

**AL MADAR INVESTMENT COMPANY K.S.C.P.
AND ITS SUBSIDIARIES**

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

30 JUNE 2023



REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF AL MADAR INVESTMENT COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Madar Investment Company K.S.C.P. (collectively, the “Group”) as at 30 June 2023, and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income for the three-month and six-month periods ended and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard IAS 34 *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

Emphasis of Matter

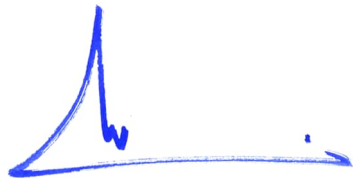
We draw attention to Note 7 in the interim condensed consolidated financial information which states that the Group is the ultimate beneficiary of certain investment properties with a carrying value of KD 3,958,780 (31 December 2022: KD 3,953,026 and 30 June 2022: KD 4,053,095) registered in the name of a related party on behalf of the Group. Our conclusion is not modified in respect of this matter.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF AL MADAR INVESTMENT COMPANY K.S.C.P. (continued)

Report on Other Legal and Regulatory Matters

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, nor of the Parent Company's Articles of Association and Memorandum of Incorporation, as amended, during the six-month period ended 30 June 2023 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 7 of 2010, concerning the Capital Markets Authority and its related regulations during the six-month period ended 30 June 2023 that might have had a material effect on the business of the Parent Company or on its financial position.



BADER A. AL-ABDULJADER
LICENCE NO. 207 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

10 August 2023
Kuwait

Al Madar Investment Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(UNAUDITED)

For the period ended 30 June 2023

	Notes	Three months ended 30 June		Six months ended 30 June	
		2023 KD	2022 KD	2023 KD	2022 KD
INCOME					
Net real estate income	3	148,112	135,215	287,432	244,131
Net gain on investment securities	4	97,891	6,773	42,034	32,794
Reversal of expected credit losses		-	3,685	11,075	5,085
Consulting fee income		12,775	-	12,775	-
Other income (expenses)		228	(2,429)	24,319	2,302
		259,006	143,244	377,635	284,312
EXPENSES					
Administrative expenses		(158,458)	(167,883)	(317,867)	(319,252)
Finance costs	11	(11,536)	(9,807)	(22,381)	(19,391)
		(169,994)	(177,690)	(340,248)	(338,643)
PROFIT (LOSS) BEFORE TAX		89,012	(34,446)	37,387	(54,331)
Contribution to Kuwait Foundation for Advancement of Sciences (KFAS)		(336)	-	(336)	-
Zakat		(461)	-	(461)	-
PROFIT (LOSS) FOR THE PERIOD		88,215	(34,446)	36,590	(54,331)
Attributable to:					
Equity holders of the Parent Company		73,218	(41,406)	21,445	(67,506)
Non-controlling interests		14,997	6,960	15,145	13,175
		88,215	(34,446)	36,590	(54,331)
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO EQUITYHOLDERS OF THE PARENT COMPANY					
	5	0.354 Fils	(0.200) Fils	0.104 Fils	(0.326) Fils

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Al Madar Investment Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (UNAUDITED)

For the period ended 30 June 2023

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
PROFIT (LOSS) FOR THE PERIOD	88,215	(34,446)	36,590	(54,331)
Other comprehensive income				
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of foreign operations	368	2,292	549	3,056
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	88,583	(32,154)	37,139	(51,275)
Attributable to:				
Equity holders of the Parent Company	73,491	(39,114)	21,854	(65,214)
Non-controlling interests	15,092	6,960	15,285	13,939
	88,583	(32,154)	37,139	(51,275)

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Al Madar Investment Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2023

	Notes	30 June 2023 KD	(Audited) 31 December 2022 KD	30 June 2022 KD
ASSETS				
Bank balances and cash		271,694	318,252	174,945
Financial assets at fair value through profit or loss	13	868,360	891,594	926,577
Other assets	6	514,045	479,166	7,152,902
Investment properties	7	26,175,644	26,169,889	19,519,413
Furniture and equipment		-	-	3,512
TOTAL ASSETS		27,829,743	27,858,901	27,777,349
EQUITY AND LIABILITIES				
Equity				
Share capital		21,386,865	21,386,865	21,386,865
Statutory reserve		148,859	148,859	143,613
Share premium		4,990,296	4,990,296	4,990,296
Treasury shares	8	(4,573,296)	(4,573,296)	(4,573,296)
Other reserve		(122,147)	(122,147)	(122,147)
Foreign currency translation reserve		129,267	128,858	129,076
Retained earnings/ (Accumulated losses)		108,478	87,033	(7,880)
Equity attributable to equity holders of the Parent Company		22,068,322	22,046,468	21,946,527
Non-controlling interests		1,545,692	1,530,407	1,770,003
Total equity		23,614,014	23,576,875	23,716,530
Liabilities				
Employees' end of service benefits		372,715	352,902	347,727
Other liabilities		3,843,014	3,929,124	3,713,092
Total liabilities		4,215,729	4,282,026	4,060,819
TOTAL EQUITY AND LIABILITIES		27,829,743	27,858,901	27,777,349


