تمدين
TAMDEEN
INVESTMENT

ANNUAL REPORT

2023

CONTENTS

CHAIRMAN'S LETTER

MAY PEACE AND ALLAH'S MERCY AND BLESSINGS BE UPON YOU.

DEAR HONORABLE SHAREHOLDERS,

FOR MYSELF AND ON BEHALF OF MY COLLEAGUES' MEMBERS OF THE BOARD OF DIRECTORS OF TAMDEEN INVESTMENT COMPANY, I WOULD LIKE TO REVIEW WITH YOU THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023.

ESTEEMED BROTHERS,

After years of excellent and superior performance of the GCC countries' stock markets over their counterpart global markets, their overall performance was below expectation during 2023. The index was volatile and fell to its lowest level recorded in two years and a half in October 2023, due to the political tensions witnessed in the Middle East related to the war on Gaza and its impact, in addition to the economic conflict of the major powers, especially related to the crisis of the Chinese economic recovery. The Gulf stock market index closed 2023 trading recording the lowest annual growth rates globally, ending the year's trading at 714.69 points, rising by 3.7% after recording different performances at individual country levels.

At the level of the seven stock exchanges, four of them recorded gains, while the remaining three ended the year's trading in the red zone. Dubai achieved the best performer in the region by recording a growth of 21.7 percent, followed by Saudi Arabia with double-digit annual gains of 14.2 percent. Bahrain and Qatar stock exchange indices also ended in the green zone for the year, despite recording much smaller gains of 0.4 and 1.4 percent respectively. On the other hand, Oman was the biggest loser in the region, declining by 7.1 percent, followed by Kuwait, which fell by 6.5 percent, and Abu Dhabi also fell by 6.2 percent. The general market index of Boursa Kuwait concluded 2023 trading at the level of 6,817.3 points, recording the second-highest decline rate at the GCC States level, by losing 6.5 percent of its value. The Premier Market index witnessed the largest decline among Boursa Kuwait indices, as it declined by 7.9 percent after 18 out of 31 shares of the major companies that make up the index declined during the year. The Main Market Index 50 decreased by 0.4 percent during the year, followed by the Main Market Index, which recorded a marginal decline of 0.5 percent.

ESTEEMED BROTHERS,

Regarding the performance of your company, Tamdeen Investment Company, the year 2023 was full of achievements made in all operational and investment activities of the Company, which was evidently reflected in the volume of revenues and returns from cash dividends received from the Company's various investments, especially in Kuwait Finance House, Kuwait National Cinema Company (KNCC) and Manshar Real Estate Company, where the value of cash dividends received from these investments during 2023 amounted to KD 11.1 million, compared to KD 9.1 million for the year 2022. On the other hand, Tamdeen Investment Company continued to implement the investment agenda carefully planned by the Company's Board of Directors, the most prominent results of which were the full repayment of all loans and bank facilities owed by the Company and its two subsidiaries (Tamdeen Imtiyazat Holding Company and Wafra Holding Company). Those achievements yielded strengthening and supporting the Company's financial position, increasing its profitability, and reducing the costs of financing burdens. Tamdeen Investment Company also increased the capital of Tamdeen Imtiyazat Holding Company (a subsidiary) at a value of KD 13.5 million and increased its share in the capital of Tamdeen Real Estate Development Company (a subsidiary) by purchasing the remaining 52% at a value of KD 7.8 million. To organize a running business and effectively manage the Group's companies, the Company sold its entire share in its two subsidiaries (Spirit Art Company and Tamdeen Sports Company) to one of the Group companies.

With regard to the performance of the associates companies, the Kuwait National Cinema Company (KNCC) was keen to adhere to its promises of continued development and novation, with a view of providing the best experiences to its visitors, in a new step to achieve the Company's objectives and strategy. In September 2023, Kuwait National Cinema Company opened "The Warehouse" Mall, located in South Sabahiya area, in a strategic location parallel to King Fahad Road. Extending over a space exceeding 106,000 square meters, The Warehouse Mall includes several distinct sections and services. It provides more than 170 units containing the most famous international brands, in addition to a variety of restaurants and cafes, while home furniture stores occupy Large rental spaces, such as "IKEA", which announced the opening of its largest branch in Kuwait at The Warehouse Mall, in addition to "Abyat" brand and multiple showrooms for the best car brands that provide the latest models.

With regard to the real estate sector, Tamdeen Real Estate Development Company (a subsidiary) announced the opening of Grand Hyatt Kuwait Residence in Sabah Al-Salem area on the Sixth Ring Road, representing a distinguished and promising step to advance the concept of luxury living with the exceptional and notable hotel services provided thereby. Grand Hyatt Kuwait Residence is characterized by well-designed living spaces, equipped with the state-of-the-art facilities and amenities within the context of Hyatt Hotels Group's commitment to providing luxurious and distinctive accommodation for all guests. Grand Hyatt Kuwait Residence offers a wonderful living experience that extends through 82 hotel apartments, spreading over 33 floors and including three bedrooms. Duplex apartments with four bedrooms are also available. All apartments feature stunning sea views and include a spacious living hall, a private room for housemaids and a storage room for each apartment. In addition, Grand Hyatt Kuwait Residence includes fast elevators that transport guests to each unit's entrance, noting that each floor includes only 3 apartments, where each apartment has a separate entrance to ensure privacy and tranquility. A dedicated service elevator is available for delivering special orders. Grand Hyatt Kuwait Residence contains a six-story parking, with two parking lots allocated for each apartment.

Further, in the last quarter of 2023, Kuwait Karting Company opened a car racing track for children in "Al Kout Mall" and continued to organize events and a group of distinguished competitions and tournaments that had a good and distinctive impact on the Company's performance, in addition to activating new experiences that will increase revenues in the future and developing the entertainment experience for its valued customers.

ESTEEMED BROTHERS,

During the year 2023, Tamdeen Investment Company's investments achieved returns amounting to KD 17.6 million, reflecting the efficiency and effectiveness of these investments.

In terms of the results of the consolidated financial statements, the Company achieved profits worth of KD 13.6 and earnings per share of 40.68 fils, compared to 2022 profit worth of KD 12.6 million and earnings per share of 37.37 fils per share for the same year. The Company's total assets amounted to KD 350.7 million, compared to KD 352.5 million for the year 2022. The Company's total liabilities amounted to KD 18.3 million, compared to KD 22.9 million for the year 2022. Shareholders' rights amounted to KD 321.7 million, compared to KD 318.9 million for the year 2022.

When preparing the Company's financial statements, compliance with the requirements of international financial reporting standards, all regulations and laws imposed by regulatory authorities was taken into account to ensure their integrity.

Consequent to the work and positive results achieved in 2023, the Board of Directors of Tamdeen Investment Company recommends to the General Assembly the distribution of cash dividends to shareholders at a rate of 30% of the nominal share value for the financial year ended on 31 December 2023, in addition to a bonus of KD 35,000 to the Board members for the year 2023.

ESTEEMED BROTHERS,

For myself and on behalf of the Board of Directors, I would like to seize this opportunity to extend sincere thanks and gratitude to His Highness the Amir Sheikh Meshaal Al-Ahmad Al-Jaber Al-Sabah, may Allah protect him, and to His Highness the Prime Minister Sheikh Dr. Muhammad Salem Al-Sabah. We also express our thanks to the Company's honorable shareholders for their generous trust and support.

In conclusion, I would like to express my thanks and appreciation to the Company's Board and staff members for their fruitful efforts exerted to achieve the Company's desired objectives during the year 2023.

MAY PEACE AND ALLAH'S MERCY AND BLESSINGS BE UPON YOU.

KHALED ISSAM AL MARZOUQ
CHAIRMAN OF THE BOARD OF DIRECTORS

BOARD OF DIRECTORS

Khaled Issam Al Marzouq
CHAIRMAN OF THE BOARD OF DIRECTORS

Abdulaziz Abdullah Al Ghanim
VICE CHAIRMAN OF THE BOARD OF DIRECTORS

Abdulaziz Soud Al Mutawa
INDEPENDENT MEMBER

Marzouq Abdulwahab Al Marzouq
BOARD MEMBER

Khaled Meshal Al Marzouq
BOARD MEMBER

EXECUTIVE MANAGEMENT

Mohammed Mustafa Al Marzouq
CHIEF EXECUTIVE OFFICER

Nabil Abdelmoeti Soliman
DEPUTY GENERAL MANAGER FOR FINANCIAL AFFAIRS

Azzam Hamzah Al Homaidi
ADMINISTRATIVE AFFAIRS MANAGER

Ahmed Moghazy
INVESTMENT PORTFOLIOS MANAGER

CORPORATE GOVERNANCE REPORT

BRIEF OUTLINE OF THE GROUP'S CORPORATE GOVERNANCE

Corporate Governance is a group of relations that forms the links among the company's management, board of directors, shareholders and stakeholders. It provides the structure through which the objectives of the Company are laid down and its performance monitored on the basis of those objectives.

Tamdeen Investment Company is committed to the highest standards of corporate governance, in full realization that sound governance is a focal element in assisting the company in implementing its strategy while achieving appropriate value for the shareholders and discharging its obligations toward both shareholders and other stakeholders.

As a basic part of this commitment, **Tamdeen Investment Company** operates within a well-defined governance structure and incorporates the principles and practices of governance within its operations. The company depends on the support of and partnership with society in the promotion of excellence in corporate governance.

Tamdeen Investment Company believes in the most important governance principle that management's freedom should be exercised within appropriate controls, these controls prevent the abuse of power and enables management to respond to change in a timely manner. Management believes that business risk management should necessarily be pro-active and effective.

RULE ONE: CONSTRUCT A BALANCED BOARD COMPOSITION
STRUCTURE OF THE BOARD OF DIRECTORS

Member Name	Classification of the Member / Secretary	Academic Qualification & Practical Experience	Date of Election
Khaled Issam Al Marzouq	Chairman of the Board of Directors - Non-executive	Bachelor of Economics and Business Administration / 11 years	
Abdulaziz Abdullah Al Ghanim	Deputy Chairman of the Board of Directors - Non-executive	Bachelor of Business Administration and Finance / 31 years	April 2022
Abdulaziz Saoud Al Mutawa	Member of the Board of Directors - Independent	Political Science and History / 30 years	
Marzouq Abdulwahab Al Marzouq	Member of the Board of Directors - Non-executive	Bachelor of Commerce - Accounting / 7 years	
Khaled Meshal Al Marzouq	Member of the Board of Directors - Non-executive	University - Organizational Assistant and Personnel / 6 years	
Azzam Hamzah Al Homaidi	Secretary of the Board of Directors	General Secondary / 19 years	

BOARD OF DIRECTORS MEETINGS DURING 2023

Name of Member	Meeting No. 1\2023 4 Jan. 2023	Meeting No. 2\2023 15 March 2023	Meeting No. 3\2023 11 May 2023	Meeting No. 4\2023 10 Aug. 2023	Meeting No. 5\2023 9 Nov. 2023	Meeting No. 6\2023 21 Nov. 2023	Number of Meetings
Khaled Issam Al Marzouq Chairman	✓	✓	✓	✓	✓	✓	6
Abdulaziz Abdullah Al Ghanim Deputy Chairman	✓	✓	✓	✓	✓	✓	6
Abdulaziz Saoud Al Mutawa Independent Member	✓	✓	✓	✓	✓	✓	6
Marzouq Abdulwahab Al Marzouq Member	✓	✓	✓	✓	✓	✓	6
Khaled Meshal Al Marzouq Member	✓	✓	✓	✓	✓	✓	6

REGISTRATION, COORDINATION AND KEEPING THE MINUTES OF THE BOARD OF DIRECTORS MEETINGS

The Secretary of the Board of Directors keeps a register of the Company's Board of Directors minutes of meetings. The register contains information on the agenda of each meeting, the date and time the meeting started and ended. Meetings are numbered sequentially for each year. Files are prepared containing the minutes of the meeting, and the members of the Board are provided with the agenda and its supporting documents related to the meeting before the time of the meeting in order to give the members a sufficient time to study the agenda's items. The minutes are signed by all attendees. The minutes of the meetings that are held by circulation are signed by all members of the Board of Directors.

Independent Member Undertaking

I, the undersigned, in my capacity as an independent candidate for the membership of the Board of Directors of Tamdeen Investment Company K.S.C.P acknowledge and undertake the following:

1. Do not own or represent any entity that owns 5% or more of the company's shares;
2. I do not have a first degree relationship with any of the members of the board of directors or executive management in the company or in any company of its group or the main related parties;
3. I am not a member of the board of directors of any company of its group or that is part of its group;
4. I am not an employee of the company or any of its group companies or any of the stakeholders; and
5. I am not an employee of the legal persons who own controlling stakes in the company.

