Grant Thornton
Al-Qatami, Al-Aiban & Partners

Interim condensed consolidated financial information and review report

Gulf Investment House – KPSC and Subsidiaries

Kuwait

31 March 2024 (Unaudited)

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Report on review of interim condensed consolidated financial information

To the Board of Directors of
Gulf Investment House – KPSC
Kuwait

Introduction
We have reviewed the accompanying interim condensed consolidated statement of financial position of Gulf Investment House KPSC (the "Parent Company") and its subsidiaries (together "the Group") as of 31 March 2024 and the related interim condensed consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the three-month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting".

Report on review of other legal and regulatory requirements
Based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violation 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 or financial position of the Parent Company.

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 material violations of the provision of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the three-month period ended 31 March 2024 that might have had a material effect on the business or financial position of the Parent Company.

Abdullatif M. Al-Aiban (CPA)
(Licence No. 94-A)
of Grant Thornton – Al-Qatami, Al-Aiban & Partners

Kuwait
14 May 2024

Interim condensed consolidated statement of profit or loss

	Note	Three months ended 31 March 2024 (Unaudited) KD	Three months ended 31 March 2023 (Unaudited) KD
Income			
Sale of Goods		**1,838,044**	2,172,672
Cost of sales		**(1,130,832)**	(1,593,712)
Gross profit		**707,212**	578,960
Unrealised (loss)/gain on financial assets at fair value through profit or loss		**(589,654)**	226,631
Realised gain/(loss) on financial assets at fair value through profit or loss		**389,745**	(644,448)
Share of results of associates	9	**940,083**	68,754
Gains on bargain purchases of associates	9	**591,537**	775,123
Profit from saving deposits		**13,872**	28,569
Impairment of investment in associates	9	**(1,080,985)**	(770,465)
Dividend income		**294,912**	407,666
Other income		**30,316**	29,107
		1,297,038	699,897
Expenses and other charges			
General, administrative and other expenses		**(337,970)**	(222,163)
Staff costs		**(275,904)**	(307,789)
Selling and distribution expenses		**(178,668)**	(196,285)
Finance costs		**(23,158)**	-
Foreign exchange gain		**1,368**	151
		(814,332)	(726,086)
Profit/(loss) before contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS"), and provision for Zakat and National Labour Support Tax ("NLST")		**482,706**	(26,189)
Provision for KFAS		**(6,084)**	-
Provision for Zakat		**(7,989)**	-
Provision for NLST		**(19,972)**	-
Profit/(loss) for the period		**448,661**	(26,189)
Attributable to:			
Owners of the Parent Company		**379,369**	8,634
Non-controlling interest		**69,292**	(34,823)
		448,661	(26,189)
Basic and diluted earnings per share attributable the owners of the Parent Company (Fils)	5	**0.94**	0.02

The notes set out on pages 7 to 16 form an integral part of this interim condensed consolidated financial information.

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

	Three months ended 31 March 2024 (Unaudited) KD	Three months ended 31 March 2023 (Unaudited) KD
Profit/(loss) for the period	**448,661**	(26,189)
Other comprehensive (loss)/income:		
Items to be reclassified to profit or loss in subsequent periods:		
Exchange differences arising on translation of foreign operations	**(258)**	(35,293)
Total other comprehensive loss to be reclassified to profit or loss in subsequent periods	**(258)**	(35,293)
Items not to be reclassified to profit or loss in subsequent periods:		
Net changes in fair value of investments in equity instruments designated at FVOCI	**(215,320)**	109,350
Share of other comprehensive income of associates	**-**	336,490
Total other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods	**(215,320)**	445,840
Total other comprehensive (loss)/income for the period	**(215,578)**	410,547
Total comprehensive income for the period	**233,083**	384,358
Total comprehensive income attributable to:		
Owners of the Parent Company	**182,490**	439,898
Non-controlling interests	**50,593**	(55,540)
	233,083	384,358

