade payables	2,856	2,034	5,429
Advances from customers	49,324	56,969	55,172
Accrued expenses	28,670	23,860	12,850
KFAS payable	136,050	64,656	132,130
Zakat payable	143,189	71,873	89,634
NLST payable	357,972	179,682	224,267
Dividends and distributions payable	206,434	206,864	169,973
Directors' remuneration payable (Note 7)	54,000	54,000	42,000
Other payables	23,247	22,045	23,371
	1,001,742	681,983	754,826

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 31 March 2024

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 calculated 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>	
	<i>2024</i>	<i>2023</i>
Profit for the period (KD)	6,818,346	6,732,356
Weighted average number of ordinary shares	65,000,000	72,325,590
Basic and diluted EPS (Fils)	104.90	93.08

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.

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 three months ended 31 March 2024 and 2023:

	<i>Major shareholder KD</i>	<i>Three months ended 31 March</i>	
		<i>2024 KD</i>	<i>2023 KD</i>
<i>Consolidated statement of profit or loss:</i>			
Revenue from contracts with customers	5,133	5,133	4,266

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</i>		<i>Balance outstanding as at</i>		
	<i>Three months ended</i>		<i>(Audited)</i>		
	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Salaries and other short-term benefits	24,063	16,166	24,155	15,282	12,187
Post-employment benefits	519	495	7,372	6,853	5,203
	24,582	16,661	31,527	22,135	17,390

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 has not been convened as at the date of authorisation of these interim condensed 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 31 March 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 three months ended 31 March 2024 and 2023, respectively:

	<i>Manufacturing KD</i>	<i>Investment KD</i>	<i>Unallocated KD</i>	<i>Total KD</i>
<i>Three months ended 31 March 2024</i>				
Revenue	<u>186,821</u>	<u>4,647,288</u>	<u>2,550,943</u>	<u>7,385,052</u>
Segment profit	<u>70,736</u>	<u>4,647,288</u>	<u>2,100,322</u>	<u>6,818,346</u>
Depreciation of property, plant and equipment	<u>(278)</u>	<u>-</u>	<u>(531)</u>	<u>(809)</u>
<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>

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

	<i>Manufacturing KD</i>	<i>Investment KD</i>	<i>Unallocated KD</i>	<i>Total KD</i>
<i>As at 31 March 2024</i>				
Total assets	<u>973,729</u>	<u>18,960,522</u>	<u>4,901,010</u>	<u>24,835,261</u>
Total liabilities	<u>75,427</u>	<u>-</u>	<u>1,048,710</u>	<u>1,124,137</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 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>

As at and for the period ended 31 March 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 31 March 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>
31 March 2024	
As at 1 January 2024	14,079,579
Remeasurement recognised in OCI	1,480,943
	<u>15,560,522</u>
	<u>15,560,522</u>
31 December 2023 (Audited)	
As at 1 January 2023	10,243,097
Remeasurement recognised in OCI	3,836,482
	<u>14,079,579</u>
	<u>14,079,579</u>
31 March 2023	
As at 1 January 2023	10,243,097
Remeasurement recognised in OCI	3,850,999
	<u>14,094,096</u>
	<u>14,094,096</u>

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 three months ended 31 March 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 31 March 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 1,545,335 (31 December 2023: KD 1,393,502, 31 March 2023: KD 1,398,904)
Unquoted securities	Market multiple approach	Sector multiple	1.4	
		DLOM	40%	5% increase (decrease) in the DLOM would result in (decrease) increase in fair value by KD 1,287,779 (31 December 2023: KD 1,161,251, 31 March 2023: KD 1,165,753)

* 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. This proposal is subject to the approval of the shareholders at the AGM. The ordinary annual general assembly meeting for the year ended 31 December 2023 has not been convened as at the date of authorisation of these interim condensed financial information and the proposed dividends are not recognised as a liability at period end.

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.