I also undertake to update the information provided as necessary and to review the accuracy of that information when required.

Member Name: Abdulaziz Saud Abdulaziz Al-Mutawa

Signature:

RULE TWO: RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The company's board of directors performs its basic duties and responsibilities that include the following:

- Approval of the Company's key objectives, strategies, plans and policies.
- Approval of the annual budgets and the interim and annual financial statements.
- Supervision of the main capital expenditure and ownership and disposal of assets.
- Ensuring that the Company complies with the policies and procedures designed to observe the regulations applicable in the company and the internal regulations.
- Ensuring the accuracy and integrity of the data and information that should be disclosed, and ensuring that they conform to the applicable policies, laws of disclosure and transparency.
- Approval of the Company's quarterly and annual financial reports and annual report.
- Establishing effective communication channels that enable the Company's shareholders continuously and periodically to review and be aware of the various activities and key developments of the company.
- Implementing the Company's corporate governance system which does not conflict with these rules and exercise general supervision and control of the effectiveness thereof and amending it whenever necessary.
- Forming specialized board committees according to the competence regulations, determining term, authorities and responsibilities of the committee and the method of the monitoring thereof by the Board. The resolution to form the committee also includes the members and their respective roles, rights and duties, as well as the method of evaluating the performance and procedure of these committees and the basic members thereof.
- Verifying the transparency and clarity of the organization structure of the company which should allow a decision making process and the achievement of sound principles and segregation of duties and authorities of the Board of Directors and the executive management.

EXECUTIVE MANAGEMENT CHARTER

The company's executive management represented by the Chief Executive Officer and senior executives executes a set of duties that summarized as follows:

- Execution of all policies, regulations and internal regulations of the company as approved by the Board of Directors.
- Execution of the strategy adopted by the Board of Directors.
- Preparing periodical financial and non-financial reports on the progress of the company's activities in light of the strategic plans and objectives of the company, and submitting those reports to the Board of Directors.
- Designing an integrated accounting system for book keeping, registers and accounts that reflect in a detailed and accurate manner the financial statements and revenues in a way that enable maintaining the company's assets.
- Preparing the financial statements according to the International Accounting Standards approved by the Capital Markets Authority.
- Undertaking the daily management of the business and administration of the activity, managing the company's resources in an optimum manner and seeking to maximize profits and minimize expenses in accordance with the company's objectives and strategy.
- Effectively participate to the building and development of moral values within the company.
- Develop an internal control system and risk management system, ensure the effectiveness and adequacy of those systems while complying with the risk appetite that approved by the Board of Directors.

ACHIEVEMENTS OF THE BOARD OF DIRECTORS

- Approval of the Company's objectives and strategies.
- Reviewing and approving the policies and procedures related to all the departments of the company.
- Reviewing and approving the Company's quarterly and annual financial statements.
- Applying the requirements of the Capital Markets Authority concerning corporate governance, which requires the following:
  - Follow-up of Board of Directors Committees and determining their duties and authorities.
  - Follow-up of Internal Audit unit within the organization structure that reports to the Internal Audit Committee and approving the mechanism of its operation.
  - Follow-up of a Risk Management unit that reports to the Risk Management Committee and approving the mechanism of its operation.
  - Approving the policies and regulations related to corporate governance requirements and follow-up its implementation process.

BOARD OF DIRECTORS COMMITTEES

The Board of Directors of Tamdeen Investment Company owns a management model that enables it to perform its duties. The Board of Directors established the following specialized committees which provide support and recommendations to support the Board of Directors in performing its duties. The Board of Directors has established those committees and approved their operating charters and authorities.

NOMINATIONS AND REMUNERATION COMMITTEE

The committee was established to assist the Board of Directors of the company in performing its supervisory responsibilities related to the effectiveness and integrity In compliance with the company's remuneration and nomination policies and procedures. The Committee's objective is to prepare recommendation related to the selection of the members of the Board of Directors and Executive Management. Also, to provide special recommendation regarding remuneration and nomination policies and charters to grant remunerations and compensation.

The Committee has reviewed the performance evaluation and prepared the key performance indicators (KPI) of the members of the Board of Directors and Executive Management that approved by the Board of Directors, which was prepared based on the concept of comprehensive self-evaluation by the members, were the overall performance is measured on a neutral and objective manner, helping to avoid mistakes and to correct the imbalance that avoids the proper implementation of corporate governance.

FORMATION

The Nominations and Remuneration Committee formed in April 2022, the period of the committee ended with the period of the Board of Directors.

1.	Mr. Abdulaziz Saoud Al Mutawa	Committee Chairman
2.	Mr. Marzouq Abdulwahab Al Marzouq	Committee Member
3.	Mr. Khaled Meshal Al Marzouq	Committee Member

MEETINGS DURING 2023

Meeting Date	Minutes No.	Number of Attendees
02 January 2023	(01 / 2023)	3

THE AUDIT COMMITTEE

The Audit Committee that reports to the Board of Directors has reviewed the responsibilities of the Internal Audit unit as part of the audit functions. The Committee seeks to ensure the soundness and integrity of the Company's financial reports and verify the adequacy and effectiveness of the applicable internal controls in the company and laying the culture of compliance within the company.

The Committee has approved the internal audit plan during the year and reviewed the results of the internal audit reports. It has verified that proper corrective actions were taken concerning the observations reported in the report.

The Committee has also reviewed the interim quarterly and yearly audited financial statements and recommendations were submitted to the Board of Directors to approve them.

The Committee has recommended to the Board of Directors to re-appoint the external auditors after having verified their independence and reviewed their letters of appointment.

FORMATION

The Audit Committee formed in April 2022, the period of the committee ended with the period of the Board of Directors.

1.	Mr. Abdulaziz Abdullah Al Ghanim	Committee Chairman
2.	Mr. Abdulaziz Saoud Al Mutawa	Independent Member
3.	Mr. Marzouq Abdulwahab Al Marzouq	Committee Member

MEETINGS DURING 2023

Meeting Date	Minutes No.	Number of Attendees
09 March 2023	(1/2023)	3
09 May 2023	(2/2023)	3
02 August 2023	(3/2023)	3
07 November 2023	(4/2023)	3

RISK MANAGEMENT COMMITTEE

The role of the Risk Management Committee is to help the Company's Board of Directors in performing its supervisory responsibilities related to the current and new risk issues associated with the activities of the company. The objective of the Committee is to develop risk management strategies, policies and procedures in line with the company's risk appetite. The committee has recommended to the Board of Directors to appoint an office to provide risk management services and the appointment was approved. In light of that, the Committee reviewed the business strategy and prepared a risk management policy which was presented and approved by the Board of Directors.

FORMATION

The Risk Management Committee was reformed in April 2022, the period of the committee ended with the period of the Board of Directors.

1.	Mr. Abdulaziz Abdullah Al Ghanim	Committee Chairman
2.	Mr. Abdulaziz Saoud Al Mutawa	Committee Member
3.	Mr. Khaled Meshal Al Marzouq	Committee Member

MEETINGS DURING 2023

Meeting Date	Minutes No.	Number of Attendees
22 February 2023	(1/2023)	3
10 May 2023	(2/2023)	3
20 August 2023	(3/2023)	3
25 October 2023	(4/2023)	3
13 December 2023	(5/2023)	3

MECHANISM OF PROVIDING THE BOARD OF DIRECTORS MEMBERS WITH INFORMATION AND DATA IN AN ACCURATE AND TIMELY MANNER

Tamdeen Investment Company provides mechanisms and tools that enable the members of the Board of Directors to obtain the required information and data in a timely manner. This is achieved by a continuous development of the information technology environment within the Company, the creation of direct communication channels between the Secretary of the Board of Directors and the Board members, making reports and subjects to be discussed at the meetings available in advance in a sufficient time which is three days before the meeting in order to be reviewed, discussed and allow them taking well-informed decisions.

RULE THREE: RECRUIT HIGHLY QUALIFIED CANDIDATES FOR MEMBERS OF A BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT

The nomination mechanism for membership of the Board of Directors and the Executive Management ensures the continuation of attracting and selecting competencies to join the Board and Executive Management, the mechanism for granting remuneration for the company has been approved by the Board of Directors, in order to preserve competencies, attract new competencies and to help In achieving the objectives and company progression.

The Board has re-formed the Remuneration and Nomination committee to include three non-executive members from the Board members, one of the members is independent and the period of the committee is coinciding with the period of the Board of Directors. The work process, the authorities and responsibilities of the committee were also stated in the charter that approved by the Board, and the company's articles of association stipulated a clear policy for granting remuneration to the chairman and members of the board of directors.

REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS

The remunerations and incentives system followed by the company, especially with regard to the members of the Board of Directors, has the highest standards of transparency, as stipulated in the rules of healthy governance, as below:

- The remuneration system for the board of directors is limited by what is stipulated in Article 198 of the Companies Law No. 1 of 2016 that the total remuneration of the Board of Directors members may not be estimated to more than 10% of the net profit after deducting depreciation, reserves and distributing dividends not less than 5% of the capital on Shareholders or any higher percentage stipulated in the company's contract.
- Board members 'remuneration must be approved by the General Assembly, based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors.
- The independent member of the board of directors may be exempted from the aforementioned maximum remunerations, based on the approval of the ordinary general assembly.

REMUNERATION AND INCENTIVES FOR THE EXECUTIVE MANAGEMENT

The remuneration system for the executive management is connected with the key performance indicators (KPI) of the executive management and the results achieved by the company that includes the following:

FIXED REMUNERATION

- The level of responsibilities assigned to the employee, his career path, his experiences and competencies are taken into consideration.
- Fixed remunerations, including amounts, allowances, benefits and incentives, are determined according to the position grading schedule approved by the Board of Directors.

PERFORMANCE-RELATED REMUNERATIONS

- Remunerations connected to performance are linked to achieving predetermined goals for both the executive management and the company
- Remunerations related to performance are set to motivate the executive management to double the effort and achieve the required goals.
- Remunerations related to performance are reviewed and determined on a continuous basis.

REMUNERATION REPORT

<table>
<tr><th colspan="5">Remunerations and benefits of Members of Board of Directors</th></tr>
<tr><th rowspan="3">Total number of members</th><th colspan="4">Remunerations and benefits through the parent company</th></tr>
<tr><th colspan="2">Fixed remuneration and benefits (Kuwaiti Dinar)</th><th colspan="2">Variable remuneration and benefits (Kuwaiti Dinar)</th></tr>
<tr><td colspan="2">Health insurance</td><td>Annual remuneration</td><td>Committees’ remuneration</td></tr>
<tr><td>5</td><td colspan="2">-</td><td>35,000</td><td>-</td></tr>
<tr><th rowspan="3">Total number of members</th><th colspan="4">Remunerations and benefits through the subsidiaries</th></tr>
<tr><th colspan="2">Fixed remuneration and benefits (Kuwaiti Dinar)</th><th colspan="2">Variable remuneration and benefits (Kuwaiti Dinar)</th></tr>
<tr><td>Health insurance</td><td>Monthly salaries (total of the year)</td><td>Annual remuneration</td><td>Committees’ remuneration</td></tr>
<tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
</table>

- The proposed members of the Board of Directors remuneration amounted by KD 35,000 for the year ended 31 December 2023 is subject to the approval of the General Assembly of Shareholders, The members of the committee also agreed to recommend to the Board of Directors during their meeting the disbursement of a remuneration of KD 2,000 to the Board Secretary.
- There are no material deviations from the remuneration policy approved by the Board of Directors.

CONTINUE: REMUNERATION REPORT

<table>
<tr><th colspan="8">Total remunerations and benefits granted to five senior executives who have received the highest remunerations. This is in addition to the Chief Executive Officer and the financial manager or their deputy, if not included</th></tr>
<tr><td rowspan="3">Total executive positions</td><td colspan="7">Remunerations and Benefits through the parent company</td></tr>
<tr><td colspan="6">Fixed remuneration and benefits (Kuwaiti Dinar)</td><td>Variable remuneration and benefits (Kuwaiti Dinar)</td></tr>
<tr><td>Monthly salaries (total of the year)</td><td>Health insurance</td><td>Annual tickets</td><td>Housing allowance</td><td>Transportation allowance</td><td>Children's education allowance</td><td>Annual remuneration</td></tr>
<tr><td>5</td><td>222,000</td><td>3,970</td><td>-</td><td>-</td><td>-</td><td>-</td><td>30,500</td></tr>
<tr><td rowspan="3">Total executive positions</td><td colspan="7">Remunerations and benefits through the subsidiaries</td></tr>
<tr><td colspan="6">Fixed remuneration and benefits (Kuwaiti Dinar)</td><td>Variable remuneration and benefits (Kuwaiti Dinar)</td></tr>
<tr><td>Monthly salaries (total of the year)</td><td>Health insurance</td><td>Annual tickets</td><td>Housing allowance</td><td>Transportation allowance</td><td>Children's education allowance</td><td>Annual remuneration</td></tr>
<tr><td>0</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
</table>

- There are no material deviations from the remuneration policy approved by the Board of Directors.