Waleed Abdulraheem Al-Asfour
 Chairman

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Al Madar Investment Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 June 2023

	<i>Attributable to equity holders of the Parent Company</i>									
	<i>Share capital KD</i>	<i>Statutory reserve KD</i>	<i>Share premium KD</i>	<i>Treasury shares KD</i>	<i>Other reserve KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Retained earnings (Accumulated losses) KD</i>	<i>Sub-total KD</i>	<i>Non-controlling interests KD</i>	<i>Total equity KD</i>
As at 1 January 2023 (audited)	21,386,865	148,859	4,990,296	(4,573,296)	(122,147)	128,858	87,033	22,046,468	1,530,407	23,576,875
Profit for the period	-	-	-	-	-	-	21,445	21,445	15,145	36,590
Other comprehensive income for the period	-	-	-	-	-	409	-	409	140	549
Total comprehensive income for the period	-	-	-	-	-	409	21,445	21,854	15,285	37,139
At 30 June 2023	21,386,865	148,859	4,990,296	(4,573,296)	(122,147)	129,267	108,478	22,068,322	1,545,692	23,614,014
As at 1 January 2022 (audited)	21,386,865	143,613	4,990,296	(4,573,296)	(122,147)	126,784	59,626	22,011,741	1,756,064	23,767,805
(Loss) profit for the period	-	-	-	-	-	-	(67,506)	(67,506)	13,175	(54,331)
Other comprehensive income for the period	-	-	-	-	-	2,292	-	2,292	764	3,056
Total comprehensive income (loss) for the period	-	-	-	-	-	2,292	(67,506)	(65,214)	13,939	(51,275)
At 30 June 2022	21,386,865	143,613	4,990,296	(4,573,296)	(122,147)	129,076	(7,880)	21,946,527	1,770,003	23,716,530

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Al Madar Investment Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

For the period ended 30 June 2023

	Notes	Six months ended 30 June	
		2023 KD	2022 KD
OPERATING ACTIVITIES			
Profit (loss) before tax		37,387	(54,331)
<i>Adjustments to reconcile profit (loss) for the period to net cash flows:</i>			
Depreciation of furniture and equipment		-	486
Changes in fair value of financial assets at FVPL	4	(23,207)	119,841
Realised gain on sale of financial assets at FVPL	4	(747)	(137,635)
Dividend income	4	(18,080)	(15,000)
Reversal of expected credit losses		(11,075)	(5,085)
Provision for employees' end of service benefits		23,713	13,541
Recovery of written off balances		-	1,963
Finance costs	11	22,381	19,391
		30,372	(56,829)
<i>Changes in operating assets and liabilities:</i>			
Financial assets at FVPL		-	(377,345)
Other assets		23,384	42,230
Other liabilities		26,154	(96,683)
Cash flow from (used in) operations		79,910	(488,627)
Employees' end of service benefits paid		(3,900)	(16,008)
KFAS, NLST and Zakat paid		(20,182)	(28,300)
Net cash flows from (used in) operating activities		55,828	(532,935)
INVESTING ACTIVITIES			
Dividend income received		18,080	15,000
Additions to investment properties		-	(111,812)
Net cash flows from (used in) investing activities		18,080	(96,812)
FINANCING ACTIVITIES			
Repayment of a portion of an interest-bearing amount due to a major shareholder	11	(71,400)	-
Finance costs paid	11	(43,860)	(38,760)
Net cash flows used in financing activities		(115,260)	(38,760)
NET DECREASE IN BANK BALANCES AND CASH		(41,352)	(668,507)
Net foreign exchange differences		(5,206)	(29,168)
Bank balances and cash at 1 January		318,252	872,620
BANK BALANCES AND CASH AT 30 JUNE		271,694	174,945
Non-cash transactions excluded from the consolidated statement of cash flows are as follows:			
Proceeds from sale of financial assets at FVPL (adjusted with trade and other receivables)	6	47,188	-

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Al Madar Investment Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

1.1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Al Madar Investment Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2023 was authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company on 10 August 2023.

