

شركة اسمنت الكويت
KUWAIT CEMENT COMPANY

Kuwait Cement Company
Kuwait Public Shareholding Company
and its subsidiaries
State of Kuwait

Interim Condensed Consolidated Financial Information (Unaudited)
And Review Report for the Six Months ended 30 June 2024

Kuwait Cement Company
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And its Subsidiaries
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To the Board of Directors
Kuwait Cement Company
Kuwait Public Shareholding Company
State of Kuwait

Report on review of interim condensed consolidated financial information

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kuwait Cement Company - K.P.S.C. ("The Parent Company") and its Subsidiaries (together referred to as "the Group") as at 30 June 2024, and the interim condensed consolidated statements of income, income and other comprehensive income, changes in equity and cash flows for the six month period then ended. 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 No (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

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

Conclusion

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

Report on other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of accounts of the Parent Company. We further report that nothing has come to our attention indicating any violations during the six month period ended 30 June 2024, of the Companies' Law No. 1 of 2016 and its Executive Regulations, as amended or the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, which might have materially affected the Group's activities or its condensed consolidated financial position.

We further report that, to the best of our knowledge and belief, no material violations of provisions of the Law No. 7 of 2010, as amended regarding the Capital Markets Authority and the Regulation of Securities Activities and its Executive Regulations and the relevant instructions, as amended, during the six month period ended 30 June 2024, which might have materially affected the Group's activities or its interim condensed consolidated financial position.

Qais M. Al Nisf
License No. 38 "A"
BDO Al Nisf & Partners

Kuwait: 13 August 2024

Kuwait Cement Company - K.S.C. (Public)
and its Subsidiaries
State of Kuwait

Interim Condensed Consolidated Statement of Financial Position as at 30 June 2024 (Unaudited)

(All amounts are in Kuwaiti Dinars)

	Note	30 June 2024	31 December 2023 (Audited)	30 June 2023
Assets				
Non-current assets				
Property, plant and equipment	4	124,927,490	126,205,648	127,554,782
Intangible assets		10	10	10
Investment properties		770,641	770,641	770,641
Investment in associates	5	18,469,299	17,800,835	17,163,298
Financial assets at fair value through other comprehensive income	6	103,789,457	98,003,213	97,322,330
Right-of-use assets		2,244,263	2,493,627	2,742,989
Total non-current assets		250,201,160	245,273,974	245,554,050
Currents assets				
Inventory	7	17,089,617	17,423,371	19,589,051
Accounts receivable and other debit balances	8	15,558,968	15,654,450	14,525,466
Financial assets at fair value through profit or loss	3	1,653,112	-	-
Cash and cash equivalents	9	10,366,389	13,015,501	12,860,719
Total current assets		44,668,086	46,093,322	46,975,236
Total assets		294,869,246	291,367,296	292,529,286
Equity and liabilities				
Equity				
Capital		73,330,387	73,330,387	73,330,387
Share premium		26,675,810	26,675,810	26,675,810
Treasury shares	10	(13,546,935)	(13,546,935)	(13,546,935)
Profits on sale of treasury shares		441,409	441,409	441,409
Statutory reserve		48,270,703	48,270,703	48,270,703
Voluntary reserve		42,048,346	42,048,346	42,048,346
General reserve		18,930,128	18,930,128	18,930,128
Investments revaluation reserve		(1,507,793)	(8,871,062)	(9,286,267)
Group's share in associates' reserves		(61,790)	(118,010)	(146,976)
Foreign currency translation reserve		107,854	107,854	107,854
Retained earnings		6,316,414	3,497,258	2,533,533
Equity attributable to Shareholders of the Parent Company		201,004,533	190,765,888	189,357,992
Non-controlling interests		179,062	170,155	167,441
Total equity		201,183,595	190,936,043	189,525,433
Liabilities				
Non-current liabilities				
Loans, bank facilities and Murabaha	11	49,825,758	61,018,233	62,753,994
Provision for employees' end of service indemnity		4,081,963	3,828,422	3,798,404
Lease liabilities		1,131,978	1,693,507	1,791,456
Total non-current liabilities		55,039,699	66,540,162	68,343,854
Current liabilities				
Loans, bank facilities and Murabaha	11	13,867,000	11,233,500	13,567,000
Accounts payable and other credit balances	12	24,257,465	22,152,657	20,588,065
Lease liabilities		521,487	504,934	504,934
Total current liabilities		38,645,952	33,891,091	34,659,999
Total liabilities		93,685,651	100,431,253	103,003,853
Total equity and liabilities		294,869,246	291,367,296	292,529,286

The accompanying notes are an integral part of the interim condensed consolidated financial information.