RULE FOUR: SAFEGUARD THE INTEGRITY OF FINANCIAL REPORTING

UNDERTAKING OF THE BOARD OF DIRECTORS

We, the chairman and members of the Board of Directors of Tamdeen Investment Company, hereby declare and warrant the accuracy and integrity of the financial statements as of 31 December 2023, and that the financial reports of the company have been presented fairly, properly and according to the International Financial Reporting Standards applicable in the State of Kuwait according to such information and reports as have been received by us from the Executive Management and auditors that due care has been made to verify the integrity and accuracy of those reports.

Member Name	Position	Signature
Khaled Issam Al Marzouq	Chairman of the Board of Directors	
Abdulaziz Abdullah Al Ghanim	Deputy Chairman of the Board of Directors	
Abdulaziz Saoud Al Mutawa	Independent Member of the Board of Directors	
Marzouq Abdulwahab Al Marzouq	Member of the Board of Directors	
Khaled Meshal Al Marzouq	Member of the Board of Directors	

UNDERTAKING OF THE EXECUTIVE MANAGEMENT

The Chairman and Members of the Board of Directors of Tamdeen Investment Company

With reference to the above-mentioned subject, and in accordance with the requirements of the Kuwaiti Capital Markets Authority. We undertake and warrant that the consolidated financial statements of Tamdeen Investment Company, the parent company and its subsidiary companies (hereinafter referred to as “”the Group”) for the financial year ended 31 December 2023, are presented in a sound and fair manner, that they show all the financial aspects of the company in terms of operating data and results, and have been prepared according to the International Financial Reports Standards as approved by the Kuwaiti Capital Markets Authority.

Mohammed Mustafa Al Marzouq Chief Executive Officer	Nabil Abdelmoeti Soliman Finance Manager

THE AUDIT COMMITTEE

The Company has re-formed the Audit committee from three non-executive members from the Board members, one of the members is independent and their experience are matching the nature of the company's activity. The committee is completely Independent and one of the committee is a member with academic qualifications and practical experience in the accounting and financial fields. The Board has defined the period of the committee's membership and its duties, authorities and responsibilities as stated in the Committee charter that approved by the Board. This committee has met with the external and internal auditors four times during the year 2023.

Also, during the committee's tasks Implementation, there was no conflict between the audit committee's recommendations and the board's decisions.

THE INDEPENDENCY AND NEUTRALITY OF THE COMPANY'S EXTERNAL AUDITOR

The company's ordinary general assembly appoints or re-appoint the auditor of the company's books based on the board of directors recommendation, the nomination of the auditor is based on the recommendation of the audit committee. The audit committee takes in consideration that the auditor is registered and authorized by CMA, so that he meets all the CMA requirements. In addition, the committee makes sure that the external auditor is independent of the company and its board of directors and that he does not perform additional work for the company that is not included in the audit work that may affect his neutrality or independency. The audit committee discusses the annual financial statements with the external auditor before submitting it to the Board of Directors to assist them in making decision.

The external auditor attends the annual ordinary general assembly meetings of the company and presents the report prepared to the company's shareholders.

RULE FIVE: APPLY SOUND SYSTEMS OF RISK MANAGEMENT AND INTERNAL AUDIT

RISK MANAGEMENT UNIT

The Company has a Risk Management Officer and has signed an engagement with an external independent consulting firm to provide consulting services related to risk management to specify and measure risks that the company is exposed to, mainly works on measure, follow-up and reduce all types of risks that the company is facing. The unit has developed effective systems and procedures to manage risks through the preparation of the risk management methodology and the job description of the Risk Officer, in order that the company will be able to perform its main duties of measuring and following-up all types of risks to which the company is exposed to. Further, the unit has also worked on developing periodic reporting systems, as it is one of the important tools in the risk follow-up process to reduce their likelihood to occur. The unit's staff are independent as they report directly to the Risk Management Committee, as well as has full authority in order to carry out their tasks completely with no any financial authorities or powers. Also, the unit has a qualified human cadres who have professional competencies and technical capabilities. Moreover, if there is transactions that the company executes with related parties, the unit will review transactions and submit appropriate recommendations regarding them to the Board of Directors.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee consists of three members who are non-executive board of directors, including the independent member. The board has defined the period of membership of the committee's members and its role. The authorities and functions of the Risk Management Committee have been stated in its charter that approved by the Board. Risk Management committee has met four times during the year 2022 and discussed several topics related to its authorities and functions including reviewing the semi-annual risk reports.

INTERNAL CONTROL AND SUPERVISION SYSTEMS

Tamdeen Investment Company relies on a set of control systems and supervisory bases that cover all the company's activities and departments. These systems and bases work to maintain the integrity of the company's financial position, the accuracy of its data, and the efficiency of its operations from various aspects. The organization structure of the company reflects the controls of double control (Four Eyes Principles), including proper identification of authorities and responsibilities, complete segregation of duties, conflict of interests, reviewing, double control and double signature.

An annual evaluation of the company's internal control systems is carried out in accordance with the regulations and laws by an independent audit firm. The firm prepares an ICR report of the company's activities. The report submitted to the Capital Markets Authority within ninety days from the end of the financial year.

INTERNAL AUDIT UNIT

Tamdeen Investment Company has an Audit Manager who is registered in the Capital Markets Authority. Functionally reports to the audit committee of the Board of Directors. Further, a consulting firm has also been assigned to support in carrying out internal control and audit on the departments of the Tamdeen Investment Company. The office works as a consulting party and submits periodic reports for review that accordingly the Internal Audit Manager works with the audit committee to review the work of the consulting firm and discuss its reports periodically.

RULE SIX: PROMOTE CODE OF CONDUCT AND ETHICAL STANDARDS

Establishing a culture of professional behavior and ethical values within the company enhances the investor's confidence in the integrity and financial soundness of the company, as the commitment of all employees of the company, whether members of the board of directors, executive management or other employees to the company's internal policies, regulations, legal and regulatory requirements will lead to achieve the interests of all stakeholders in relation with the company, especially the shareholders without a conflict of interest and with a high level of transparency.

CONFLICT OF INTEREST

The company's conflict of interest policy and mechanisms have been prepared to meet the requirements of the Capital Markets Authority. The policy of conflicts of interest clarifies the commitment of the company to perform its activity in a fair, honest and sound manner to ensure that the long-term interests of the stakeholders are in the best possible way. The conflict of interest policy also helps to ensure that no one improperly uses any deals in which the company is involved with.

The Risk Management Unit reviews the transactions with related parties, and the report on the transactions with related parties discussed in the General Assembly.

RULE SEVEN: ENSURE TIMELY AND HIGH QUALITY DISCLOSURE AND TRANSPARENCY

ACCURATE AND TRANSPARENT PRESENTATION AND DISCLOSURE MECHANISMS THAT DEFINE THE ASPECTS, FIELDS AND CHARACTERISTICS OF DISCLOSURE

The board of directors of Tamdeen Investment Company is keen to build and establish a good system of disclosure and transparency consistent with the regulations in the executive bylaws and any regulation from the CMA in this regard, which specify aspects, areas and characteristics of disclosure whether in relation to the topics or elements that must be disclosed.

Accurate disclosure is one of the basic features and methods of following-up the company's activities and evaluating its performance as it contributes In the adding to the knowledge of shareholders and investors of the company's structures, activities and the policies implemented by the company, as well as evaluating the company's performance in relation to ethical standards.

The company's board of directors has worked through the company's corporate governance framework to set up accurate and transparent presentation and disclosure mechanisms, which define aspects, areas and characteristics of disclosure that related to the topics or elements to be disclosed and includes methods of disclosure of financial and non-financial information and data related to the company's financial position, performance and ownership through disclosure to the Kuwait Stock Exchange and the Capital Markets Authority.

REGISTER OF DISCLOSURES FOR THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

The company has a special register for the disclosures of the members of the board of directors and executive management, which includes the disclosures of ownership percentages and trades executed on the company's shares, adding the declarations and undertaking provided by them since they are insiders' persons, which are updated according to the executive bylaws of the Capital Markets Authority. This register is available for all shareholders of the company without any fees. The company also updates this register periodically to reflect the reality of the conditions of the related parties.

INVESTORS AFFAIRS UNIT

The company has a unit that organizes investor affairs and is responsible about the availability and for providing financial statements, information and reports that needed for current and potential investors. The Investor Affairs Unit has the appropriate independency that allows it to provide data, information and reports in a timely and accurate manners, which is through direct contact with the unit, the company's website the and the Kuwait Stock Exchange website.

DEVELOPING THE IT INFRASTRUCTURE AND MAINLY USING IT IN DISCLOSURE PROCESSES

The company has developed and updated the information technology infrastructure that it uses and relies on in all its activities, as it uses several programs in its various departments, as an example, the Oracle program in Finance Department and Human Resources and Administrative Affairs Department. In addition to other programs that used by Information Technology Department. The company also has an active and effective website that contains all the information, data and disclosures related to the company's operations and the latest developments. Furthermore a section of corporate governance so that the company maintains and updates the website on a periodic basis.

RULE EIGHT: RESPECT THE RIGHTS OF SHAREHOLDERS

PROTECT THE PUBLIC RIGHTS OF SHAREHOLDERS

The company is committed to protect the rights of its shareholders, as the Board of Directors has approved policies and Implemented procedures that guarantee the protection of the rights of all shareholders to ensure that the shareholders' use their rights as stated in the companies' bylaws and CMA regulations, which include the following:

- Communicating with investors in order to provide responses to inquiries and information or documents to fulfill requests of information.
- Amend the criteria and methods of communication by working closely with the media and public relations In order to analyze the investor data base and developing a framework for segmentation and data classification.

PRIVATE REGISTER OF SHAREHOLDERS

There is a special register maintained with the Clearing Company to allow shareholders to review to this register. The data included in the aforementioned register is managed according to the highest level of protection and confidentiality and in order that does not contradict with the stipulated regulations and laws.

PARTICIPATE AND VOTE IN GENERAL ASSEMBLY MEETINGS

Tamdeen Investment Company encourages its shareholders by inviting them to participate in the general assembly meeting, giving them the opportunity to vote, and encouraging them to use their rights. Which is done through the following:

- Providing the invitation to the shareholders to attend the general assembly meeting, including the agenda, time and place of the meeting through an announcement in accordance with the mechanism specified in the executive bylaws of the companies' law.
- The company clarifies to the shareholders that the shareholder has the right to authorize someone to attend the general assembly meeting, according to a special power of attorney or authorization prepared by the Clearing Company for this purpose.
- The company provides the shareholders with sufficient time to obtain all the information and data related to the items on the agenda to enable the shareholders to make their decisions properly before the general assembly.

RULE NINE: RECOGNIZE THE ROLES OF STAKEHOLDERS

SYSTEMS AND POLICIES THAT GUARANTEE PROTECTION AND RECOGNITION OF STAKEHOLDERS' RIGHTS

Tamdeen Investment Company respects and protects the rights of stakeholders in all its internal and external transactions and dealings. The company has developed within the framework of corporate governance policies that include rules and procedures that ensure protection and recognition of the rights of stakeholders and keep them up to date, in order to allow stakeholders to obtain compensation in case any of their rights are violated, according to the regulations issued in this regard.

ENCOURAGING STAKEHOLDERS TO PARTICIPATE IN MONITORING THE COMPANY'S VARIOUS ACTIVITIES

Encouraging stakeholders to participate in the follow-up of the company's various activities in order not to conflict with stakeholders' transactions, whether contracts or deals with the company that with the interest of shareholders. It is considered that none of the stakeholders obtains any advantage through his dealings in contracts and deals that Is part of the company's activities. The company sets internal policies and regulations that include a clear mechanism for get engaged in various types of contracts and deals, which is through various tenders or purchase orders.

Further, the company has set-up a mechanisms and frameworks to ensure maximum benefit from contributions of the company's stakeholders and motivate them to participate in following-up its activities which is in line with achieving its interests to the fullest. Where the company allows stakeholders to obtain all information and data related to their activities, so that they can be relied upon in a timely and regular basis, and the company has also facilitated the process to stakeholders to inform the company's board of directors of any improper practices that they may be exposed to by the company, while providing adequate protection for reporting parties.