The consolidated financial statements of the Group for the year ended 31 December 2022 were approved in the annual general assembly meeting (“AGM”) of the shareholders held on 29 May 2023. No dividends have been declared by the Parent Company.

The Parent Company is a public shareholding company, incorporated and domiciled in the State of Kuwait, and whose shares are publicly traded in Boursa Kuwait. The Parent Company is regulated by the Capital Markets Authority (“CMA”) as an investment Advisor and Investment Portfolio Manager.

The Parent Company’s head office is located at Al Salam Tower, Fahad Al Salem Street, Al Salhia and its registered postal address is P.O. Box 1376, Safat 13014, State of Kuwait.

The principal activities of the Group are described in Note 12. All activities are conducted in accordance with Islamic Shari‘a principles, as approved by the Parent Company’s Fatwa and Shari‘a board appointed by the Parent Company.

The Parent Company is a subsidiary of Al Thekair General Trading and Contracting Company W.L.L. (the “Ultimate Parent Company”), a limited liability company incorporated and domiciled in the State of Kuwait.

1.2 GROUP INFORMATION

Subsidiaries

The interim condensed consolidated financial information of the Group include:

Name of subsidiary	Principal activities	Country of incorporation	% equity interest		
			30 June 2023	31 December 2022 (Audited)	30 June 2022
Dar Al-Thuraya Real Estate Company K.S.C.P. (“Dar Al-Thuraya”)	Real estate	Kuwait	91.46%	91.46%	89.91%
Al Madar Real Estate Development Company K.S.C. (Closed) (“Al Madar Real Estate”)	Real estate	Kuwait	100%	100%	100%
Al Thuraya for Warehousing and Refrigeration Company K.S.C. (Closed) *	Leasing activities	Kuwait	99%	99%	99%
<i>Indirectly held through Dar Al-Thuraya</i>					
Al Thuraya Star Company W.L.L.	General trading and contracting	Kuwait	100%	100%	100%
Kuwait Building Real Estate Company K.S.C. (Closed) *	Real estate	Kuwait	99%	99%	99%
Golden Madar Real Estate Company W.L.L.	Real estate	Kuwait	100%	100%	100%
<i>Indirectly held through Al Madar Real Estate</i>					
Al Murooj Al Khaleejyah for Trading L.L.C.	Construction	Oman	75%	75%	75%

* The remaining shares in this subsidiary is held by other parties on behalf of the Group. Therefore, the effective ownership of the Group in this subsidiary is 100%.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

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

2.1 Basis of preparation

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard 34: "Interim Financial Reporting" ("IAS 34"). The Group has prepared the interim condensed consolidated financial information on the basis that it will continue to operate as a going concern. The management considers that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

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

2.2 New standards, interpretations and amendments adopted by the Group

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

Several amendments and interpretations apply for the first time in 2023, but do not have an impact on the interim condensed consolidated financial information of the Group.

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

These amendments had no impact on the interim condensed consolidated financial information.

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

The amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had no impact on the Group's interim condensed consolidated financial information, but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

3 NET REAL ESTATE INCOME

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	2023	2022	2023	2022
	KD	KD	KD	KD
Rental income arising from operating leases on investment properties	169,284	152,928	326,697	282,220
Property operating expenses	(21,172)	(17,713)	(39,265)	(38,089)
	148,112	135,215	287,432	244,131

Al Madar Investment Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

4 NET GAIN ON INVESTMENT SECURITIES

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Changes in fair value of financial assets at FVPL	79,064	(104,823)	23,207	(119,841)
Realised gain on sale of financial assets at FVPL	747	96,596	747	137,635
Dividend income	18,080	15,000	18,080	15,000
	97,891	6,773	42,034	32,794

5 EARNINGS (LOSS) PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit (loss) for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit (loss) attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted EPS are identical.

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
Profit (loss) for the period attributable to equity holders of the Parent Company (KD)	73,218	(41,406)	21,445	(67,506)
Weighted average number of ordinary shares outstanding during the period (shares)*	207,023,554	207,023,554	207,023,554	207,023,554
Basic and diluted EPS (fils)	0.354	(0.200)	0.104	(0.326)

* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the period.

There have been no transactions involving ordinary shares between the reporting date and the date of authorisation of this interim condensed consolidated financial information which would require the restatement of EPS.