Interim condensed consolidated statement of financial position

	Note	31 March 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	31 March 2023 (Unaudited) KD
Assets				
Cash and bank balances	6	**5,203,760**	3,952,008	3,719,161
Short-term deposits	6	**3,119,389**	4,128,051	3,555,000
Financial assets at fair value through profit or loss	7	**12,499,900**	13,350,455	17,056,438
Financial assets at fair value through other comprehensive income		**876,808**	1,098,104	857,039
Inventories		**959,170**	925,872	610,446
Accounts receivables and other assets	8	**4,067,973**	3,808,254	4,518,731
Investment in associates	9	**22,165,234**	21,597,287	18,499,965
Investment properties		**706,840**	705,783	759,063
Property, plant and equipment		**3,300,247**	3,307,372	1,665,207
Right of use of assets		**2,654,259**	2,734,186	1,562,158
Intangible assets		**572,671**	591,473	601,889
Goodwill		**356,017**	356,017	356,017
Total assets		**56,482,268**	56,554,862	53,761,114
Liabilities and equity				
Liabilities				
Trade payables and other liabilities		**2,550,990**	2,421,153	2,024,829
Lease liabilities		**2,668,768**	2,743,645	1,572,433
Total liabilities		**5,219,758**	5,164,798	3,597,262
Equity				
Share capital	10	**40,649,566**	40,649,566	40,649,566
Treasury shares	11	**(1,596,538)**	(1,237,521)	-
Statutory reserve		**446,340**	446,340	186,519
Cumulative changes in fair value		**(444,167)**	(228,847)	199,747
Foreign currency translation reserve		**892,483**	874,042	319,279
Retained earnings		**4,324,241**	3,944,872	1,942,020
Equity attributable to the owners of the Parent Company		**44,271,925**	44,448,452	43,297,131
Non-controlling interests		**6,990,585**	6,941,612	6,866,721
Total equity		**51,262,510**	51,390,064	50,163,852
Total liabilities and equity		**56,482,268**	56,554,862	53,761,114

Abdulaziz A. Alsanad
Chairman

Mohammad S. AlAyoub
Chief Executive Officer

The notes set out on pages 7 to 16 an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity

	Equity attributatble to the ownsers of the Parent Company								
	Share Capital KD	Treasury shares KD	Statutory Reserve KD	Cumulative changes in fair value KD	Foreign currency translation reserve KD	Retained earnings KD	Sub-Total KD	Non-controlling interests KD	Total equity KD
Balance as at 1 January 2024	**40,649,566**	**(1,237,521)**	**446,340**	**(228,847)**	**874,042**	**3,944,872**	**44,448,452**	**6,941,612**	**51,390,064**
Acquisition of additional shares in subsidiary	-		-	-	-	-	-	**(1,620)**	**(1,620)**
Purchase of treasury shares (Note 11)	-	**(359,017)**	-	-	-	-	**(359,017)**	-	**(359,017)**
Transaction with owners	-	**(359,017)**	-	-	-	-	**(359,017)**	**(1,620)**	**(360,637)**
Profit for the period	-	-	-	-	-	**379,369**	**379,369**	**69,292**	**448,661**
Total other comprehensive (loss)/income for the period	-	-	-	**(215,320)**	**18,441**	-	**(196,879)**	**(18,699)**	**(215,578)**
Total comprehensive (loss)/income for the period	-	-	-	**(215,320)**	**18,441**	**379,369**	**182,490**	**50,593**	**233,083**
Balance as at 31 March 2024	**40,649,566**	**(1,596,538)**	**446,340**	**(444,167)**	**892,483**	**4,324,241**	**44,271,925**	**6,990,585**	**51,262,510**
Balance as at 1 January 2023	40,649,566	-	186,519	(849,456)	333,855	2,536,749	42,857,233	7,052,385	49,909,618
Acquisition of additional shares in subsidiary	-	-	-	-	-	-	-	(3,770)	(3,770)
Other adjustments to NCI			-	-	-	-	-	(126,354)	(126,354)
Transaction with owners	-	-	-	-	-	-	-	(130,124)	(130,124)
Profit/(loss) for the period	-	-	-	-	-	8,634	8,634	(34,823)	(26,189)
Total other comprehensive income/(loss) for the period	-	-	-	445,840	(14,576)	-	431,264	(20,717)	410,547
Total comprehensive income/(loss) for the period	-	-	-	445,840	(14,576)	8,634	439,898	(55,540)	384,358
Unrealized loss on Financial assets at fair value through other comprehensive income	-	-	-	603,363	-	(603,363)	-	-	-
Balance as at 31 March 2023	40,649,566	-	186,519	199,747	319,279	1,942,020	43,297,131	6,866,721	50,163,852