Tamdeen Investment Company is also committed to the "Whistleblowing Policy of Violations and Abuses" that allows the company's employees, clients and stakeholders to report their doubts about any improper practices or matters that raise suspicion in financial reports, internal control systems, or any other matters. In addition to set an appropriate arrangements which allows conducting an independent and fair investigation of these issues while ensuring that the whistleblower is given the confidentiality to ensure that he is protected from any negative reaction or damage that he may face as a result of reporting these practices.

RULE TEN: ENCOURAGE AND ENHANCE PERFORMANCE

MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT RECEIVE TRAINING PROGRAMS AND COURSES

Continuous training and qualification for members of the board of directors and executive management is one of the significant pillars of the rules of healthy governance, as it greatly contributes in enhancing the company's performance, through enable the board of directors and executive management to adequately exercise the duties and responsibilities assigned to them. The company has also developed a clear policy within the corporate governance framework that allows members of the board of directors and executive management to receive internal and external training programs and courses on an ongoing basis.

EVALUATE THE PERFORMANCE OF MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

The company has set key performance indicators (KPIs) to evaluate the Board of Directors as a whole, the contribution of each member of the Board and each of its committees, as well as key performance indicators (KPIs) to evaluate the executive management and all employees of the company to identify and define aspects of weaknesses, strengths, and recommend to address them in accordance with the interest of the company.

CREATE INSTITUTIONAL VALUES FOR THE COMPANY'S EMPLOYEES

The Board of Directors works to create values within the company in the short, medium and long terms, by setting-up and providing mechanisms and procedures that work to achieve the company's strategic goals and improve average performance, which contribute effectively in creating institutional values among employees and motivating them to work continuously to maintain the financial integrity of the company and the continuity of the company in an efficient and effective manner.

RULE ELEVEN: FOCUS ON THE IMPORTANCE OF CORPORATE SOCIAL RESPONSIBILITY

In compliance to our belief in the importance of the role of the private sector and its responsibility towards the public interest of the State of Kuwait and its community, Tamdeen Investment Company participated in many community initiatives. The company is keen to contribute in a vital and effective role in the development of Kuwaiti community through various social responsibility activities and initiatives, especially those programs and campaigns that address children and youth directly.

In order to achieve the aim of supporting the capabilities and talents of the younger generations, encouraging them to volunteer in the community in all its fields, qualifying national cadres and developing their skills and self-confidence, providing training opportunities in specialized fields to gain practical experiences. In addition to stimulating innovation and educational, sports, artistic and cultural activities.

SPONSORSHIP

DAR AL ATHAR AL ISLAMIYYAH - DAI

A cultural organization that includes a rare collection of Islamic art diversified in place and time, in addition to private items that owned by the late Sheikh Nasser Sabah Al-Ahmad Al-Sabah, "founder of Al-Sabah Archaeological Group" and his preserved wife. Sheikha Hessa Sabah Al-Salem Al-Sabah manages (Al Dar) that affiliated to the Ministry of Information to make Al Dar as a global cultural site in the State of Kuwait.

PARTNERSHIPS

LOYAC

One of the most important initiatives of Tamdeen Investment Company is to provide support to NGOs through partnership with the non-profit organization LOYAC, which seeks to achieve the ambition of the rising generation and achieve real and sustainable added value to the community through working to develop the capabilities, talents and energies of young people, provide training opportunities for them within many development programs that organized by LOYAC and invest in their energies and enhance their expertise in vital areas within the labor market.

LOYAC targets the age group between 5 and 30 years through educational, training and voluntary programs and projects assigned to them, in addition to motivating young people to initiate, innovate and find solutions to social challenges facing society.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of Tamdeen Investment Company – K.S.C.P ("the Parent Company") and its subsidiaries (together referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS Accounting Standards) (IFRSs).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the International' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

IMPAIRMENT OF INVESTMENTS IN ASSOCIATES

As at 31 December 2023, the Group held investments in associates of KD 127,896,065 in the consolidated financial statements which represents 36% of the total assets. The Group's share of the associate's net income during the year was KD 9,859,500.

Investments in associates are accounted for under the equity method of accounting and considered for impairment when an impairment indicator is identified. The market value of one of the investments at the reporting date, based on the quoted share price, was below the carrying value of the investments. This is considered an indicator of impairment under IFRS. Consequently, management performed an impairment test by determining if the recoverable amount of the investments exceeded their carrying amount. The recoverable amount is the higher of the value in use and the fair value less costs to sell.

The impairment test of the investments in associates performed by the management is significant to our audit because the assessment of the recoverable amount requires significant management estimate and judgement especially due to current inflationary pressures and the high interest rate environment. Management used the value in use method to assess whether there is impairment in the investments in associates. Assessment of the value in use includes significant judgments and estimates concerning future cash flows, growth rates taking into account management's view of future business prospects and associated discount rates etc. Accordingly, we consider this as a key audit matter

Audit procedures to address KAM

- We evaluated the relevant controls related to the valuation of investments in associates to determine if they had been appropriately designed and implemented.
- We inspected published market information on the share price, financial position and performance of the associates to evaluate management's impairment assessment and to identify whether there were any additional indicators of impairment on other associates not assessed for impairment;
- Together with our internal valuation specialists, we assessed the appropriateness of the group's valuation methodology applied in determining the recoverable amount as well as the impact of current inflationary pressures and the high interest rate environment on markets and business;
- We discussed potential changes in key drivers with management in order to evaluate whether the inputs and assumptions used in the cash flow forecast were suitable;
- We assessed the disclosures made in the consolidated financial statements relating to this matter against the requirements of IFRSs.

OTHER INFORMATION

Management is responsible for the other information, which comprises all information included in the annual report for the year 2023 other than the consolidated financial statements and our auditor's report thereon.

The annual report for the year 2023 is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication..

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Furthermore, in our opinion, proper books of account have been kept by the Parent Company and the consolidated financial statements, together with the contents of the report of the Parent Company's board of directors relating to these consolidated financial statements, are in accordance therewith. We further report that we obtained all the information and explanations that we required for the purpose of our audit and that the consolidated financial statements incorporate all information that is required by the Companies Law No. 1 of 2016 and its executive regulations, as amended, and by the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, that an inventory was duly carried out; and that, to the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016 and its executive regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, have occurred during the financial year ended 31 December 2023 that might have had a material effect on the business of the Group or on its consolidated financial position.

We further report that, during the course of our audit, we have not become aware of any material violations of the provisions of Law No. 7 of 2010, concerning the Capital Markets Authority and its related regulations, as amended, during the year ended 31 December 2023, that might have had a material effect on the business of the Group or on its consolidated financial position

Bader A. Al-Wazzan
License No. 62 A
Deloitte & Touche, Al Wazzan & Co.

Kuwait, 7 March 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 31 DECEMBER 2023

(ALL AMOUNTS ARE IN KUWAITI DINARS)

	NOTES	2023	2022
Assets			
Cash and cash equivalents	5	14,796,044	24,179,155
Accounts receivables and other assets		1,705,716	1,126,932
Financial assets at fair value through OCI	6	173,355,729	190,178,606
Investments in associates	7	127,896,065	127,198,167
Investment properties	8	23,721,000	-
Fixed assets and project under process		3,961,347	4,457,257
Goodwill and intangible assets	9	4,098,425	4,260,138
Other assets		1,221,067	1,121,840
Total assets		350,755,393	352,522,095
Liabilities and Equity			
Liabilities			
Accounts payable and other credit balances	10	6,413,765	8,886,315
Bank facilities	11	11,500,000	13,540,000
End of service indemnity		386,902	497,635
Total liabilities		18,300,667	22,923,950
Equity			
Share capital	12	34,506,371	34,506,371
Share premium		15,672,351	15,672,351
Treasury shares	13	(4,231,526)	(4,044,378)
Gain on sale of treasury shares		6,886,779	6,886,779
Statutory reserve	14	12,456,151	11,057,840
Fair value reserve		201,841,972	208,794,910
Group's share in associates' reserves		927,595	601,710
Retained earnings		53,679,256	45,477,872
Equity attributable to Parent Company's shareholders		321,738,949	318,953,455
Non-controlling interests		10,715,777	10,644,690
Total equity		332,454,726	329,598,145
Total liabilities and equity		350,755,393	352,522,095

The accompanying notes form an integral part of these consolidated financial statements

Khaled Issam Al Marzouq
Chairman

Abdul Aziz Abdul Allah Al Ghanim
Vice Chairman

CONSOLIDATED STATEMENT OF INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

(ALL AMOUNTS ARE IN KUWAITI DINARS)

	NOTES	2023	2022
Revenues			
Net income from associates and subsidiaries	16	11,844,397	9,681,648
Dividends from financial assets at FVTOCI		6,415,834	6,546,775
Net losses from investment properties	17	(2,396,829)	-
Other operating income - net		1,085,984	850,161
Other income	18	731,774	571,036
		17,681,160	17,649,620
Expenses			
Staff costs		565,443	524,372
Other expenses	19	1,911,667	2,472,453
Finance charges		1,209,057	1,664,351
Foreign currency exchange differences		1,897	(181,405)
		3,688,064	4,479,771
Profit for the year before deductions		13,993,096	13,169,849
National Labour Support Tax		268,737	304,775
Zakat		60,148	55,408
KFAS		-	4,503
Board of Directors' remuneration		35,000	35,000
Net profit for the year		13,629,211	12,770,163
Distributed as follows:			
Parent Company's shareholders		13,619,228	12,651,928
Non-controlling interests		9,983	118,235
		13,629,211	12,770,163
Earnings per share attributable to the Parent Company's shareholders (fils)	20	40.68	37.37

The accompanying notes form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

(ALL AMOUNTS ARE IN KUWAITI DINARS)

	2023	2022
Net profit for the year	13,629,211	12,770,163
Other comprehensive income items:		
Items that may be reclassified subsequently to statement of income:		
Group's share in associates' reserves	58,601	102,110
	58,601	102,110
Items that may not be reclassified subsequently to statement of income:		
Change in fair value of equity investments at FVTOCI	(6,952,938)	36,212,632
Group's share in associates' reserves	267,284	851,969
	(6,685,654)	37,064,601
Total other comprehensive (loss)/ income items	(6,627,053)	37,166,711
Total comprehensive income for the year	7,002,158	49,936,874
Distributed as follows:		
Parent Company's shareholders	6,992,175	49,818,639
Non-controlling interests	9,983	118,235
	7,002,158	49,936,874

The accompanying notes form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

(ALL AMOUNTS ARE IN KUWAITI DINARS)

	Equity attributed to the Parent Company's shareholders										
	Share capital	Share premium	Treasury shares	Gain on sale of treasury shares	Statutory reserve	Fair value reserve	Group's share in associates' reserves	Retained earnings	Total	Non-controlling interest	Total equity
Balance as at 1 January 2022	34,506,371	15,672,351	(960,750)	6,886,779	9,752,679	172,582,278	(352,369)	37,536,724	275,624,063	10,526,455	286,150,518
Cash dividends	-	-	-	-	-	-	-	(3,405,619)	(3,405,619)	-	(3,405,619)
Net profit for the year	-	-	-	-	-	-	-	12,651,928	12,651,928	118,235	12,770,163
Total comprehensive income for the year	-	-	-	-	-	36,212,632	954,079	-	37,166,711	-	37,166,711
Purchase of treasury shares	-	-	(3,083,628)	-	-	-	-	-	(3,083,628)	-	(3,083,628)
Transfer to statutory reserve	-	-	-	-	1,305,161	-	-	(1,305,161)	-	-	-
Balance as at 31 December 2022	34,506,371	15,672,351	(4,044,378)	6,886,779	11,057,840	208,794,910	601,710	45,477,872	318,953,455	10,644,690	329,598,145
Balance as at 1 January 2023	34,506,371	15,672,351	(4,044,378)	6,886,779	11,057,840	208,794,910	601,710	45,477,872	318,953,455	10,644,690	329,598,145
Cash dividends (note 15)	-	-	-	-	-	-	-	(4,019,533)	(4,019,533)	-	(4,019,533)
Net profit for the year	-	-	-	-	-	-	-	13,619,228	13,619,228	9,983	13,629,211
Total comprehensive income for the year	-	-	-	-	-	(6,952,938)	325,885	-	(6,627,053)	-	(6,627,053)
Purchase of treasury shares	-	-	(187,148)	-	-	-	-	-	(187,148)	-	(187,148)
Transfer to statutory reserve	-	-	-	-	1,398,311	-	-	(1,398,311)	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	61,104	61,104
Balance as at 31 December 2023	34,506,371	15,672,351	(4,231,526)	6,886,779	12,456,151	201,841,972	927,595	53,679,256	321,738,949	10,715,777	332,454,726

The accompanying notes form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

(ALL AMOUNTS ARE IN KUWAITI DINARS)