Rashed Abdulaziz Al-Rashed
Chairman

Dr. Abdulaziz Rashed Al-Rashed
Vice Chairman

Kuwait Cement Company - K.S.C. (Public)
and its Subsidiaries
State of Kuwait

Interim Condensed Consolidated Statement of Income for the Six Months Ended 30 June 2024 (Unaudited)

(All amounts are in Kuwaiti Dinars)

	Note	Three months ended 30 June		Six months ended 30 June	
		2024	2023	2024	2023
Sales		14,631,955	15,684,283	33,426,045	32,876,374
Cost of sales	13	(13,287,683)	(14,793,011)	(30,305,621)	(31,262,137)
Gross profit		1,344,272	891,272	3,120,424	1,614,237
Selling, general and administrative expenses		(855,742)	(918,708)	(1,771,734)	(1,777,031)
Net income from other activities	14	116,430	113,249	192,395	278,020
Operating profit		604,960	85,813	1,541,085	115,226
Provision for expected credit loss no longer required / (charged)	8	11,243	(32,046)	(6,071)	(62,982)
Finance charges		(971,850)	(986,939)	(1,826,588)	(1,834,920)
Interest income		18,978	36,816	41,220	38,325
Net investment income	15	2,111,192	2,091,192	2,202,006	2,138,730
Group's share in associates' business results	5	243,667	286,390	602,190	418,286
Net profit for the period before deductions		2,018,190	1,481,226	2,553,842	812,665
Kuwait Foundation for the Advancement of Science		(21,250)	-	(21,250)	-
National Labour Support Tax		(4,226)	-	(19,120)	-
Zakat		(168)	-	(2,540)	-
Net profit for the period		1,992,546	1,481,226	2,510,932	812,665
Attributable to:					
Shareholders of the Parent Company		1,993,123	1,480,787	2,510,208	812,986
Non-controlling interests		(577)	439	724	(321)
Net profit for the period		1,992,546	1,481,226	2,510,932	812,665
Basic and diluted earnings per share (fils)	16	2.80	2.08	3.52	1.14

The accompanying notes are an integral part of the interim condensed consolidated financial information.

Kuwait Cement Company - K.S.C. (Public)
and its Subsidiaries
State of Kuwait

شركة اسمنت الكويت
KUWAIT CEMENT COMPANY

Interim Condensed Consolidated Statement of Income and Other Comprehensive Income for the Six Months Ended 30 June 2024 (Unaudited)

(All amounts are in Kuwaiti Dinars)

	Note	Three months ended 30 June		Six months ended 30 June	
		2024	2023	2024	2023
Net profit for the period		1,992,546	1,481,226	2,510,932	812,665
Other comprehensive income / (loss) items:					
Items that may be reclassified subsequently to the interim condensed consolidated statement of income:					
Group's share of associates' reserves	5	34,814	(71,336)	56,220	(135,756)
Items that will not be reclassified subsequently in the interim condensed consolidated statement of income:					
Changes in fair value of financial assets at fair value through other comprehensive income		1,950,332	4,673,419	7,666,327	(1,924,531)
Total other comprehensive income / (loss) for the period		1,985,146	4,602,083	7,722,547	(2,060,287)
Total comprehensive income / (loss) for the period		3,977,692	6,083,309	10,233,479	(1,247,622)
Attributable to:					
Shareholders of the Parent Company		3,977,741	6,077,633	10,228,591	(1,244,053)
Non-controlling interests		(49)	5,676	4,888	(3,569)
Total comprehensive income / (loss) for the period		3,977,692	6,083,309	10,233,479	(1,247,622)

The accompanying notes are an integral part of the interim condensed consolidated financial information.