The notes set out on pages 7 to 16 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Note	Three months ended 31 March 2024 (Unaudited) KD	Three months ended 31 March 2023 (Unaudited) KD
OPERATING ACTIVITIES			
Profit before KFAS, Zakat and NLST		**482,706**	(26,189)
Adjustments:			
Depreciation and amortisation		**196,300**	92,068
Finance cost on lease liability		**23,158**	-
Dividend income		**(294,912)**	(407,666)
Profit from saving deposits		**(13,872)**	(28,569)
Share of results of associates	9	**(940,083)**	(68,754)
Gains on bargain purchases of associates	9	**(591,537)**	(775,123)
Impairment of investment in associates	9	**1,080,985**	770,465
Provision for employees end of service benefits		**42,333**	34,649
		(14,922)	(409,119)
Changes in operating assets and liabilities:			
Financial assets at fair value through profit or loss		**943,871**	212,335
Accounts receivables and other assets		**(374,261)**	(1,568,533)
Inventories		**(33,298)**	363,559
Trade payables and other liabilities		**360,553**	61,572
Cash used in operations		**881,943**	(1,340,186)
Employee end of service benefits paid		**(13,988)**	(495)
Net cash from/(used in) operating activities		**867,955**	(1,340,681)
INVESTING ACTIVITIES			
Additions to property and equipment		**(88,684)**	(219,594)
Additions to investments in associates	9	**(386,336)**	(324,240)
Net cash flow from acquisition of subsidiary		**(1,581)**	(32,467)
Dividend income received		**294,912**	-
Profit received from saving deposits		**13,872**	28,569
Net cash used in investing activities		**(167,817)**	(547,732)
FINANCING ACTIVITIES			
Movement in restricted bank accounts	6	**85**	366
Lease liabilities paid		**(98,031)**	-
Purchase of treasury shares		**(359,017)**	-
Net cash (used in)/from financing activities		**(456,963)**	366
Net increase/(decrease) in cash and cash equivalents		**243,175**	(1,888,047)
Cash and cash equivalents at beginning of the period		**7,953,049**	9,034,950
Cash and cash equivalents at end of the period	6	**8,196,224**	7,146,903

The notes set out on pages 7 to 16 form an integral part of this interim consolidated financial information.

Notes to the interim condensed consolidated financial information

1 Incorporation and activities

This interim condensed consolidated financial information of Gulf Investment House - K.P.S.C (the "Parent Company") and its subsidiaries (collectively the "Group") for the period ended 31 March 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 14 May 2024.

The Parent Company was incorporated in Kuwait on 8 September 1998 as a Kuwaiti shareholding company in accordance with the Commercial Companies Law. The Parent Company along with its subsidiaries are jointly referred to as "the Group". The Parent Company is registered with the Central Bank of Kuwait as a finance company. The Parent Company's shares are traded on the Kuwait Stock Exchange and Abu Dhabi Securities Exchange.

The Parent Company is a subsidiary of GIH Financing Ltd, (The Ultimate Parent Company).

The Group is primarily engaged in investment activities and related financial and advisory services. All activities of the Group are carried out in compliance with the Noble Islamic Sharee'a, as approved by the Parent Company's Fatwa and Sharee'a Supervisory Board.

The Parent Company's registered head office is at Jawharat Al Khaleej Complex, Al Qibla, Block 6, Fadh Al Salem Street, Floor 8, PO Box 28808, 13149 Safat, Kuwait.

The annual consolidated financial statements for the year ended 31 December 2023 were authorised for issuance by the Board of Directors on 20 March 2024 and to be approved by the shareholders at the forthcoming Annual General Meeting which is scheduled to be held on 20 May 2024.

2 Basis of preparation and presentation

This interim condensed consolidated financial information of the Group for the three-months period ended 31 March 2024 has been prepared in accordance with IAS 34, Interim Financial Reporting.

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

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

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

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies

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

3.1 New and amended standards adopted by the Group

The following new amendments or standards were effective for the current period.