	NOTE	2023	2022
Operating activities			
Net profit for the year		13,629,211	12,770,163
Adjustments:			
Net income from associates and subsidiaries	16	(11,844,397)	(9,681,648)
Dividends from financial assets at FVTOCI		(6,415,834)	(6,546,775)
Interest income		(614,852)	(420,874)
Net losses from investment properties		2,396,829	-
Losses on sale of fixed assets		86,355	33,798
Finance charges		1,209,057	1,664,351
Depreciation and amortization		1,636,987	2,124,350
End of service indemnity		40,639	46,277
Impairment in value in accounts receivables and other assets		-	645,177
Operating profit before changes in operating assets and liabilities		123,995	634,819
Accounts receivables and other assets		(1,334,011)	240,984
Other assets		5,874	84,781
Accounts payable and other credit balances		(1,643,462)	(492,934)
Paid from end of service indemnity		(37,756)	-
Net cash (used in)/ generated from operating activities		(2,885,360)	467,650
Investing activities			
Proceeds from sale of financial assets at fair value through OCI		9,886,349	76,159,325
Dividends received from financial assets at fair value through OCI		6,415,834	6,546,775
Dividends received from associates		4,688,287	2,594,143
Interest income received	7	555,266	363,629
Net cash paid for acquisition of a subsidiary	22.1	(7,539,000)	-
Net cash from disposal of subsidiaries	22.2	(47,356)	-
Paid for purchase of tangible and intangible assets		(291,620)	(419,326)
Paid for development of investment properties		(1,509,852)	-
Paid for acquisition of an assocaite		-	(2,600,000)
Paid for acquisition of financial assets at fair value through OCI		-	(3,133,783)
Paid for capital increase in associates		-	(600,000)
Net cash generated from investing activities		12,157,908	78,910,763
Financing activities			
Proceeds from bank facilities		4,000,000	3,500,000
Repayment of bank facilities		(17,361,700)	(72,250,000)
Dividends paid		(4,037,224)	(3,391,605)
Purchase of treasury shares		(187,148)	(3,083,628)
Finance charges paid		(1,130,691)	(1,831,078)
Change in non-controlling interests		61,104	-
Net cash used in financing activities		(18,655,659)	(77,056,311)
(Decrease)/ increase in cash and cash equivalents		(9,383,111)	2,322,102
Cash and cash equivalents at the beginning of the year		24,179,155	21,857,053
Cash and cash equivalents at the end of the year	5	14,796,044	24,179,155

The accompanying notes form an integral part of these consolidated financial statements

1- BACKGROUND ON THE GROUP

Tamdeen Investment Company - KSCP "the Parent Company" was incorporated in Kuwait as per incorporation memorandum No. 359, Vol. 1 dated 3 March 1997. The Parent Company is registered in the Commercial Register under registry No. 69476 on 30 April 1997 and registered as an investment company at the Central Bank of Kuwait on 20 August 1997, and was subsequently removed from the register of the investment company at the Central Bank of Kuwait on 7 July 2021 . The Parent Company's shares are listed in the Kuwait Stock Exchange. The registered office of the Company is located in South Al Sura – Al Zahra'a area – 360 Mall– 6th ring road– 4th floor, Kuwait, Box No. 22509 Safat – 13066 Kuwait.

These consolidated financial statements include the financial statements of the Parent Company and its subsidiaries as described in note 22, (together referred to as the "Group").

The main objectives of the Group is conducting all financial investment transactions in all economic sectors inside and outside Kuwait. The Parent Company is engaged in carrying out portfolio management activities, investment advisor, being an intermediate in lending and borrowing transactions. In addition to conducting the real estate and general trading and contracting activities. It also includes all kinds of investment in real estates for the purpose of development except for areas and houses for private residential purposes, whether directly or indirectly, in favor of the Company or others.

Tamdeen Real Estate Company K.S.C.P owns 55.94% equities of Parent Company as at 31 December 2023 (55.94% - 2022).

The consolidated financial statements have been authorized for issuance by the Board of Directors on 7 March 2024, The ordinary general assembly for the shareholders of the Parent Company has the authority to amend the consolidated financial statements after issuance.

2- BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2-1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS accounting standars) issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements are prepared under the historical cost convention modified to include certain financial assets that are measured at fair values and investment properties.

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

2-2-1 New and amended IFRS Accounting Standard that are effective for the current year

Following standard, interpretation or amendment are effective from the current year and are adopted by the Group, however, these does not have any impact on the consolidated financial statements of the year unless otherwise stated below:

- IFRS 17, 'Insurance contracts' – This standard replaces IFRS 4, which permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

- Amendments to IAS 1 and IFRS Practice statement 2 – Disclosure of accounting policies – The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material' accounting policy information. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

- Amendments to IAS 8 - The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

- Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

- Amendment to IAS 12 - International tax reform - pillar two model rules - These amendments give companies temporary exception from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. Following the amendments, an entity is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

2-2-2 New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorization of these consolidated financial statements, the Group has not applied the following new and revised IFRS accounting standards that have been issued but are not yet effective:

Standard,interpretation, amendments	Description	Effective date
Amendment to IAS 1 – Current and Non-current liabilities	Classification of liabilities as current or non-current: The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.	1 January 2024
Amendment to IAS 1 – Non-current liabilities with covenants	Non-current liabilities with covenants - The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent).	1 January 2024
Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.	1 January 2024
Amendment to IFRS 16 – Leases on sale and leaseback	The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date. The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate	1 January 2024
Amendments to IAS 21 - Lack of Exchangeability	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.	Annual periods beginning on or after 1 January 2025 (early adoption is available)

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements for the period of initial application and adoption of these new standards, interpretations and amendments may have no material impact on the consolidated financial statements of the Group in the period of initial application.

2-3 MATERIAL ACCOUNTING POLICIES

2-3-1 Basis of Consolidation

SUBSIDIARIES

The consolidated financial statements incorporate the financial statements of the Parent Company and entities controlled by the Parent Company and its subsidiaries. Control is achieved when the Company (a) has power over the investee (b) is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to use its power to affects its returns.

The Parent Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three components of controls listed above.

Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company losses control over subsidiary. Specifically, income and expenses of subsidiary acquired or disposed of during the year are included in the consolidated statement of income or other comprehensive income from the date the Parent Company gains control until the date when Parent Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interest. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Parent Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

BUSINESS COMBINATIONS

Acquisitions of businesses combination are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except deferred tax assets or liabilities, liabilities or equity instruments related to share based payment arrangements and assets that are classified as held for sale in which cases they are accounted for in accordance with the related IFRS.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off.

Business combinations involving entities under common control are excluded from IFRS 3 (revised)'s scope. Management could use predecessor accounting. Predecessor accounting may lead to differences on consolidation between the consideration given and the aggregate book value of the assets and liabilities (as at the date of the transaction) of the acquired entity. The differences are included in equity in retained earnings or in a separate reserve.

GOODWILL

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2-3-2 Financial Instruments

A financial asset or a financial liability is recognized when the Group becomes a party to the contractual provisions of the instrument.

All regular way purchase and sale of financial assets are recognized using trade date accounting. Changes in fair value between the trade date and settlement date are recognized in the consolidated statement of income or in the consolidated statement of comprehensive income in accordance with the policy applicable to the related instrument. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulations or conventions in the market place.

A financial asset (in whole or in part) is de-recognised when the contractual rights to receive cash flows from the financial asset has expired or the Group has transferred substantially all risks and rewards of ownership and has not retained control. If the Group has retained control, it continues to recognize the financial asset to the extent of its continuing involvement in the financial asset. A financial liability is derecognized when the Group's obligation specified in the contract is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and recognition of a new liability.

All financial assets are initially measured at fair value. Transaction costs are added to the cost of all financial instruments except for financial assets classified as at fair value through profit or loss. Transaction costs on financial assets classified as at fair value through profit or loss are recognised in the consolidated statement of income.

CLASSIFICATION AND MEASUREMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

FINANCIAL ASSETS

The Group determines classification and measurement category of financial assets based on a combination of the entity's business model for managing the assets and the instrument's contractual cash flow characteristics except equity instruments and derivatives.

THE BUSINESS MODEL ASSESSMENT:

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The expected frequency, value and timing of sales are also important aspects of the Group's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

CONTRACTUAL CASH FLOW ASSESSMENT

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and to sell the financial instrument, the Group assesses whether the financial instrument's cash flows represent Solely Payments of Principal and Interest (the 'SPPI test').

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of 'interest' within a basic lending arrangement are typically the consideration for the time value of money, credit risk, other basic lending risks and interest margin. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

Financial assets are classified into following categories under IFRS 9:

- Amortised cost (AC)
- Fair Value through Other Comprehensive Income (FVOCI)
- Fair Value Through Profit and Loss (FVTPL)

AMORTISED COST (AC)

The Group classifies financial assets at AC if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Financial assets classified at AC are subsequently measured at amortised cost using the effective interest method adjusted for impairment losses, if any. Interest income, foreign exchange gains/losses and impairment are recognised in the consolidated statement of income. Any gain or loss on derecognition is recognised in the consolidated statement of income.

FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

EQUITY INSTRUMENTS AT FVOCI

Upon initial recognition, the Group may elect to classify irrevocably some of its equity investments as at FVOCI if they meet the definition of Equity under IAS 32 Financial Instruments: Presentation, and are not held for trading. Such classification is determined on an instrument-by- instrument basis.

Equity instruments at FVOCI are subsequently measured at their fair value. Changes in fair values including foreign exchange gains and losses are recognised in OCI. Dividends are recognised in consolidated statement of income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment. On derecognition, cumulative gains or losses may be transferred to retained earnings in the consolidated statement of changes in equity.

FAIR VALUE THROUGH PROFIT AND LOSS (FVTPL)

Financial assets whose business model is to acquire and sell, or whose contractual terms do not give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding, are classified as FVTPL.

In addition to the above, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets classified as FVTPL are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in the consolidated statement of income. Interest income and dividends are recognised in the consolidated statement of income according to the terms of the contract, or when the right to payment has been established.

FINANCIAL LIABILITIES

The accounting for financial liabilities remains largely the same as it was under IAS 39, except for the treatment of gains or losses arising from Group's own credit risk relating to liabilities designated at FVTPL. Such movements are presented in OCI with no subsequent reclassification to the consolidated statement of income.

IMPAIRMENT OF FINANCIAL ASSETS

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'Expected Credit Loss' (ECL) model. The expected credit loss of a financial instrument is measured in a way that reflects an unbiased and probability-weighted amount determined by evaluating range of possible outcomes; the time value of money; and past events, current conditions and forecast of future economic conditions. The ECL model applies to all financial instruments except investments in equity instruments. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

IFRS 9 introduces three-stage approach to measuring ECL. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

STAGE 1: 12 MONTHS ECL

The Group measures loss allowances at an amount equal to 12-month ECL on financial assets where there has not been significant increase in credit risk since their initial recognition, or on exposures that are determined to have a low credit risk at the reporting date. The Group considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

STAGE 2: LIFETIME ECL – NOT CREDIT IMPAIRED

The Group measures loss allowances at an amount equal to lifetime ECL on financial assets where there has been a significant increase in credit risk since initial recognition but are not credit impaired. When determining whether the credit risk on a financial instrument has increased significantly, management considers reasonable and supportable information available, in order to compare the risk of a default occurring at the reporting date with the risk of a default occurring at initial recognition of the financial instrument.

STAGE 3: LIFETIME ECL – CREDIT IMPAIRED.

A financial asset is considered as credit impaired when there is objective evidence that the amount due under the financial asset is uncollectible. The Group considers a financial asset as credit impaired if the amount due under the financial instrument is overdue by more than 90 days, or if it is known that the counter party has any known difficulties in payment, unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. Lifetime ECL are recognized as the difference between the financial asset's gross carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

Life time ECL is ECL that result from all possible default events over the expected life of a financial instrument. The 12 month ECL is the portion of life time expected credit loss that result from default events that are possible within the 12 months after the reporting date. Both life time ECLs and 12 month ECLs are calculated on either an individual basis or a collective basis depending on the nature of the underlying portfolio of financial instruments.

ECL is the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD). The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the financial instruments and potential changes to the current amounts allowed under the contract including amortisation.

The EAD of a financial asset is its gross carrying amount. The LGD represents expected loss conditional on default, its expected value when realised and the time value of money.

The Group applies the simplified approach to recognise lifetime expected credit losses for its trade receivables as permitted by IFRS 9. Accordingly, trade receivables which are not credit impaired and which do not have significant financing component are categorised under stage 2 and lifetime ECL is recognised.

Loss allowances for ECL are presented as a deduction from the gross carrying amount of the financial assets for AC.