Kuwait Cement Company - K.S.C. (Public)
and its Subsidiaries
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Interim Condensed Consolidated Statement of Changes in Equity for the Six Months Ended 30 June 2024 (Unaudited)

(All amounts are in Kuwaiti Dinars)

	Equity attributable to Shareholders of the Parent Company													
	Capital	Share premium	Treasury shares	Profits on sale of treasury shares	Statutory reserve	Voluntary reserve	General reserve	Investments revaluation reserve	Group's share in associates' reserves	Foreign currency translation reserve	Retained earnings	Sub-total	Non-controlling interests	Total equity
Balance as at 1 January 2023	73,330,387	26,675,810	(13,546,935)	441,409	48,270,703	42,048,346	18,930,128	(7,252,092)	(11,220)	107,854	5,165,534	194,159,924	168,041	194,327,965
Net profit / (loss) for the period	-	-	-	-	-	-	-	-	-	-	812,986	812,986	(321)	812,665
Other comprehensive loss for the period	-	-	-	-	-	-	-	(1,921,283)	(135,756)	-	-	(2,057,039)	(3,248)	(2,060,287)
Total comprehensive (loss) / income for the period	-	-	-	-	-	-	-	(1,921,283)	(135,756)	-	812,986	(1,244,053)	(3,569)	(1,247,622)
Transferred from disposal of investments	-	-	-	-	-	-	-	(112,892)	-	-	109,827	(3,065)	3,065	-
The Group's share from the transferred to retained earnings in associates	-	-	-	-	-	-	-	-	-	-	10,054	10,054	-	10,054
Change in Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(96)	(96)
Cash dividends	-	-	-	-	-	-	-	-	-	-	(3,564,868)	(3,564,868)	-	(3,564,868)
Balance as at 30 June 2023	73,330,387	26,675,810	(13,546,935)	441,409	48,270,703	42,048,346	18,930,128	(9,286,267)	(146,976)	107,854	2,533,533	189,357,992	167,441	189,525,433
Balance as at 1 January 2024	73,330,387	26,675,810	(13,546,935)	441,409	48,270,703	42,048,346	18,930,128	(8,871,062)	(118,010)	107,854	3,497,258	190,765,888	170,155	190,936,043
Net profit for the period	-	-	-	-	-	-	-	-	-	-	2,510,208	2,510,208	724	2,510,932
Other comprehensive income for the period	-	-	-	-	-	-	-	7,662,163	56,220	-	-	7,718,383	4,164	7,722,547
Total comprehensive income for the period	-	-	-	-	-	-	-	7,662,163	56,220	-	2,510,208	10,228,591	4,888	10,233,479
Transferred from disposal of investments	-	-	-	-	-	-	-	(298,894)	-	-	298,894	-	4,008	4,008
Change in Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	11	11
The Group's share from the transferred to retained earnings in associates	-	-	-	-	-	-	-	-	-	-	10,054	10,054	-	10,054
Balance as at 30 June 2024	73,330,387	26,675,810	(13,546,935)	441,409	48,270,703	42,048,346	18,930,128	(1,507,793)	(61,790)	107,854	6,316,414	201,004,533	179,062	201,183,595

The accompanying notes are an integral part of the interim condensed consolidated financial information.

Kuwait Cement Company - K.S.C. (Public)
and its Subsidiaries
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Interim Condensed Consolidated Statement of Cash Flows for the Six Months Ended 30 June 2024 (Unaudited)

(All amounts are in Kuwaiti Dinars)

	Six months ended 30 June	
	2024	**2023**
Cash flows from operating activities:		
Net profit for the period	2,510,932	812,665
Adjustments:		
Depreciation and amortization	1,734,173	1,865,053
Provision for expected credit loss	6,071	62,982
Gain on sale of property, plant and equipment	(1,352)	(2,108)
Net investment income	(2,263,494)	(2,203,415)
Finance charges	1,826,588	1,834,920
Interest income	(41,220)	(38,325)
Group's share in associates' business results	(602,190)	(418,286)
Provision for employees' end of service indemnity	253,541	150,939
Net operating profit before working capital changes	3,423,049	2,064,425
Inventory	333,754	679,944
Accounts receivable and other debit balances	89,411	3,100,191
Accounts payable and other credit balances	2,111,803	(695,172)
Net cash generated from operating activities	5,958,017	5,149,388
Cash flows from investing activities:		
Paid for purchase of property, plant and equipment	(228,636)	(234,164)
Proceeds from sale of property, plant and equipment	23,337	3,013
Paid for purchase of financial assets at fair value through other comprehensive income	(8,712)	(4,175,556)
Proceeds from sale of financial assets at fair value through other comprehensive income	1,892,803	4,679,712
Paid for purchase of financial assets at fair value through profit or loss	(1,633,765)	-
Dividends income received	2,244,147	2,585,193
Term deposits	1,000,000	-
Interest income received	41,220	38,325
Net cash generated from investing activities	3,330,394	2,896,523
Cash flows from financing activities:		
Withdrawn from loans, bank facilities and Murabaha	-	7,000,000
Paid for loans, bank facilities and Murabaha	(8,558,975)	(4,998,704)
Finance charges paid	(1,819,796)	(1,756,782)
Lease liabilities paid	(551,768)	(596,345)
Dividends payments	(6,995)	(3,557,167)
Net change in non-controlling interests	11	(96)
Net cash used in financing activities	(10,937,523)	(3,909,094)
Net (decrease) / increase in cash and cash equivalents	(1,649,112)	4,136,817
Cash and cash equivalents at beginning of the period	11,015,501	8,723,902
Cash and cash equivalents at end of the period (Note 9)	9,366,389	12,860,719