6 OTHER ASSETS

	<i>(Audited)</i>		
	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>
	<i>2023</i>	<i>2022</i>	<i>2022</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Tenant receivables	6,900	-	38,997
Receivables from sale of investment properties	-	-	6,381,900
Prepaid expenses	79,335	45,996	69,408
Advances paid to purchase investment properties	315,689	315,689	315,689
Advances paid to acquire equity shares in a subsidiary	-	-	244,853
Receivable from sale of an associate	-	-	23,561
Staff receivables	18,838	15,843	16,870
Receivables from sale of investment securities	47,188	-	-
Other receivables	46,095	101,638	61,624
	514,045	479,166	7,152,902

Al Madar Investment Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

7 INVESTMENT PROPERTIES

	30 June	<i>(Audited)</i> 31 December	30 June
	2023	2022	2022
	KD	KD	KD
As at the beginning of the period/ year	26,169,889	19,375,377	19,375,377
Additions	-	110,000	110,000
Reinstated properties upon revocation of sale contract	-	6,381,900	1,812
Capital expenditure on owned property	-	55,452	-
Change in fair value	-	178,648	-
Exchange differences	5,755	68,512	32,224
As at the end of the period/ year	26,175,644	26,169,889	19,519,413

- a) Included within investment properties an income generating developed property in the State of Kuwait with a carrying value of KD 1,603,000 (31 December 2022: KD 1,603,000 and 30 June 2022: KD 1,700,000) which is financed through an Islamic profit-bearing loan payable to a related party amounting to KD 951,220 as at 30 June 2023 (31 December 2022: KD 1,044,099 and 30 June 2022: KD 1,021,928) included under other liabilities in the interim condensed consolidated statement of financial position. The property is registered in the name of a related party (shareholder of the Ultimate Parent Company) who has confirmed in writing through an irrevocable power of attorney that the risks and rewards associated with the property lies with the Group (Note 11).
- b) In addition to the aforementioned income generating property, certain investment property with a carrying value of KD 2,355,780 (31 December 2022: KD 2,350,026 and 30 June 2022: KD 2,353,095) is registered in the name of the shareholder of the Ultimate Parent Company who has confirmed in writing through an irrevocable power of attorney that the risks and rewards associated with the property lies with the Group.

Geographic concentration of the underlying investment properties is, as follows:

	30 June	<i>(Audited)</i> 31 December	30 June
	2023	2022	2022
	KD	KD	KD
State of Kuwait	19,914,000	19,914,000	13,299,812
Other countries	6,261,644	6,255,889	6,219,601
	26,175,644	26,169,889	19,519,413

The valuations of investment properties were performed at 31 December by two accredited independent valuers with recognised and relevant professional qualification and experience in the locations and categories of the investment properties being valued. As required by the Capital Market Authority (CMA), the Group has selected the lower of these valuations. The valuation models applied are consistent with the principles in IFRS 13 and fair value is determined using a mix of the income capitalisation method and the market comparison approach considering the nature and usage of each property. Valuation of the Group's investment property portfolio is performed on an annual basis as management believes that there are no significant circumstances that have arisen during the interim reporting period, which may have a material impact on fair value.

Al Madar Investment Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

8 TREASURY SHARES

	30 June 2023	<i>(Audited)</i> 31 December 2022	30 June 2022
Number of treasury shares	6,845,096	6,845,096	6,845,096
Percentage of issued share capital	3.20%	3.20%	3.2%
Cost – KD	4,573,296	4,573,296	4,573,296
Market value – KD	711,890	780,341	675,611

Reserves equivalent to the cost of the treasury shares held less treasury shares reserve are not available for distribution during the holding period of such shares as per CMA guidelines.

9 COMMITMENTS AND CONTINGENCIES

9.1 Capital commitments

The Group had no contractual commitments in respect of completed investment property as at 30 June 2023, 31 December 2022 and 30 June 2022.

9.2 Contingent liabilities

The Group had no material contingent liabilities as at 30 June 2023, 31 December 2022 and 30 June 2022.

10 FIDUCIARY ASSETS

The Group manages client asset in a fiduciary capacity. The client assets have no recourse to the general assets of the Group and the Group has no recourse to the assets under management. Accordingly, assets under management are not included in the interim condensed consolidated financial information, as they are not assets of the Group. As at 30 June 2023, assets under management amounted to KD 2,501,000 (31 December 2022: KD 2,698,000 and 30 June 2022: KD 2,698,000).