INVESTMENT PROPERTIES

Investment properties are properties which have been acquired to earn rentals for long-term periods or for capital appreciation. Investment properties are recognized upon acquisition at cost, including transaction costs. Subsequently, investment properties are re-measured at fair value through independent authorized appraisers and the lowest valuation shall be considered. Gains and losses arising from changes in the fair value are recognized in the consolidated statement of income.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of income in the period in which the property is derecognised.

2-3-4 INVESTMENTS IN ASSOCIATES

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses.

Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 28 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 "Impairment of Assets" (Note 4).

When a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

2-3-5 PROPERTY AND EQUIPMENT

Property and equipment except land are stated at cost less accumulated depreciation and any impairment losses. Cost includes the purchase price and directly associated costs of bringing the asset to a working condition for its intended use. Maintenance and repairs, replacements and improvements of minor importance are expensed as incurred. In situations, where it is clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of properties and equipment beyond its originally assessed standard of performance, the expenditure is capitalized.

Depreciation is calculated based on estimated useful life of the applicable assets on a straight line basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The asset's residual values, useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Gains or losses on disposals are determined by the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated income statement.

2-3-6 INTANGIBLE ASSETS

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

The cost incurred by the Group for acquiring leasehold rights in lands are capitalized as intangible assets and amortized on straight-line basis over their estimated useful lives.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in the consolidated statement of income.

2-3-7 IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS OTHER THAN GOODWILL

At the end of each reporting period, the Group reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell or value in use. Impairment losses are recognised in the income statement for the period in which they arise. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the extent that it does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in consolidated statement of income.

2-3-8 PROVISIONS

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are measured at the present value of the consideration expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2-3-9 END OF SERVICE INDEMNITY

The Group is liable under Kuwait Labour Law to make payments under defined benefit plans to employees at termination of employment. Regarding the labour in other countries; the indemnity is calculated based on law identified in these countries. Such payment is made on a lump sum basis at the end of an employee service. Defined benefit plan is un-funded and is based on the liability that would arise on involuntary termination of all employees on the balance sheet date. This basis is considered to be a reliable approximation of the present value of the Group's liability.

2-3-10 TREASURY SHARES

Treasury shares represent the Company's own shares that have been issued, subsequently purchased by the Group and not yet reissued or cancelled. Treasury shares are accounted for using the cost method. Under the cost method, the total cost of the shares acquired is reported as a contra account within equity. When the treasury shares are disposed, gains are credited to a separate un-distributable account in equity "gain on sale of treasury shares". Any realised losses are charged to the same account to the limit of its credit balance, any additional losses are charged to retained earnings, the reserves and to share premium. Gains realised subsequently on the sale of treasury shares are first used to offset any previously recorded losses in reserves, retained earnings and the gain on sale of treasury shares.

2-3-11 REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns and other similar allowances.

- Dividend income is recognized when the Group's right to receive dividends is established.
- Interest income from deposits is recognized on effective interest method.
- Portfolio and fund management fees is recognised over the period of time when the service is provided.

2-3-12 LEASES

The Group as a lessee

The Group assesses whether contract is or contains a lease, at inception of the Contract. The Group recognizes a right of use asset and a corresponding lease liability on the date on which the lessor makes the asset available for use by the Group (the commencement date).

On that date, the Group measures the right of use at cost, which comprises of:

- the amount of the initial measurement of the lease liability.
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs, and
- an estimate of costs to be incurred to restoring the underlying asset to the condition required by the terms and conditions of the lease as a consequence of having used the underlying asset during a particular period; this is recognised as part of the cost of the right of use asset when the Group incurs the obligation for those costs, which may be at the commencement date or as a consequence of having used the asset during a particular period.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. On that date, the lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and

payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Payments associated with leases of short term leases and low-value assets are recognized on a straight-line basis as an expense in statement of income.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

SUBSEQUENT MEASUREMENT

After the commencement date, the Group measures the right-of-use asset at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight line basis over the shorter of the asset's useful life and the lease term. The Group determines whether a right of use asset is impaired and recognizes any impairment loss identified in the statement of income. The depreciation starts at the commencement date of the lease.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss.

After the commencement date, the Group measures lease liability by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payment made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change

is due to a change in a floating interest rate, in which case a revised discount rate is used).

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to statement income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The constant periodic rate of interest is the discount rate used at the initial measurement of lease liability.

For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

SALE AND LEASEBACK

The Group enters into sale and leaseback transactions whereby it sells certain assets to a third-party and immediately leases them back. Where sale proceeds received are judged to reflect the fair value, any gain or loss arising on disposal is recognised in the statement of income, to the extent that it relates to the rights that have been transferred. Gains and losses that relate to the rights that have been retained are included in the carrying amount of the right of use asset recognised at commencement of the lease.

Where sale proceeds received are not at the fair value, any below market terms are recognised as a prepayment of lease payments, and above market terms are recognised as additional financing provided by the lessor.

Where the Group is the lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate consideration under the contract to each component.

2-3-13 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2-3-14 FOREIGN CURRENCIES

Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in 'Kuwaiti Dinars' (KD).

Transactions and Balances

Foreign currency transactions are translated into Kuwaiti Dinars using the exchange rates prevailing at the dates of the transactions. Outstanding monetary items in foreign currency are translated at the date of financial statements.

Foreign exchange gains and losses are resulted from the settlement of such transactions and from the translation at year-end in the income statement.

2-3-15 DIVIDENDS

Dividend distribution to the Parent Company's shareholders is recognised as a liability in the consolidated financial statements in the period in which the dividends are approved by the Company's shareholders.

2-3-16 FIDUCIARY ASSETS

Assets which are kept by the Group as an agency or under a fiduciary capacity are not considered as Group's assets.

2-3-17 DEDUCTION

Kuwait Foundation for the Advancement of Sciences "KFAS"

The Group calculates the contribution to KFAS at 1% of profit of the year, in accordance with the calculation as per ministrial decision 287/2016, which states that the Board of Direcors' remuneration and transfer to statutory reserve should be excluded from profit for the year when determining the contribution.

Zakat

Contribution to Zakat is calculated at 1% of the profit of the Group computed in accordance with law No. 46 of 2006 and the Ministry of Finance resolution No. 58/2007 effective from 10 December 2007.

National Labor Support Tax "NLST"

The Group calculates the NLST in accordance with Law No. 19 pf 2000 and the Ministry of Finance resolutions No. 24 of 2006 at 2.5% of taxable profit for the year.

3- FINANCIAL RISK MANAGEMENT

3-1 FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

a. MARKET RISK

Foreign currency risk

The Group is exposed to foreign currency risk resulting primarily from dealing in financial instruments with US Dollar. Foreign currency risk is resulting from future transactions on financial instruments in foreign currency recorded in the financial statements of the Group. The Group's policies for managing foreign currency risk is by carefully monitoring the changes in currency rates and its related impact on the financial position of the Group, during the year. Also the Group is dealing with financial institutions with high experience in this field to provide the Group with necessary advises in case of any significant change in foreign currencies' rates.

Following is the significant foreign currencies' net positions as at 31 December:

	2023	2022
US Dollar / Surplus	10,642,556	14,202,198

Equity price risk

The equity price risk arises from fluctuation of financial instrument value resulting from change in market prices. The Group is exposed to the price risk as a result of holding investments classified as investments at fair value through other comprehensive income in the consolidated financial statement.

The Group is managing this risk through monitoring the market prices of these investments if they are listed in an active market, and performing a periodic evaluation of the financial statements of the investees and determining its fair values through financial data available for other investments.

The following sensitivity analysis shows the impact of the change on the indexes of the financial markets on the Group's business, as well as equity. This analysis is based on the change in the index by 5%.

	Impact on equity	
	2023	2022
Index of the Kuwait Stock Exchange	11,394,190	12,498,682

Interest rate risk

The interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in the market interest rates. The Group's assets are not exposed to this risk as the Group does not hold financial assets bearing fixed interests. The Group's exposure to cash flow interest rate risk arises from loans and bank facilities bearing variable interest rates, which expose the Group to the risk of cash flow fluctuations, resulted from changes in interest rate.

The Group is managing this risk by periodically studying the factors related to interest rates to assess the possibility of an increase or decrease in interest rates for future periods, and the related impacts on the Group's cash flows and profits in addition to take the necessary action in order to meet the possibility of these probability.

As at 31 December 2023, had the interest rates increased by 5% with all other variables held constant, the net profit would have decreased by KD 29,710 (KD 62,174 - 2022).

b. CREDIT RISK

Credit risk is the risk that the Group will incur a loss because the counterparties of financial instruments failed to discharge their contractual obligations.

Credit risk is highly concentrated in cash and cash equivalents and receivables. The Group keeps its cash and cash equivalents in financial institutions with high credit reputation.

The Group does not approve credit unless within the limits of requirements and normal course of business taking into consideration the financial position of clients and the previous history of transaction and reputation.

Accounts receivables do not include impaired balances as at 31 December 2023 and 2022.

In managing its portfolio, the Group utilises ratings and other measures and techniques which seek to take account of all aspects of perceived risk. Credit exposures classified as 'High' quality are those where the default risk from the obligor's failure to discharge its obligation is assessed to be low. These include facilities to corporate entities with financial condition, risk indicators and capacity to repay which are considered to be good to excellent. Credit exposures classified as 'Standard' quality comprise all other facilities which are not 'impaired'. The default risk on 'Standard' quality is assessed to be higher than that for the exposures classified within the 'High' quality range.

The table below shows the credit quality by class of financial assets (gross) for consolidated statement of financial position lines, based on the Group's credit rating system.

	High	Standard	Impaired	Total
2023				
Cash and cash equivalents	14,796,044	-	-	14,796,044
Accounts receivables and other assets (excluding prepayments)	-	1,603,059	-	1,603,059
	14,796,044	1,603,059	-	16,399,103

	High	Standard	Impaired	Total
2022				
Cash and cash equivalents	24,179,155	-	-	24,179,155
Accounts receivables and other assets (excluding prepayments)	-	762,434	-	762,434
	24,179,155	762,434	-	24,941,589

c. LIQUIDITY RISK

The liquidity risk is the risk that the Group becomes unable to settle its liabilities when due.

The Group monitors liquidity risk by maintaining group of highly liquid financial investments. This facilitates to the Group, the availability of liquidity when needed. In addition, the Group studies the extent of liquidity in these investments on a regular basis and adjusts the components of these assets when this is necessary.

All outstanding liabilities, bank facilities and related finance charges will mature within one year from the date of consolidated financial statements. Based on the bank facilities contracts, all facilities are renewable on periodic basis.

The table below analysis the Group's assets and liabilities into relevant maturity groupings based on the expected period at the financial statements date.

	2023		
	Within 1 year	More than 1 year	Total
Assets			
Cash and cash equivalents	14,796,044	-	14,796,044
Accounts receivables and other assets	1,705,716	-	1,705,716
Financial assets at fair value through OCI	-	173,355,729	173,355,729
Investments in associates	-	127,896,065	127,896,065
Investment properties	-	23,721,000	23,721,000
Fixed assets and project under process	-	3,961,347	3,961,347
Goodwill and intangible assets	-	4,098,425	4,098,425
Other assets	-	1,221,067	1,221,067
Total assets	16,501,760	334,253,633	350,755,393
Liabilities			
Accounts payable and other credit balances	3,786,710	2,627,055	6,413,765
Bank facilities	11,500,000	-	11,500,000
End of service indemnity	-	386,902	386,902
Total liabilities	15,286,710	3,013,957	18,300,667

	2022		
	Within 1 year	More than 1 year	Total
Assets			
Cash and cash equivalents	24,179,155	-	24,179,155
Accounts receivables and other assets	1,126,932	-	1,126,932
Financial assets at fair value through OCI	37,098,040	153,080,566	190,178,606
Investments in associates	35,758,080	91,440,087	127,198,167
Fixed assets and project under process	-	4,457,257	4,457,257
Goodwill and intangible assets	-	4,260,138	4,260,138
Other assets	-	1,121,840	1,121,840
Total assets	98,162,207	254,359,888	352,522,095
Liabilities			
Accounts payable and other credit balances	5,320,072	3,566,243	8,886,315
Bank facilities	13,540,000	-	13,540,000
End of service indemnity	-	497,635	497,635
Total liabilities	18,860,072	4,063,878	22,923,950

3-2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance.

3-3 FAIR VALUE ESTIMATION

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 to 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.

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 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs other than quoted prices included within Level 1, that are observable for the asset or liability either directly or indirectly; and

Level 3 unobservable inputs for the asset or liability.

For financial instruments quoted in an active market, fair value is determined by reference to quoted market prices. Bid prices are used for assets and offer prices are used for liabilities. The fair value of investments in mutual funds, unit trusts or similar investment vehicles are based on the last published net assets value.