Description	*Effective for annual periods beginning*
IAS 1 Amendments- Classification of liabilities as current or non-current	1 January 2024
IFRS 16 Amendments- Lease liability in a sale and leaseback	1 January 2024

IAS 1 Amendments - Classification of current or non-current

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

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

IFRS 16 Amendments – Lease liability in a sale and leaseback

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

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

Notes to the interim condensed consolidated financial information (continued)

4 Judgement and estimates

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

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

5 Basic and diluted earnings per share

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

	Three months ended	
	31 March 2024 (Unaudited)	31 March 2023 (Unaudited)
Profit for the period attributable to the owners of the Parent Company (KD)	**379,369**	8,634
Weighted average number of shares outstanding during the period (excluding treasury shares)	**404,939,071**	406,495,660
Basic and diluted earnings per share (Fils)	**0.94**	0.02

6 Cash and cash equivalents

Cash and cash equivalents for the purpose of the interim condensed consolidated statement of cash flows are made up as follows:

	31 March 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	31 March 2023 (Unaudited) KD
Cash and bank balances	**5,203,760**	3,952,008	3,719,161
Short term deposits	**3,119,389**	4,128,051	3,555,000
	8,323,149	8,080,059	7,274,161
Less: Dividend restricted bank accounts	**(126,925)**	(127,010)	(127,258)
Cash and cash equivalents as per the statement of cash flows	**8,196,224**	7,953,049	7,146,903

The short terms deposits have original maturity of three months or less and carry profit of 4.75% (31 December 2023: 4.35% to 5% and 31 March 2023: 5% to 5.3%) per annum.

Notes to the interim condensed consolidated financial information (continued)

7 Financial assets at fair value through profit or loss

	31 March 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	31 March 2023 (Unaudited) KD
Quoted securities	**4,326,982**	4,374,750	8,572,108
Unquoted securities	**7,879,477**	7,880,854	7,971,135
Unquoted funds managed by external fund managers	**-**	-	15,132
Debt instruments	**293,441**	1,094,851	498,063
	12,499,900	13,350,455	17,056,438

Fair values of unquoted securities and unquoted funds managed by external fund managers are determined using valuation techniques that are not based on observable market prices or rates. The fair value of debt instruments are determined based on net assets value of operations (Note 14.2).

8 Accounts receivable and other assets

	31 March 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	31 March 2023 (Unaudited) KD
Trade receivable	**1,413,088**	1,520,119	1,603,347
Provision for doubtful debts	**(77,141)**	(77,141)	(204,707)
	1,335,947	1,442,978	1,398,640
Staff receivables	**25,884**	22,898	20,824
Dividend receivable from an associate (Note 13)	**279,826**	238,044	407,666
Dividends receivable	**294,912**	-	-
Refundable deposits	**162,919**	158,039	53,283
Prepaid expenses	**183,083**	72,190	157,563
Due from an associate (Note 13)	**153,011**	-	546,413
Due from a related party (Note 13)	**160,091**	116,108	-
Advance to suppliers	**-**	-	18,537
Other receivables	**828,789**	601,336	863,887
Advance payment to incorporate subsidiaries	**443,511**	956,661	1,051,918
Advance payment for the purchase of investments	**200,000**	200,000	-
	4,067,973	3,808,254	4,518,731

Notes to the interim condensed consolidated financial information (continued)

9 Investment in associates

The movement of investment in associates is as follows:

	31 March 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	31 March 2023 (Unaudited) KD
Carrying value as at beginning of the period/year	**21,597,287**	17,819,575	17,819,575
Additions during the period/year	**386,336**	2,001,584	324,240
Share of results	**940,083**	2,400,487	68,754
Gains on bargain purchases of associates (Note 9a)	**591,537**	1,007,812	775,123
Impairment for investment in associates (Note 9b)	**(1,080,985)**	(1,957,256)	(770,465)
Share of foreign currency translation reserve	**4,827**	1,500	(40,847)
Other comprehensive income	**5,975**	323,585	323,585
Dividend declaired	**(279,826)**	-	-
	22,165,234	21,597,287	18,499,965

a) During the period, the Parent Company has acquired an additional 7.09% equity interest in Mada'in Properties PJSC, for a consideration of KD384,845. The addition has resulted in a net bargain purchase of KD591,537. Consequently, at 31 March 2024, the Group ownership in this associate increased to 25.50% .

b) The carrying value of investment in associates is tested for impairment by estimating the recoverable amount using fair value approach. The fair value calculation uses adjusted net assets values of investees and market observable data which includes price to book value multiples and price to earnings multiples of comparable companies. As a result, during the period, the Parent Company has made impairment provisions aggregating KD1,080,985 against its associates, based on the impairment assessment carried out.