The accompanying notes are an integral part of the interim condensed consolidated financial information.

1. Incorporation and activity

Kuwait Cement Company - Kuwait Public Shareholding Company - "the Parent Company" incorporated as per the Amiri Decree issued on 5 November 1968. The Parent Company's shares were listed on Kuwait Stock Exchange on 29 September 1984. Pursuant to the Extraordinary General Assembly held on 22 October 2023, some articles of the Articles of Association were amended, the latest of which was noted in the Commercial Register under No. 1532 dated 26 November 2023.

The Parent Company's objectives are as follows:

1- Production of cement of all kinds.
2- Production of refractory bricks, blocks and tiles (including refractory cement).
3- Production of bulk, hollow cement blocks and bricks.
4- Production of cement block.
5- Production of kinds of concrete or cement.
6- Production of asbestos cement or cellulosic fiber cement.
7- Production of building materials produced from plant materials and agglomerated with cement.
8- Aggregate crusher.
9- Chemical stores.
10- Extract sand and refilling (quarries).
11- Transportation of solid and liquid waste.
12- Collection of non-hazardous waste.
13- Collection of hazardous waste.
14- Treating and disposing of non-hazardous waste.
15- Treating and disposing of hazardous waste.
16- Recycling used tires.
17- Import of aggregate.
18- Wholesale of cement, gypsum and the like.
19- Wholesale of sand and aggregate.
20- Retail sale of building materials and scrap.
21- Storage in warehouses.
22- Investing the financial surplus in portfolios managed by specialized companies and entities.
23- Sale and purchase of shares and bonds for the interest of the Company.
24- Owning the real estate and movables necessary to carry out its work within the limits permitted by law.
25- Managing its subsidiaries or participating in the management of other companies in which it contributes and providing the necessary support to them.
26- Production of agglomerated cement (clinker).
27- Importing chemicals.

The Company may have interests or participate in any suitable way with entities and companies conducting similar activities or which may assist it in achieving its objectives in Kuwait or abroad. It may as well acquire such entities or affiliate them, and participate in incorporation of real estate companies. The Company may practice the above activities inside the State of Kuwait and abroad either in its own name or by proxy. The Company may practice similar, supplementary, necessary or related business to the mentioned objectives.

The Parent Company's headquarters is located at Sharq, Al Sawaber area, Shuhada Street, Cement House, P.O. Box 20581, Safat 13066, State of Kuwait.

The accompanying interim condensed consolidated financial information was authorized for issue by Parent Company's Board of Directors on 13 August 2024.

2. Basis of presentation and material accounting policies

2.1 Basis of preparation

The interim condensed consolidated financial information is prepared in accordance with IAS 34 "Interim Financial Reporting".

The interim condensed consolidated financial information does not include all of the information and footnotes required for complete financial statements prepared in accordance with International Financial Reporting Standards (IFRSs). It should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2023.

In the opinion of the management, all adjustments (including recurring accruals) have been included in the interim condensed consolidated financial information. The operating results for the period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the year ending 31 December 2024. For further information, refer to the consolidated financial statements and notes thereto for the year ended 31 December 2023.

Standards, interpretations and amendments issued and applied by the Group
The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Other new standards and amendments, effective for annual periods beginning on or after 1 January 2024, did not have any material impact on the consolidated financial position or performance of the Group.

3. Fair value estimation

The fair values of financial assets are estimated as follows:

- Level 1: Quoted prices in active markets for quoted financial instruments.
- Level 2: Quoted prices in active markets for similar instruments. Quoted prices in inactive markets for similar assets or liabilities. Observable inputs other than quoted prices of financial instruments.
- Level 3: Inputs for the asset or liabilities that are not based on observable market data.