11 RELATED PARTY DISCLOSURES

The Group's related parties include its associates and joint ventures, major shareholders, entities under common control, directors and executive officers of the Group, close members of their families and entities of which they are principal owners or over which they are able to exercise significant influence or joint control. Pricing policies and terms of these transactions are approved by the Group's management.

The following table provides the total amount transactions that have been entered into with related parties during the six months ended 30 June 2023 and 2022, as well as balances with related parties as at 30 June 2023, 31 December 2022 and 30 June 2022:

	Other related party KD	30 June 2023 KD	<i>(Audited)</i> 31 December 2022 KD	30 June 2022 KD
Statement of financial position				
Other liabilities	1,320,721	1,320,721	1,408,402	1,389,003

Other related party represents an amount of KD 951,220 due to a major shareholder of the Ultimate Parent Company (31 December 2022: KD 1,044,099 and 30 June 2022: KD 1,021,928), bearing an interest rate of 6.28% (30 June 2022: 4.3%). The amount represents financing the purchase of an investment property. The amount is repayable on maturity on 30 June 2024 and is therefore classified as a current liability. The Group has paid an amount of KD 71,400 and KD 43,860 of Principal of loan payable and accrued finance cost respectively during the current period ended 30 June 2023. The Group had incurred finance costs amounting to KD 22,381 for the six months ended 30 June 2023 (30 June 2022: KD 19,391).

Details of other related party disclosures are provided in Note 7.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

11 RELATED PARTY DISCLOSURES (continued)

Transactions with key management personnel

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

	<i>Transaction values for the three months ended</i>		<i>Balance outstanding as at</i>		
	<i>30 June 2023</i>	<i>30 June 2022</i>	<i>30 June 2023</i>	<i>31 December 2022</i>	<i>30 June 2022</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Salaries and other short-term benefits	51,667	51,667	77,104	74,372	67,941
Employees end of service benefits	3,869	3,869	85,519	80,168	62,594
	55,536	55,536	162,623	154,540	130,535

12 SEGMENT INFORMATION

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

- ▶ **Real estate:** Buying, selling, capital appreciation and investing in real estate
- ▶ **Investment:** investment in subsidiaries, associates and equity securities.
- ▶ **Corporate finance:** The Group previous operations included providing finance to companies by using the different Islamic financing instruments, i.e. Murabaha, Wakala, future sales and other contracts.
- ▶ **Other unallocated items:** revenues and expenses that are not included under the above segments

	<i>30 June 2023</i>				
	<i>Real estate</i>	<i>Investment</i>	<i>Corporate</i>	<i>Other</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>finance</i>	<i>unallocated</i>	<i>KD</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>items</i>	<i>KD</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Assets	26,527,328	875,490	-	426,925	27,829,743
Liabilities	1,004,220	338	369,501	2,841,670	4,215,729
Income	287,432	42,034	-	48,169	377,635
Segment results	287,432	42,034	-	(292,079)	37,387

	<i>30 June 2022</i>				
	<i>Real estate</i>	<i>Investment</i>	<i>Corporate</i>	<i>Other</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>finance</i>	<i>KD</i>	<i>KD</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Assets	26,250,529	1,194,991	33,603	298,226	27,777,349
Liabilities	1,024,928	352	367,075	2,668,464	4,060,819
Income	244,131	32,794	-	7,387	284,312
Segment results	244,131	32,794	-	(331,256)	(54,331)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

12 SEGMENT INFORMATION (continued)

	<i>31 December 2022 (Audited)</i>				<i>Total KD</i>
	<i>Real estate KD</i>	<i>Investment KD</i>	<i>Corporate finance KD</i>	<i>Other unallocated items KD</i>	
Assets	26,169,889	891,594	-	797,418	27,858,901
Liabilities	1,099,724	338	364,303	2,817,661	4,282,026

13 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value hierarchy

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

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

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

There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the three months ended 30 June 2023.

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

Valuation methods and assumptions

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

Listed investment in equity securities

As at 30 June 2023, financial assets at fair value through profit or loss with a carrying value of KD 868,360 (31 December 2022: KD 891,594 and 30 June 2022: KD 926,577) are classified under Level 1 of the fair value hierarchy.

Other financial assets and liabilities at amortised cost

Fair value of other financial instruments is not materially different from their carrying values, at the reporting date, as these instruments are of short-term maturities or repriced immediately based on market movements in interest rates. The fair value of financial assets and financial liabilities with a demand feature is not less than its face value.

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