

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

Interim Condensed Consolidated Financial Information (Unaudited)
And review report for the three months ended 31 March 2024

شركة اسمنت الكويت
KUWAIT CEMENT COMPANY

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Kuwait Public Shareholding Company
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And the Review Report for the Three Months Ended 31 March 2024

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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 31 March 2024, and the interim condensed consolidated statements of income, income and other comprehensive income, changes in equity and cash flows for the three 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 three month period ended 31 March 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 interim 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 three month period ended 31 March 2024, which might have materially affected the Group's activities or its interim condensed consolidated financial position.

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

Kuwait: 8 May 2024

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

شركة اسمنت الكويت
KUWAIT CEMENT COMPANY

Interim condensed consolidated statement of financial position as at 31 March 2024 (Unaudited)

(All amounts are in Kuwaiti Dinars)

	Note	31 March 2024	31 December 2023 (Audited)	31 March 2023
Assets				
Non-current assets				
Property, plant and equipment	4	125,634,042	126,205,648	128,255,596
Intangible assets		10	10	10
Investment properties		770,641	770,641	770,641
Investment in associates	5	18,185,791	17,800,835	17,324,995
Financial assets at fair value through other comprehensive income	6	103,185,119	98,003,213	91,335,580
Right-of-use assets		2,368,945	2,493,627	2,867,670
Total non-current assets		250,144,548	245,273,974	240,554,492
Currents assets				
Inventory	7	14,957,012	17,423,371	21,000,719
Accounts receivable and other debit balances	8	15,756,258	15,654,450	15,620,797
Cash and cash equivalents	9	15,450,967	13,015,501	13,884,124
Total current assets		46,164,237	46,093,322	50,505,640
Total assets		296,308,785	291,367,296	291,060,132
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		(3,167,019)	(8,871,062)	(13,654,676)
Group's share in associates' reserves		(96,604)	(118,010)	(75,640)
Foreign currency translation reserve		107,854	107,854	107,854
Retained earnings		4,027,686	3,497,258	4,312,950
Equity attributable to Shareholders of the Parent Company		197,021,765	190,765,888	186,840,336
Non-controlling interests		175,343	170,155	161,725
Total equity		197,197,108	190,936,043	187,002,061
Liabilities				
Non-current liabilities				
Loans, bank facilities and Murabaha	11	61,678,871	61,018,233	68,288,170
Provision for employees' end of service indemnity		3,925,557	3,828,422	3,737,239
Lease liabilities		1,142,215	1,693,507	1,817,901
Total non-current liabilities		66,746,643	66,540,162	73,843,310
Current liabilities				
Loans, bank facilities and Murabaha	11	10,533,500	11,233,500	9,607,261
Accounts payable and other credit balances	12	21,309,425	22,152,657	20,122,809
Lease liabilities		522,109	504,934	484,691
Total current liabilities		32,365,034	33,891,091	30,214,761
Total liabilities		99,111,677	100,431,253	104,058,071
Total equity and liabilities		296,308,785	291,367,296	291,060,132

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

Interim Condensed Consolidated Statement of Income for the Three Months Ended 31 March 2024 (Unaudited)

(All amounts are in Kuwaiti Dinars)

	Note	Three months ended 31 March	
		2024	**2023**
Sales		18,794,090	17,192,091
Cost of sales	13	(17,017,938)	(16,469,126)
Gross profit		1,776,152	722,965
Selling, general and administrative expenses		(915,992)	(858,323)
Net income from other activities	14	75,965	164,771
Operating profit		936,125	29,413
Provision for expected credit losses	8	(17,314)	(30,936)
Finance charges		(854,738)	(847,981)
Interest income		22,242	1,509
Net investment income	15	90,814	47,538
Group's share in associates' business results	5	358,523	131,896
Net profit / (loss) for the period before deductions		535,652	(668,561)
National Labour Support Tax		(14,894)	-
Zakat		(2,372)	-
Net profit / (loss) for the period		518,386	(668,561)
Attributable to:			
The Parent Company's Shareholders		517,085	(667,801)
Non-controlling interests		1,301	(760)
Net profit / (loss) for the period		518,386	(668,561)
Basic and diluted earnings / (loss) per share (fils)	16	0.73	(0.94)

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

شركة اسمنت الكويت
KUWAIT CEMENT COMPANY

Interim Condensed Consolidated Statement of Income and Other Comprehensive Income for the Three Months Ended 31 March 2024 (Unaudited)

(All amounts are in Kuwaiti Dinars)