10 Share Capital

The authorised, issued and paid up capital of the Parent Company amounts to KD40,649,566 (31 December 2023 and 31 March 2023: KD40,649,566) distributed over 406,495,660 shares (31 December 2023 and 31 March 2023: 406,495,660) with 100 Fils par value.

11 Treasury Shares

	31 March 2024 (Unaudited)	31 Dec. 2023 (Audited) KD	31 March 2023 (Unaudited)
Number of shares	**4,207,687**	3,246,884	-
Percentage of issued shares	**1.04%**	0.80%	-
Market value	**1,485,314**	1,068,225	-
Cost	**1,596,538**	1,237,521	-

Reserves of the Parent Company equivalent to the cost of the treasury shares have been earmarked as non-distributable.

Notes to the interim condensed consolidated financial information (continued)

12 Segment analysis

The Group activities are concentrated in three main segments: Investments and Real Estate and manufacturing. These segments are regularly reviewed by the Chief Operating Decision Maker (CODM) for resource allocation and performance assessment Segment results include revenue and expense directly attributable to each reporting segment as the Group does not have any inter segment charges. Segment assets comprise those operating assets that are directly attributable to the segment.

	Investments KD	Real estate KD	Manufacturing KD	Unallocated KD	Total KD
Three months ended 31 March 2024 (Unaudited)					
Segment income	**(326,939)**	**-**	**1,700,131**	**1,054,678**	**2,427,870**
Segment result	**(326,939)**	**-**	**588,831**	**186,769**	**448,661**
Total assets	**43,865,091**	**706,840**	**6,134,373**	**5,775,964**	**56,482,268**
Total liabilities	**-**	**-**	**893,801**	**4,325,957**	**5,219,758**
As at 31 December 2023 (Audited)					
Total assets	44,125,905	705,783	8,034,978	3,688,196	56,554,862
Total liabilities	-	-	1,083,951	4,080,847	5,164,798
Net assets	44,125,905	705,783	6,951,027	(392,651)	51,390,064
Three months ended 31 March 2023 (Unaudited)					
Segment income	120,935	-	2,067,149	105,525	2,293,609
Segment result	120,935	-	476,611	(623,735)	(26,189)
Total assets	43,189,540	759,063	6,224,220	3,588,291	53,761,114
Total liabilities	-	-	1,092,097	2,505,165	3,597,262

13 Related party transactions

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

Details of significant related party transactions are as follows:

	31 March 2024 (Unaudited) KD	31 March 2023 (Unaudited) KD
Balance included in the consolidated statement of finance position:		
Due from related parties – associates (included in accounts receivables and other assets)		
- Dividends receivable from an associate (Note 8)	**279,826**	296,288
- Due from an associate (Note 8)	**153,011**	250,125
- Due from a related party (Note 8)	**160,091**	-

Notes to the interim condensed consolidated financial information (continued)

13 Related party transactions (continued)

	Three months ended 31 March 2024 (Unaudited) KD	Three months ended 31 March 2023 (Unaudited) KD
Compensation of key management personnel of the Group		
Salaries and other short-term benefits	**69,400**	65,086
Terminal benefits	**11,872**	11,269
Consultancy fees paid	**9,000**	9,000
	90,272	85,355