For unquoted financial instruments fair value is determined by reference to the market value of a similar investment, discounted cash flows, other appropriate valuation models or brokers' quotes.

For financial instruments carried at amortised cost, the fair value is estimated by discounting future cash flows at the current market rate of return for similar financial instruments.

The 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.

For assets and liabilities that are recognised in the consolidated financial statements 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.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The table below gives information about how the fair values of the financial assets are determined.

Financial assets	Fair value as at 31/12/2023	Fair value as at 31/12/2022	Fair value hierarchy	Valuation technique(s) and key input (s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Financial assets at fair value through statement of other comprehensive income						
Quoted Shares	170,317,891	187,149,957	1	Last bid price	-	-
Unquoted shares	3,037,838	3,028,649	3	Market comparative and adjusted book value	Discount rates and Book value adjusted with market risk	The higher discount rate and market risk the lower the fair value

Reconciliation of Level 3 fair value measurements

	Unquoted Shares 2023	Unquoted Shares 2022
Balance as at 1 January	3,028,649	3,819,444
Change in fair value during the year	9,189	(790,795)
Balance as at 31 December	3,037,838	3,028,649

The fair values of other financial assets and financial liabilities which are not measured at fair value on an ongoing basis equal approximately their carrying values.

4- SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Group's accounting policies, the management is required to make judgments and estimates about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period of the revision and future periods if the revision affects future periods.

JUDGEMENTS

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the assets recognised in the consolidated financial statements.

Classification of investments in equity instruments - IFRS 9

On acquisition of an investment, the Group decides whether it should be classified as "FVTPL" or "FVTOCI". The Group follows the guidance of IFRS 9 on classifying its investments.

The Group has designated all investments in equity instruments as at FVTOCI as these investments are strategic investments and are not held for trading.

SOURCES OF ESTIMATION UNCERTAINTY

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value measurements and valuation techniques

Certain assets and liabilities of the Group are measured at fair value for the purposes of preparing the financial statements. The Group's management determines the main appropriate techniques and inputs required for measuring the fair value. In determining the fair value of assets and liabilities, management uses observable market data as appropriate, in case no observable market data is available the Group uses an external valuer qualified to do the valuation. Information regarding the required valuation techniques and inputs used to determine the fair value of financial assets and liabilities is disclosed in note (3.3).

Impairment of goodwill and intangible assets with indefinite useful life

The Group determines whether goodwill and intangible assets with indefinite useful life are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value.

The recovery value of the cash-generating unit had been determined, based on value in use calculations, using cash flow projections based on financial budgets as follows:

Tamdeen Real Estate Development Company KSCC

	2023	2022
Financial budgets cover period (years)	2024-2028	-
Discount rate (weighted average cost of capital)	12%	-
Terminal growth rate	3%	-

Impairment of associates

Impairment testing of the associate is carried out when there is an indication of such impairment. Impairment is assessed for the entire carrying value of the Group's investment in the associate including goodwill, therefore no impairment study for goodwill is required independently.

The recovery value of the investment in associates had been determined, based on value in use calculations, using cash flow projections based on financial budgets as follows:

Kuwait National Cinema Co. KSCP

	2023	2022
Financial budgets cover period (years)	2024-2028	2023-2027
Discount rate (weighted average cost of capital)	12%	10%
Terminal growth rate	3%	2.75%

British Industries for Printing and Packaging KSCC

	2023	2022
Financial budgets cover period (years)	2024-2028	2023-2027
Discount rate (weighted average cost of capital)	12%	10%
Terminal growth rate	3%	2.75%

BW British for Printing Company KSCC

	2023	2022
Financial budgets cover period (years)	2024-2028	2023-2027
Discount rate (weighted average cost of capital)	12%	10%
Terminal growth rate	3%	2.75%

The discount rate reflects the current market assessment of risks specific to associates.

5- CASH AND CASH EQUIVALENTS

	2023	2022
Current accounts at banks	3,173,920	6,014,147
Time deposits (less than 3 months)	11,592,783	17,998,712
Cash in portfolios	-	426
Cash on hand	29,341	165,870
	14,796,044	24,179,155

The effective interest rate on time deposits is 5.45% as at 31 December 2023 (3.93% - 2022).

6- FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME:

	2023	2022
Investments in local securities – Quoted	170,317,891	187,149,957
Investments in local securities – Unquoted	3,037,838	3,028,649
	173,355,729	190,178,606

- The fair value of investments was determined based on basis mentioned in (note 3.3) to the consolidated financial statements.
- During the current year, the Group disposed part of investments classified at fair value through other comprehensive income. The fair value of disposed shares as at date of de-recognition is KD 9,886,349 and related cumulative gain of KD 389,826 carried in fair value reserve. The cumulative gain related to disposed shares, during the current and prior years, which carried in fair value reserve amounted to KD 204,344,222 as of 31 December 2023 (KD 203,954,396 – 31 December 2022).
- Certain investments are pledged against bank facilities (note 11).

7- INVESTMENTS IN ASSOCIATES

Company name	Country of incorporation	Main Activity	2023		2022	
			%	Carrying Value	%	Carrying Value
Kuwait National Cinema Co. KSCP	Kuwait	Entertainment	48.38	63,719,258	48.38	61,384,460
Manshar Real Estate Co. KSCC	Kuwait	Real estate	50	31,486,988	50	28,783,394
Tamdeen Pearl Real Estate Co. KSCC	Kuwait	Real estate	30.74	27,695,907	30.74	27,648,849
Tamdeen Real Estate Development Co. KSCC	Kuwait	Real estate	-	-	48	4,860,925
Others				4,993,912		4,520,539
				127,896,065		127,198,167

- All investments are accounted for using equity method in these consolidated financial statements.
- The Group's share in associates' results is based on the audited financial statements amounted to KD 9,859,500 for the year ended 31 December 2023 (KD 9,681,648 - 2022).
- During the current year, the Parent Company acquired an additional stake of 52% in the capital of Tamdeen Real Estate Development Company K.S.C. Closed, and accordingly the investment was reclassified from investment in associate to investment in subsidiary (note 22.1).
- Investment securities in Kuwait National Cinema Company (KSCP) is partially pledged against bank facilities as at 31 December 2023 (note 11).
- The associates are not listed in active markets except for Kuwait National Cinema Company KSCP for which the fair value of the Group's investment amounted at KD 53,631,371 as at 31 December 2023 (KD 42,564,580 – 2022).
- At each reporting date, an assessment is performed to determine whether there is objective evidence that the associates may be impaired or there is any indication that an impairment loss recognized in prior periods may no longer exist or may decrease. Impairment/ reversal of impairment losses in value of associates is tested as a single asset by comparing its recoverable amount with its carrying value. Based on the study prepared by the Group for the investments mentioned in (note 4), the management of the Group estimated that there is no impairment/ reversal of impairment in the value of investments in associates during the current year.
- Following is a summary of the financial information of the material associates based on the latest available financial statements which have been prepared in accordance with IFRS:

Kuwait National Cinema Co. KSCP

	2023	2022
Current assets	38,379,064	26,389,627
Non-current assets	202,665,086	179,158,964
Current liabilities	46,069,906	30,558,193
Non-current liabilities	96,315,834	81,158,767
Non-controlling interest	15,125	13,927

	2023	2022
Revenues	29,699,843	23,527,610
Profit for the year	10,624,832	7,630,113
Other comprehensive loss for the year	(3,853,337)	(1,673,269)
Total comprehensive income for the year	6,771,495	5,956,844
Cash dividends received from associate during the year	2,688,287	1,344,143

	2023	2022
Net assets of the associate	98,643,285	93,817,704
Ownership interest %	48.38	48.38
Ownership interest	47,723,621	45,389,005
Goodwill	15,995,637	15,995,455
Carrying value	63,719,258	61,384,460

Manshar Real Estate Co. KSCC

	2023	2022
Current assets	9,219,006	7,077,935
Non-current assets	163,807,081	163,830,773
Current liabilities	42,991,821	40,097,337
Non-current liabilities	67,060,290	73,244,584

	2023	2022
Revenues	16,207,475	16,348,741
Profit for the year	8,826,416	10,667,624
Total comprehensive income for the year	9,407,189	10,645,549
Cash dividends received from associate during the year	2,000,000	1,250,000

	2023	2022
Net assets of the associate	62,973,976	57,566,787
Ownership (%)	50	50
Carrying value	31,486,988	28,783,394

Tamdeen Pearl Real Estate Co. KSCC	2023	2022
Total assets	232,695,047	183,916,150
Total liabilities	137,111,226	93,771,132
Non-controlling interest	5,486,531	200,811
	2023	2022
Revenues	3,539,501	388,267
Net profit for the year	150,244	312,439
Total comprehensive income for the year	150,244	312,439
	2023	2022
Net assets of the associate	90,097,290	89,944,207
Ownership (%)	30.74	30.74
Carrying value	27,695,907	27,648,849

Aggregate information of associates that are not individually material	2023	2022
The Group's share of income from continuing operations	321,704	311,778
The Group's share of total comprehensive income for the year	326,095	347,928
Aggregate carrying amount of the Group's interest in these associate	4,993,912	4,520,539

8- INVESTMENT PROPERTIES

	2023	2022
Balance as at 1 January	-	-
Investment properties from acquisiton of a subsidiary (note 22.1)	23,800,000	-
Additions	2,367,884	-
Change in fair value (note 17)	(2,446,884)	-
	23,721,000	-

- Investment properties are located in the State of Kuwait, are represented in one of the Tamdeen Square towers in the Sabah Al-Salem.
- The fair value of the Group's investment properties as at 31 December 2023, was arrived at based on the valuation carried out on that date by independent valuers unrelated to the Group. These evaluators are licensed by official authorities and have appropriate qualifications and recent experience in evaluating real estate in the locations where these properties are located. The fair value of investment properties was determined based on the income capitalization method (level three).
- The fair value of the investment properties was estimated assuming that their current use is their best use.
- Investment properties are pledged against bank facilities as at 31 December 2023 (note 11).

9- GOODWILL AND INTANGIBLE ASSETS

	Goodwill *	Intangible assets	Total
Balance as at 1 January 2022	-	1,131,374	1,131,374
Additions	-	4,562,743	4,562,743
Amortization	-	(1,433,979)	(1,433,979)
Balance as at 31 December 2022	-	4,260,138	4,260,138
Additions (note 22.1)	1,272,270	-	1,272,270
Impact of disposal of a subsidiary (note 22.2)	-	(355,157)	(355,157)
Amortization	-	(1,078,826)	(1,078,826)
	1,272,270	2,826,155	4,098,425

* It represents the recorded goodwill resulting from the acquisition of Tamdeen Real Estate Development Company (note 22.1).

For purposes of determining whether goodwill is impaired, goodwill has been allocated to cash-generating units. The recoverable amount of the cash generating unit has been determined based on its value in use. Based on the study prepared by the Group as shown in (note 4), there is no impairment in the value of goodwill.

10- ACCOUNTS PAYABLE AND OTHER CREDIT BALANCES

	2023	2022
Payables against acquisition of intangible assets	2,595,211	3,470,878
Lease Liability	1,239,916	1,125,333
Payables	847,963	760,729
Accrued expenses	450,613	787,821
National Labour Support Tax	268,737	304,775
Due to related parties (note 21)	274,570	149,959
Zakat	60,148	55,408
Accrued dividends	40,490	58,181
KFAS	4,503	4,503
Others	631,614	2,168,728
	6,413,765	8,886,315

Lease liability maturity analysis are as follows:

	2023	2022
Current lease liability due within 12 months	208,070	154,305
Non-current lease liabilities due after 12 months	1,031,846	971,028
	1,239,916	1,125,333

11- BANK FACILITIES

	2023	2022
Term loans	11,500,000	13,540,000
Effective interest rate on borrowings (%)	5.25	4.24

The following assets are pledged against bank facilities as at 31 December:

	2023	2022
Financial assets at fair value through OCI (note 6)	28,554,921	37,098,040
Investments in an associate (note 7)	17,776,898	35,758,080
Investment properties (note 8)	23,721,000	-
	70,052,819	72,856,120

All bank facilities are maturing within one year from the date of the consolidated financial statements and are renewed periodically.

12- SHARE CAPITAL

The authorized, issued and fully paid capital of the Parent Company is KD 34,506,371 comprising of 345,063,710 shares of 100 fils share and fully paid in cash. .

13- TREASURY SHARES

	2023	2022
Number of shares (share)	10,447,993	10,102,611
Percentage to issued shares (%)	3.03	2.93
Market value	4,440,397	6,162,593

The Parent Company is required to retain reserves and retained earnings equivalent to the cost of treasury shares throughout the period, in which they are held by the Parent Company, in accordance with the instructions of the relevant regulatory authorities.