	Note	Three months ended 31 March	
		2024	**2023**
Net profit / (loss) for the period		518,386	(668,561)
Items of other comprehensive income / (loss):			
Items that may be reclassified subsequently to the interim condensed consolidated statement of income:			
Group's share of associates' reserves	5	21,406	(64,420)
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		5,715,995	(6,597,950)
Total other comprehensive income / (loss) for the period		5,737,401	(6,662,370)
Total comprehensive income / (loss) for the period		6,255,787	(7,330,931)
Attributable to:			
The Parent Company's Shareholders		6,250,850	(7,321,686)
Non-controlling interests		4,937	(9,245)
Total comprehensive income / (loss) for the period		6,255,787	(7,330,931)

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 Changes in Equity for the three months ended 31 March 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 loss for the period	-	-	-	-	-	-	-	-	-	-	(667,801)	(667,801)	(760)	(668,561)
Other comprehensive loss for the period	-	-	-	-	-	-	-	(6,589,465)	(64,420)	-	-	(6,653,885)	(8,485)	(6,662,370)
Total comprehensive loss for the period	-	-	-	-	-	-	-	(6,589,465)	(64,420)	-	(667,801)	(7,321,686)	(9,245)	(7,330,931)
Transferred from disposal of investments	-	-	-	-	-	-	-	186,881	-	-	(189,810)	(2,929)	2,929	-
The Group's share from the transferred to retained earnings in associates	-	-	-	-	-	-	-	-	-	-	5,027	5,027	-	5,027
Balance as at 31 March 2023	73,330,387	26,675,810	(13,546,935)	441,409	48,270,703	42,048,346	18,930,128	(13,654,676)	(75,640)	107,854	4,312,950	186,840,336	161,725	187,002,061
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	-	-	-	-	-	-	-	-	-	-	517,085	517,085	1,301	518,386
Other comprehensive income For the period	-	-	-	-	-	-	-	5,712,359	21,406	-	-	5,733,765	3,636	5,737,401
Total comprehensive income for the period	-	-	-	-	-	-	-	5,712,359	21,406	-	517,085	6,250,850	4,937	6,255,787
Transferred from disposal of investments	-	-	-	-	-	-	-	(8,316)	-	-	8,316	-	240	240
Change in Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	11	11
The Group's share from the transferred to retained earnings in associates	-	-	-	-	-	-	-	-	-	-	5,027	5,027	-	5,027
Balance as at 31 March 2024	73,330,387	26,675,810	(13,546,935)	441,409	48,270,703	42,048,346	18,930,128	(3,167,019)	(96,604)	107,854	4,027,686	197,021,765	175,343	197,197,108

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

Interim Condensed Consolidated Statement of Cash Flows for the Three Months Ended 31 March 2024 (Unaudited)

(All amounts are in Kuwaiti Dinars)

	Three months ended 31 March	
	2024	**2023**
Cash flows from operating activities:		
Net profit / (loss) for the period	518,386	(668,561)
Adjustments:		
Depreciation and amortization	705,607	850,715
Provision for expected credit losses	17,314	30,936
Gain on sale of property, plant and equipment	(1,157)	(2,108)
Net investment income	(119,068)	(80,429)
Finance charges	854,738	847,981
Interest income	(22,242)	(1,509)
Group's share in associates' business results	(358,523)	(131,896)
Provision for employees' end of service indemnity	97,135	89,774
Net operating profit before working capital changes	1,692,190	934,903
Inventory	2,466,359	(731,724)
Accounts receivable and other debit balances	(119,122)	2,036,906
Accounts payable and other credit balances	(839,590)	(1,123,710)
Net cash generated from operating activities	3,199,837	1,116,375
Cash flows from investing activities:		
Paid for purchase of property, plant and equipment	(9,999)	(45,323)
Proceeds from sale of property, plant and equipment	1,837	3,015
Paid for purchase of financial assets at fair value through other comprehensive income	(5,059)	(1,421,425)
Proceeds from sale of financial assets at fair value through other comprehensive income	539,388	3,238,912
Dividends income received	119,068	80,429
Interest income received	22,242	1,509
Net cash generated from investing activities	667,477	1,857,117
Cash flows from financing activities:		
Withdrawn from loans, bank facilities and Murabaha	-	4,000,000
Paid for loans, bank facilities and Murabaha	(39,362)	(424,267)
Finance charges paid	(830,590)	(823,614)
Lease liabilities paid	(558,265)	(562,890)
Dividends payments	(3,642)	(2,499)
Change in Non-controlling interests	11	-
Net cash (used in) / generated from financing activities	(1,431,848)	2,186,730
Net increase in cash and cash equivalents	2,435,466	5,160,222
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)	13,450,967	13,884,124

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

Notes to the Interim Condensed Consolidated Financial Information for the Three Months Ended 31 March 2024 (Unaudited)
(All amounts are in Kuwaiti Dinar unless otherwise mentioned)

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, Al 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 8 May 2024.