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

	Fair value as of				
	30 June 2024	31 December 2023 (Audited)	30 June 2023	Fair value level	Valuation techniques and principal inputs
Financial assets at fair value through other comprehensive income:					
Quoted securities	84,184,723	77,519,267	77,564,449	First	Last bid price
Funds and portfolios	12,892,978	12,318,749	11,461,730	Second	Net asset value
Unquoted securities	6,711,756	8,165,197	8,296,151	Three	Based on the revised NBV or on the basis of the last transactions
Financial assets at fair value through profit or loss:					
Quoted securities	1,653,112	-	-	First	Last bid price

The fair value of the other financial assets and liabilities approximate their carrying amounts as at the date of interim condensed consolidated financial information.

4. Property, plant and equipment

	30 June 2024	31 December 2023 (Audited)	30 June 2023
Net carrying amount at beginning of the period / year	126,205,648	128,937,213	128,937,213
Additions	228,636	306,621	234,164
Disposals	(21,985)	(12,147)	(905)
Depreciation during the period / year	(1,484,809)	(3,026,039)	(1,615,690)
Net carrying amount at end of the period / year	124,927,490	126,205,648	127,554,782

Certain property, plant and equipment located on a land leased from the State Properties under leases for a term of five years ending 2025 and 2029.

5. Investment in Associates

Movement on investment in associates was as follows:

	30 June 2024	31 December 2023 (Audited)	30 June 2023
Balance at beginning of the period / year	17,800,835	17,252,492	17,252,492
Group's share in associates' business results	602,190	1,016,803	418,286
Group's share of associates' reserves	56,220	(106,790)	(135,756)
Group's share from the transfer to the retained earnings	10,054	20,108	10,054
Dividends received	-	(381,778)	(381,778)
	18,469,299	17,800,835	17,163,298

6. Financial assets at fair value through other comprehensive income

	30 June 2024	31 December 2023 (Audited)	30 June 2023
Quoted securities	84,184,723	77,519,267	77,564,449
Unquoted securities	6,711,756	8,165,197	8,296,151
Funds and portfolios	12,892,978	12,318,749	11,461,730
	103,789,457	98,003,213	97,322,330

The quoted securities include investments amounting to KD 51,642,741 as at 30 June 2024 in the shares of National Industries Group Holding - K.P.S.C., one of the major shareholders of the Group (KD 46,696,040 as at 31 December 2023, KD 46,466,010 as at 30 June 2023).

7. Inventory

	30 June 2024	31 December 2023 (Audited)	30 June 2023
Raw materials	14,889,406	14,906,349	16,873,415
Finished goods	585,275	643,521	636,289
Spare parts	1,614,936	1,873,501	2,079,347
	17,089,617	17,423,371	19,589,051

8. Accounts receivable and other debit balances

	30 June 2024	31 December 2023 (Audited)	30 June 2023
Receivables against unconditional bank guarantees	857,976	1,155,191	1,744,104
Ministry of Commerce – difference from subsidizing cement and ready made concrete to the public	660,234	1,626,158	400,086
Related parties (Note 17)	323,658	467,591	281,110
Other trade receivables	16,597,765	15,727,043	15,491,217
Total trade receivables	18,439,633	18,975,983	17,916,517
Other receivables	1,890,573	1,911,276	2,174,966
Advance payments to suppliers	739,183	827,833	159,679
	21,069,389	21,715,092	20,251,162
Provision for expected credit loss	(6,748,769)	(6,742,698)	(6,678,726)
	14,320,620	14,972,394	13,572,436
Prepaid expenses	395,708	251,645	372,137
Notes receivables	842,640	430,411	580,893
	15,558,968	15,654,450	14,525,466

Movement in provision for expected credit loss is as follows:

	30 June 2024	31 December 2023 (Audited)	30 June 2023
Balance at beginning of the period / year	6,742,698	6,615,744	6,615,744
Provision during the period / year	6,071	126,954	62,982
Balance at end of the period / year	6,748,769	6,742,698	6,678,726