15- STATUTORY RESERVE

In accordance with the Companies Law and the Parent Company's Articles of Association, 10 % of the net profit for the year has been be transferred to statutory reserve. The General Assembly may resolve to discontinue such annual transfer when the reserve balance exceeds 50% of the share capital. This reserve is used to secure appropriation of profit to shareholders, up to 5% in such years when the profit of the Company does not allow such percentage of appropriation. When the balance of the reserve exceeds 50% of the share capital, the General Assembly, is permitted to utilized amounts in excess of 50% of the share capital in aspects seen appropriate for the benefit of the Company and its shareholders.

15- CASH DIVIDENDS

- On 17 April 2023, the General Assembly of shareholders of the Parent Company approved the consolidated financial statements for the year ended 31 December 2022 and approved Board of Directors' proposal to distribute cash dividends for the year ended 31 December 2022 by 12 fils (after deduction treasury shares) and to distribute Board of Directors' remuneration for the same year by an amount of KD 35,000

- On 7 March 2024 , the Parent Company's Board of Directors proposed to distribute cash dividends of 30 fils per share for the year ended 31 December 2023 (12 fils – 2022), also proposed to distribute remuneration for the Parent Company's Board of Directors of KD 35,000 for the year then ended
(KD 35,000 – 2022). These proposals are subject to shareholders' approval.

16- NET INCOME FROM ASSOCIATES AND SUBSIDIARIES

	2023	2022
Share from associates' results (note 7)	9,859,500	9,681,648
Gain on revaluation of previously held interest in a subsidiary (note 22.1)	1,226,396	-
Gain on disposal of subsidiaries (note 22.2)	758,501	-
	11,844,397	9,681,648

17- NET LOSSES FROM INVESTMENT PROPERTIES

	2023	2022
Rental income	101,077	-
Deduct: rental expenses	(51,022)	-
	50,055	-
Change in fair value (note 8)	(2,446,884)	-
	(2,396,829)	-

18- OTHER INCOME

	2023	2022
Interest income	614,852	420,874
Management fees	55,863	68,445
Others	61,059	81,717
	731,774	571,036

19- OTHER EXPENSES

	2023	2022
Consultancy and professional expenses	698,681	747,226
Others	610,644	705,086
Donations	240,691	39,550
Subscription and banks expenses	190,212	172,292
Depreciation and amortization	171,439	129,324
Impairment in value in accounts receivables and other assets	-	645,177
Losses on sale of fixed assets	-	33,798
	1,911,667	2,472,453

20- EARNINGS PER SHARE ATTRIBUTABLE TO THE PARENT COMPANY'S SHAREHOLDERS

Earnings per share for the shareholders of the Parent Company are calculated based on net profit attributable to shareholders of the Parent Company divided by the weighted average number of common shares outstanding during the year (excluding treasury shares). The following is the computation of earnings per share:

	2023	2022
Net profit for the year attributable to the Parent Company's shareholders	13,619,228	12,651,928
Weighted average number of outstanding shares	334,812,610	338,559,051
Earnings per share from continuing operations (fils)	40.68	37.37

21- RELATED PARTY TRANSACTIONS

Related parties represent the Parent Company's shareholders who are represented in Board of Directors as well as major shareholders, executive management personnel, and the Group's associates. In the ordinary course of business, the Group has carried out some transactions during the year with related parties.

The transactions which are included in the consolidated financial statements as follows:

	2023	2022
Transactions		
Management fees	55,047	47,459
Salaries and remunerations of executive management	308,035	317,642
Acquisition of a subsidiary (note 22.1)	7,800,000	-
Disposal of subsidiaries (note 22.2)	2,446,649	-
Impairment in value losses	-	600,000
Balances		
Accounts receivable and other assets	240,091	75,422
Accounts payable and other credit balances (note 10)	274,570	149,959
Off balance sheet items		
Net assets of clients' portfolios (major shareholders)	148,741,245	181,498,883

22- SUBSIDIARIES

COMPANY NAME:	LEGAL ENTITY	PRINCIPAL ACTIVITY	OWNERSHIP (%) 2023	OWNERSHIP (%) 2022
Al-Madina Al-Thaniya General Trading and Contracting Company (note 22.2)	W.L.L.	General Trading and Contracting	100	100
Wafra Holding Company and its subsidiary (note 22.2)	K.S.C. Holding	Holding	100	100
Tamdeen First for Real Estate Trading Company	W.L.L.	Real Estate	100	100
Tamdeen Imtiazat Holding Company	K.S.C. Holding	Holding	100	100
Tamdeen Foods Company	K.S.C. Closed	Catering	100	100
Tamdeen Media Company	K.S.C. Closed	Media	100	100
Kuwait Karting Entertainment Company	K.S.C. Closed	Karting	100	100
Tamdeen International Restaurants Company	K.S.C. Closed	Catering	100	100
Spirit Art Company (note 22.2)	K.S.C. Closed	Entertainment	-	100
Tamdeen Real Estate Development Company (note 22.1)	K.S.C. Closed	Real Estate	100	-
Tamdeen Resorts Company	W.L.L.	Real Estate	61.72	61.72

As at 31 December 2023, total assets of the subsidiaries amounted to KD 232,928,467 (KD 211,298,081 – 2022), and their net profit amounted to KD 5,527,829 for the year ended 31 December 2023 (KD 5,520,629 - 2022) based on the audited financial statements which were relied on when consolidating the subsidiaries as at 31 December 2023.

Summary of the financial statements of the Group's subsidiaries with significant non-controlling interests is as follows:

TAMDEEN RESORTS COMPANY	2023	2022
Current assets	192,692	188,816
Non-current assets	27,767,307	27,721,048
Current liabilities	1,442	1,000
Non-current liabilities	1,917	1,752
Equity attributable to shareholders of the Parent Company	17,254,838	17,224,270
Non-controlling interests	10,701,802	10,682,842

22- SUBSIDIARIES (CONTINUED)

	2023	2022
Revenues	54,633	101,497
Expenses	(3,183)	(3,506)
Profit for the year	51,450	97,991
Profit for the year attributable to shareholders of the Parent Company	31,755	60,480
Profit for the year attributable to non-controlling interests	19,695	37,511
Total comprehensive income for the year	51,450	97,991
Total comprehensive income attributable to shareholders of the Parent Company	31,755	60,480
Total comprehensive income attributable to non-controlling interests	19,695	37,511

	2023	2022
Net cash flow used in operating activities	(2,576)	(3,341)
Net cash flow used in investing activities	5,974	(575)
Net change in cash and cash equivalents of the subsidiary	3,398	(3,916)

22-1 BUSINESS COMBINATION

During the period ended 31 March 2023, the Parent Company has increased its stake in the capital of Tamdeen Real Estate Development Company (K.S.C.C),from 48% to 100%, by acquiring an additional stake of 52% from related parties. Based on the that, the investment has been reclassified from an investment in an associate to an investment in a subsidiary. The consideration for purchasing the additional stake amounted to KD 7,800,000 which was paid in cash.

The acquisition has been accounted for using the acquisition method of accounting and, accordingly, assets acquired, liabilities assumed, and consideration exchanged were recorded at estimated provisional value on the acquisition date. The purchase consideration (also referred to as "purchase price") of the acquisition have been allocated to the assets acquired assets and liabilities using their preliminary provisional values at the acquisition date. Goodwill based on provisional purchase price allocation, represents the excess of the sum of the purchase consideration and the preliminary fair value of the previously held equity interest over the provisional value of identifiable net assets. The allocation of the purchase price may be modified within a period of twelve months from the date of business combination, as more information is obtained about the fair value of assets acquired and liabilities assumed, including alignment in business model, if needed.

Subsequent to that and during the period ended 30 June 2023, the allocation of the purchase price as at the acquisition date, was modified, as more information is obtained about the fair value of assets acquired and liabilities assumed. In valuing assets acquired and liabilities assumed, fair values were based on but not limited to net income capitalization method estimated based on the valuations carried out by independent valuers. The fair value of the previously held 48% interest was determined based on adjusted net assets method and the Group recognize gain of KD 1,226,396 in the consolidated statement of income (note 16).

22- SUBSIDIARIES (CONTINUED)

22-1 BUSINESS COMBINATION (CONTINUED)

Below is the statement of adjusted value of the assets acquired and liabilities assumed as at the date of acquisition:

	KD
Cash and cash equivalents	261,000
Accounts receivable and other assets	39,603
Financial assets at fair value through OCI	2,750
Investment properties under development	23,800,000
Accounts payable and other credit balances	(221,107)
Bank facilities	(11,321,700)
End of service indemnity	(7,220)
Fair value of net acquired assets	12,553,326
Goodwill resulted from acquisition	1,272,270
Consideration of acquisition	13,825,596
Cash paid against acquisition of additional stake 52%	7,800,000
Fair value of previously held interest 48% (transferred from investment in an associate)	6,025,596
Consideration of acquisition	13,825,596

Below of the net cashflows resulted from acquisition:

	KD
Cash paid against acquisition of additional stake 52%	(7,800,000)
Deduct: cash and cash equivalents in the subsidiary as at the date of acquisition	261,000
Cash from the acquisition of subsidiary for cashflows purposes	(7,539,000)

If the acquisition had been completed on 1 January 2023, Group net profit would have been decreased by KD 128,595.

22- SUBSIDIARIES (CONTINUED)

22-2 DISPOSAL OF SUBSIDIARIES

During the current year, the Group disposed its investment in Spirit Art Company and Tamdeen Sports Company (subsidiaries) to a related party for an amount of KD 2,446,649 in cash, in addition the Group had liquidated Blue Sky Entertainment Company, following is a statement of the subsidiaries and the related percentages disposed:

NAME	Percentage
Spirit Art Company	99%
Tamdeen Sports Company (owned by Wafra Holding Company)	99.9%
Blue Sky Entertainment Company (owned by Al-Madina Al-Thaniya General Trading and Contracting Company)	60%

The Group lost control over the aforementioned subsidiaries, and accordingly ceased consolidating these subsidiaries from 1 April 2023, the date of losing control and liquidation date.

The following is a statement of the assets and liabilities of disposed subsidiaries of as at the date of disposal:

	Spirit Art Company	Tamdeen Sports Company	Blue Sky	Total
Cash and cash equivalents	1,659,111	824,185	10,709	2,494,005
Accounts receivable and other assets	419,433	415,349	3,500	838,282
Fixed assets and project under process	191,794	123,025	-	314,819
Intangible assets	-	355,157	-	355,157
Other assets	723	19,407	-	20,130
Accounts payable and other credit balances	(1,066,657)	(1,144,647)	(8,085)	(2,219,389)
End of service indemnity	(41,178)	(52,476)	(1,340)	(94,994)
Net assets disposed	1,163,226	540,000	4,784	1,708,010
Consideration received in cash	1,908,804	537,845	-	2,446,649
Fair value of residual interest transferred to financial assets at fair value through OCI	19,322	540	-	19,862
	1,928,126	538,385	-	2,466,511
Less: net assets disposed	(1,163,226)	(540,000)	(4,784)	(1,708,010)
Gains/ (losses) on disposal of subsidiaries	764,900	(1,615)	(4,784)	758,501

Below of the net cashflows resulted from disposal:

	KD
Cash received from disposal of subsidiaries	2,446,649
Deduct: cash and cash equivalents in the subsidiaries as at the date of disposal	(2,494,005)
Cash from the disposal of subsidiaries for cashflows purposes	(47,356)

23- SEGMENT INFORMATION

The management has determined segments based on the reports reviewed by the executive management of the Group.

The main activity of the Group is investment and asset management. The executive management has taken into consideration dividing the activities geographically as follows:

	2023			
	Kuwait	G.C.C.	Europe	Total
Segment revenues	17,014,538	-	587,673	17,602,211
Segment expenses	(3,609,115)	-	-	(3,609,115)
Unallocated expenses	-	-	-	(363,885)
Assets	340,117,331	-	10,638,062	350,755,393
Liabilities	18,295,698	-	-	18,295,698

	2022			
	Kuwait	G.C.C.	Europe	Total
Segment revenues	11,584,862	5,722,347	342,411	17,649,620
Segment expenses	(4,479,771)	-	-	(4,479,771)
Unallocated expenses	-	-	-	(399,686)
Assets	341,269,807	-	11,252,288	352,522,095
Liabilities	22,923,950	-	-	22,923,950

24- OFF BALANCE SHEET ITEMS

The Group manages clients' investments portfolios amounting to KD 188,861,108 as at 31 December 2023 (KD 222,106,187 – 2022), the related management fee income is KD 55,863 as at 31 December 2023 (KD 68,445 – 2022).

25- CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

	2023	2022
Capital commitment	-	156,040
Contingent liabilities	500,000	894,943