14 Summary of financial assets and liabilities by category and fair value measurement

14.1 Categories of financial assets and liabilities

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

	31 March 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	31 March 2023 (Unaudited) KD
At amortised cost:			
• Bank balances and short term deposits	**8,323,149**	8,080,059	7,274,161
• Accounts receivables and other assets	**3,884,890**	2,779,403	3,466,813
	12,208,039	10,859,462	10,740,974
Financial assets at fair value through profit or loss:			
• Quoted securities	**4,326,982**	4,374,750	8,572,108
• Unquoted securities	**7,879,477**	7,880,854	7,971,135
• Unquoted funds managed by external fund managers	**-**	-	15,132
• Debt instruments	**293,441**	1,094,851	-
	12,499,900	13,350,455	16,558,375
Financial assets at fair value through other comprehensive income			
• Quoted equity securities	**539,020**	537,805	-
• Unquoted equity securities	**337,788**	560,299	79,629
• Unquoted funds managed by external fund managers	**-**	-	777,410
	876,808	1,098,104	857,039
Total financial assets	**25,584,747**	25,308,021	28,156,388
Financial liabilities (at amortised costs) :			
• Other liabilities	**2,550,990**	2,421,153	2,024,829
• Lease liabilities	**2,668,768**	2,743,645	1,572,433
	5,219,758	5,164,798	3,597,262

Notes to the interim condensed consolidated financial information (continued)

14 Summary of financial assets and liabilities by category and fair value measurement (continued)

14.1 Categories of financial assets and liabilities (continued)

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Group measures financial instruments such as transaction amount at fair value though profit or loss and financial asset at fair value through other comprehensive income at fair value and measurement details are disclosed in Note 14.2 to the interim condensed consolidated financial information. In the opinion of the Group's management, the carrying amounts of all other financial assets and liabilities which are carried at amortised costs are considered a reasonable approximation of their fair values.

14.2 Fair value hierarchy for financial instruments measured at fair value

The following table presents the financial assets which are measured at fair value in the interim condensed consolidated statement of financial position in accordance with the fair value hierarchy.

This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities.

The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

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

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

31 March 2024	Level 1	Level 2	Level 3	Total
	KD	KD	KD	KD
Financial assets at fair value through profit or loss				
• Quoted securities	4,326,982	-	-	4,326,982
• Unquoted securities	-	-	7,879,477	7,879,477
• Debt instruments	-	293,441	-	293,441
Financial assets at fair value through other comprehensive income				
• Quoted equity securities	539,020	-	-	539,020
• Unquoted equity securities	-	-	337,788	337,788
Total financial assets at fair value	4,866,002	293,441	8,217,265	13,376,708

Notes to the interim condensed consolidated financial information (continued)

14 Summary of financial assets and liabilities by category and fair value measurement (continued)

14.2 Fair value hierarchy for financial instruments measured at fair value (continued)

31 December 2023	Level 1	Level 2	Level 3	Total
	KD	KD	KD	KD
Financial assets at fair value:				
Financial assets at fair value through profit or loss				
• Quoted securities	4,374,750	-	-	4,374,750
• Unqoted securities	-	-	7,880,854	7,880,854
• Unquoted funds managed by external fund managers	-	1,094,851	-	1,094,851
Financial assets at fair value through other comprehensive income				
• Unquoted equity securities	-	-	1,098,104	1,098,104
Total financial assets at fair value	4,374,750	1,094,851	8,978,958	14,448,559
31 March 2023				
Financial assets at fair value through profit or loss				
• Quoted securities	8,572,108	-	-	8,572,108
• Unquoted securities	-	-	7,971,135	7,971,135
• Unquoted funds managed by external fund managers	-	-	15,132	15,132
Financial assets at fair value through other comprehensive income				
• Unquoted equity securities	-	-	79,629	79,629
• Managed funds	-	-	777,410	777,410
Total financial assets at fair value	8,572,108	-	8,843,306	17,415,414

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

Level 3 Fair value measurements

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

Notes to the interim condensed consolidated financial information (continued)

14 Summary of financial assets and liabilities by category and fair value measurement (continued)

14.2 Fair value hierarchy for financial instruments measured at fair value (continued)

Level 3 Fair value measurements (continued)

	31 March 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	31 March 2023 (Unaudited) KD
Balance at the beginning of the period/year	**8,441,153**	8,849,598	8,849,598
Net change in fair value recognised in profit or loss	**(8,607)**	59,213	37,751
Net change in fair value recognised in other comprehensive income	**(215,281)**	(253,234)	(44,043)
Disposal during the period/year	**-**	(102,668)	-
Reclassification to associate	**-**	(111,756)	-
Balance at the end of the period/year	**8,217,265**	8,441,153	8,843,306

15 Dividend distribution

Subject to the requisite consent of the relevant authorities and approval from general assembly, the Parent Company's Board of Directors propose not to make any distribitions (31 December 2023: Nil).

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