9. Cash and cash equivalents

	30 June 2024	31 December 2023 (Audited)	30 June 2023
Cash on hand and at banks	5,630,269	10,368,871	9,856,626
Cash at investment portfolios	1,736,120	646,630	2,004,093
Short term deposits (a)	2,000,000	-	1,000,000
Long-term deposits (b)	1,000,000	2,000,000	-
Cash and cash equivalents as at interim condensed consolidated statement of financial position	10,366,389	13,015,501	12,860,719
Less: term deposits with a maturity period exceeding 3 months	(1,000,000)	(2,000,000)	-
Cash and cash equivalents as at interim condensed consolidated statement of cash flows	9,366,389	11,015,501	12,860,719

a- The effective interest rate on short-term deposits ranges from 4% to 4.6% (31 December 2023: Nil, 30 June 2023: 4.5%) per annum, and these deposits mature contractually at a rate of 90 days (31 December 2023: Nil, 30 June 2023: 90 days).

b- The effective interest rate on long term deposits is 4.5% (31 December 2023: from 4.52% to 4.60%, 30 June 2023: Nil) per annum, and these deposits mature contractually at a rate of 180 days (31 December 2023: 180 days, 30 June 2023: Nil).

10. Treasury shares

	30 June 2024	31 December 2023 (Audited)	30 June 2023
Number of shares (share)	20,330,200	20,330,200	20,330,200
Percentage of issued shares (%)	2.77	2.77	2.77
Cost (KD)	13,546,935	13,546,935	13,546,935
Market value (KD)	3,537,455	2,683,586	3,639,106

The Parent Company is committed to keeping reserves, retained earnings and share premium equal to the purchased treasury shares along acquisition period according to the instructions of the concerned regulatory authorities.

11. Loans, bank facilities and Murabaha

	30 June 2024	31 December 2023 (Audited)	30 June 2023
Non-current portion			
Loans	19,712,000	22,176,000	21,212,000
Murabaha	30,113,758	38,842,233	41,541,994
	49,825,758	61,018,233	62,753,994
Current portion			
Loans	4,928,000	2,464,000	4,928,000
Murabaha	8,939,000	8,769,500	8,639,000
	13,867,000	11,233,500	13,567,000
Total loans, bank facilities and Murabaha	63,692,758	72,251,733	76,320,994

The average effective interest rate on loans, bank facilities and Murabaha was 5% per annum as at 30 June 2024 (31 December 2023: 4.5% per annum, 30 June 2023: 4.25% per annum).

12. Accounts payable and other credit balances

	30 June 2024	31 December 2023 (Audited)	30 June 2023
Trade payables	14,937,224	12,415,833	11,556,491
Accrued interest and expenses	1,738,281	2,236,863	2,015,195
Notes payable	545,790	652,488	1,099,015
Advance payments from customers	6,034,942	5,883,119	4,929,984
Dividends payable	925,395	932,390	938,246
Accrued KAFS	21,250	5,433	30,150
Accrued NLST	19,120	-	-
Accrued Zakat	2,540	-	913
Retention	-	3,500	3,500
Other	32,923	23,031	14,571
	24,257,465	22,152,657	20,588,065

13. Cost of sales

	Three months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023
Cost of raw materials	10,932,917	12,101,409	24,877,884	25,458,966
Salaries and benefits	974,860	1,268,676	1,952,590	2,718,661
Maintenance and spare parts	837,639	721,984	2,330,479	1,658,294
Depreciations and amortizations	261,661	356,278	526,940	721,059
Rent	89,014	79,420	171,499	156,766
Other	191,592	265,244	446,229	548,391
	13,287,683	14,793,011	30,305,621	31,262,137

14. Net income from other activities

	Three months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023
Net income from investment properties	16,938	28,417	38,203	56,002
Net gain from exchange differences	18,382	5,183	34,051	40,203
Other income	81,110	79,649	120,141	181,815
	116,430	113,249	192,395	278,020

15. Net investment income

	Three months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023
Financial assets at fair value through other comprehensive income:				
Cash dividends	2,125,079	2,122,986	2,244,147	2,203,415
Portfolio management expenses	(33,234)	(31,794)	(61,488)	(64,685)
	2,091,845	2,091,192	2,182,659	2,138,730
Financial assets at fair value through profit or loss:				
Unrealized gain from change in the fair value	19,347	-	19,347	-
	19,347	-	19,347	-
	2,111,192	2,091,192	2,202,006	2,138,730

Notes to the Interim Condensed Consolidated Financial Information for the Six Months Ended 30 June 2024 (Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise mentioned)