2. Basis of presentation and significant 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 31 March 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, interpretation and amendments issued and adopted by the Group
The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The new standards and amendments that are effective for annual reporting periods beginning on or after 1 January 2024. These amendments did not have material impact on the financial position or the performance of the Group.

3. Fair value estimation

The fair values of financial assets and liabilities 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 significant financial assets and liabilities are determined:

	Fair value as of				
	31 March 2024	31 December 2023 (Audited)	31 March 2023	Fair value level	Valuation techniques and principal inputs
Financial assets at fair value through other comprehensive income:					
Quoted securities	82,633,090	77,519,267	73,491,009	First	Last bid price
Funds and portfolios	12,860,005	12,318,749	10,079,955	Second	Net assets value
Unquoted securities	7,692,024	8,165,197	7,764,616	Three	Based on the revised NBV or on the basis of the last transactions

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

	31 March 2024	31 December 2023 (Audited)	31 March 2023
Net carrying amount at beginning of the period / year	126,205,648	128,937,213	128,937,213
Additions	9,999	306,621	45,323
Disposals	(680)	(12,147)	(907)
Depreciation during the period / year	(580,925)	(3,026,039)	(726,033)
Net carrying amount at end of the period / year	125,634,042	126,205,648	128,255,596

Certain property, plant and equipment located on a land leased from the State Properties under leases for a term of five years ending 2024 and 2025.

5. Investment in associates

The movement of investment in associates are as following:

	31 March 2024	31 December 2023 (Audited)	31 March 2023
Balance at beginning of the period/year	17,800,835	17,252,492	17,252,492
Group's share in associates' business results	358,523	1,016,803	131,896
Group's share of associates' reserves	21,406	(106,790)	(64,420)
Group's share from the transfer to the retained earnings	5,027	20,108	5,027
Cash dividends received	-	(381,778)	-
	18,185,791	17,800,835	17,324,995

6. Financial assets at fair value through other comprehensive income

	31 March 2024	31 December 2023 (Audited)	31 March 2023
Quoted securities	82,633,090	77,519,267	73,491,009
Unquoted securities	7,692,024	8,165,197	7,764,616
Funds and portfolios	12,860,005	12,318,749	10,079,955
	103,185,119	98,003,213	91,335,580

The quoted securities include investments amounting to KD 50,146,486 as at 31 March 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 42,500,736 as at 31 March 2023).

7. Inventory

	31 March 2024	31 December 2023 (Audited)	31 March 2023
Raw materials	12,690,351	14,906,349	17,708,432
Finished goods	713,851	643,521	896,571
Spare parts	1,552,810	1,873,501	2,395,716
	14,957,012	17,423,371	21,000,719

8. Accounts receivable and other debit balances

	31 March 2024	31 December 2023 (Audited)	31 March 2023
Receivables against unconditional bank guarantees	993,685	1,155,191	2,151,917
Ministry of Commerce – difference from subsidizing cement and ready made concrete to the public	931,079	1,626,158	679,858
Related parties (Note 17)	525,421	467,591	306,907
Other trade receivables	16,472,463	15,727,043	15,322,152
Total trade receivables	18,922,648	18,975,983	18,460,834
Other receivables	1,999,610	1,911,276	2,116,868
Advance payments to suppliers	759,751	827,833	585,282
	21,682,009	21,715,092	21,162,984
Provision for expected credit losses	(6,760,012)	(6,742,698)	(6,646,680)
	14,921,997	14,972,394	14,516,304
Prepaid expenses	522,256	251,645	471,713
Notes receivables	312,005	430,411	632,780
	15,756,258	15,654,450	15,620,797

Movement in provision for expected credit losses is as follows:

	31 March 2024	31 December 2023 (Audited)	31 March 2023
Balance at beginning of the period / year	6,742,698	6,615,744	6,615,744
Provision charged during the period / year	17,314	126,954	30,936
Balance at end of the period / year	6,760,012	6,742,698	6,646,680

9. Cash and cash equivalents

	31 March 2024	31 December 2023 (Audited)	31 March 2023
Cash on hand and at banks	9,758,583	10,368,871	6,710,134
Cash at investment portfolios	692,384	646,630	5,173,990
Short term deposits (a)	3,000,000	-	2,000,000
Long Term deposits (b)	2,000,000	2,000,000	-
Cash and cash equivalents as at interim condensed consolidated statement of financial position	15,450,967	13,015,501	13,884,124
Less: term deposits with a maturity period exceeding 3 months	(2,000,000)	(2,000,000)	-
Cash and cash equivalents as at interim condensed consolidated statement of cash flows	13,450,967	11,015,501	13,884,124

a- The effective interest rate on short-term deposits ranges from 4% to 4.6% (31 December 2023: Nil, 31 March 2023: 5%) per annum, and these deposits mature contractually at a rate of 90 days (31 December 2023: Nil, 31 March 2023: 90 days) per annum.

b- The effective interest rate on long term deposits ranges from 4.55% to 4.65% (31 December 2023: from 4.52% to 4.60%, 31 March 2023: Nil) per annum, and these deposits mature contractually at a rate of 180 days (31 December 2023: 180 days, 31 March 2023: Nil) per annum.