16. Basic and diluted earnings per share

Basic and diluted earnings per share are calculated by dividing the net profit attributable to Shareholders of the Parent Company for the period by the weighted average of the number of the existing ordinary shares determined based on number of existing shares of issued capital during the period, taking into account treasury shares. The calculation of basic and diluted earnings per share is as follows:

	Three months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023
Net profit for the period attributable to shareholders of the Parent Company	1,993,123	1,480,787	2,510,208	812,986
Weighted average number of outstanding shares during the period (shares)	712,973,670	712,973,670	712,973,670	712,973,670
Basic and diluted earnings per share (fils)	2.80	2.08	3.52	1.14

17. Related party transactions

Related parties comprise of the Group's Shareholders who are members in the Board of Directors, Board of Directors, Key Management Personnel, Associates, and subsidiaries in which the Company has representatives in their board. In the normal course of business and subject to the approval of the Group's management, transactions were made with such parties during the period ended 30 June 2024. Balances and transactions between the Parent Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note.

Following is a summary of significant related party transactions:

	30 June 2024	31 December 2023 (Audited)	30 June 2023
Balances included in the interim condensed consolidated statement of financial position:			
Receivables and other debit balances (Note 8)	323,658	467,591	281,110
Provision for employees' end of service indemnity	724,611	601,279	712,144

	Three months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023
Transactions included in the interim condensed consolidated statement of income:				
Sales	178,692	154,937	460,538	310,455
Committees' fees	46,000	46,000	92,000	92,000
Executive management salaries and benefits	115,355	107,545	230,540	210,330

All transactions with related parties are subject to the approval of the Shareholders' General Assembly.

Notes to the Interim Condensed Consolidated Financial Information for the Six Months Ended 30 June 2024 (Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise mentioned)

18. Contingent liabilities and capital commitments

	30 June 2024	31 December 2023 (Audited)	30 June 2023
Contingent liabilities			
Letters of guarantee	1,270,290	1,270,290	1,004,544
Capital commitments			
Letters of credit	31,304	332,215	373,200
Uncalled subscription relating to investments in funds	321,972	321,972	321,972
Contracts for importing raw materials	3,532,078	2,491,641	7,045,192
Property, plant and equipment	579,867	736,041	726,249

There is a dispute between the Parent Company and a supplier about the financial obligations resulting from the termination of the raw materials supply contract between both parties where that party submitted a financial claim, while Parent Company's management has applied with the Court's judicial arbitration for discharging it from any financial obligations resulting from termination of that contract. During the previous period, a judgment was issued for the release of all the Parent Company's financial obligations towards the supplier. The dispute with the supplier has not been resolved yet and the Parent Company's management believes that the provisions provided are sufficient against all the obligations that might result from this dispute.

19. Segment financial information

The management has grouped the Group's significant operating segments and services into the following operating segments under IFRS 8 as follows:

The primary segments information as follows:

Operating Segments

The Group has determined the following two major business segments for internal reporting purposes:

- Manufacturing sector which includes production and sale cement & ready mix cement.
- Investments segment

Financial information about business segments for the six month period ended 30 June is as follows:

	30 June 2024			30 June 2023		
	Manufacturing sector	Investment Sector	Total	Manufacturing sector	Investment Sector	Total
Segments revenues	33,546,186	2,842,399	36,388,585	33,058,189	2,613,018	35,671,207
Gross profit / (loss) of segments	1,496,811	2,842,399	4,339,210	(3,758)	2,613,018	2,609,260
Segments assets	168,450,617	126,418,629	294,869,246	175,268,924	117,260,362	292,529,286
Adjustments:						
Gross segments profit			4,339,210			2,609,260
Finance charges			(1,826,588)			(1,834,920)
Interest income			41,220			38,325
Net segments profit before deductions			2,553,842			812,665

20. General Assembly of the Parent Company's Shareholders

The Parent Company's Shareholders General Assembly held on 24 April 2024, approved the consolidated financial statements for the year ended 31 December 2023. It also approved not to distribute the cash dividends and the remuneration of directors for the year ended 31 December 2023.

The Parent Company's Shareholders General Assembly held on 3 May 2023 approved the consolidated financial statements for the year ended 31 December 2022. It also approved cash dividends of 5 fils per share of the paid capital after deducting treasury shares to the concerned shareholders as set out in the schedule approved by the Shareholders' General Assembly.