10. Treasury shares

	31 March 2024	31 December 2023 (Audited)	31 March 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)	3,903,398	2,683,586	3,659,436

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

	31 March 2024	31 December 2023 (Audited)	31 March 2023
Non-current portion			
Loans	22,176,000	22,176,000	20,826,000
Murabaha	39,502,871	38,842,233	47,462,170
	61,678,871	61,018,233	68,288,170
Current portion			
Loans	2,464,000	2,464,000	2,314,000
Murabaha	8,069,500	8,769,500	7,293,261
	10,533,500	11,233,500	9,607,261
Total loans, bank facilities and Murabaha	72,212,371	72,251,733	77,895,431

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

12. Accounts payable and other credit balances

	31 March 2024	31 December 2023 (Audited)	31 March 2023
Trade payables	11,417,386	12,415,833	11,639,491
Accrued interest and expenses	2,089,356	2,236,863	2,466,609
Notes payable	500,754	652,488	1,046,304
Advance payments from customers	6,267,018	5,883,119	3,993,477
Dividends payable	928,748	932,390	928,046
Accrued KFAS	5,433	5,433	30,150
Accrued NLST	14,894	-	-
Accrued Zakat	2,372	-	913
Retention	3,500	3,500	3,500
Other	79,964	23,031	14,319
	21,309,425	22,152,657	20,122,809

13. Cost of sales

	Three months ended 31 March	
	2024	**2023**
Cost of raw materials	13,944,967	13,357,557
Salaries and benefits	977,730	1,449,985
Maintenance and spare parts	1,492,840	936,310
Depreciations and amortizations	265,279	364,781
Rent	82,485	77,346
Other	254,637	283,147
	17,017,938	16,469,126

14. Net income from other activities

	Three months ended 31 March	
	2024	**2023**
Net income from investment properties	21,265	27,585
Net gain from exchange differences	15,669	35,020
Other income	39,031	102,166
	75,965	164,771

15. Net investment income

	Three months ended 31 March	
	2024	**2023**
Financial assets at fair value through other comprehensive income:		
Cash dividends	119,068	80,429
Portfolio management expenses	(28,254)	(32,891)
	90,814	47,538

16. Basic and diluted earnings / (loss) per share

Basic and diluted earnings / (loss) per share are calculated by dividing the net profit / (loss) 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 / (loss) per share is as follows:

	Three months ended 31 March	
	2024	**2023**
Net profit / (loss) for the period attributable to shareholders of the Parent Company (KD)	517,085	(667,801)
Weighted average number of outstanding shares during the period (shares)	712,973,670	712,973,670
Basic and diluted earnings / (loss) per share (fils)	0.73	(0.94)

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 31 March 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:

	31 March 2024	31 December 2023 (Audited)	31 March 2023
Balances included in the interim condensed consolidated statement of financial position:			
Accounts receivables and other debit balances (Note 8)	525,421	467,591	306,907
Provision for employees' end of service indemnity	805,027	601,279	663,524

	Three months ended 31 March	
	2024	2023
Transactions included in the interim condensed consolidated statement of income:		
Sales	281,846	155,518
Committees' fees	46,000	46,000
Executive management salaries and benefits	115,185	102,785

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

18. Contingent liabilities and capital commitments

	31 March 2024	31 December 2023 (Audited)	31 March 2023
Contingent liabilities			
Letters of guarantee	1,270,290	1,270,290	1,004,544
Capital commitments			
Letters of Credit	7,535	332,215	371,992
Uncalled subscription relating to investments in funds	321,972	321,972	321,972
Contracts for importing raw materials	3,289,100	2,491,641	6,568,792
Property, plant and equipment	736,041	736,041	713,193

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 sector

Financial information on business segments for the three month period ended 31 March is as follows:

	31 March 2024			31 March 2023		
	Manufacturing sector	Investment Sector	Total	Manufacturing sector	Investment Sector	Total
Segments revenues	18,833,121	470,602	19,303,723	17,294,257	207,019	17,501,276
Gross profit / (loss) of segments	897,546	470,602	1,368,148	(29,108)	207,019	177,911
Segments assets	173,474,850	122,833,935	296,308,785	176,454,926	114,605,206	291,060,132
Adjustments:						
Gross segments profit			1,368,148			177,911
Finance charges			(854,738)			(847,981)
Interest income			22,242			1,509
Net profit / (loss) of segments before deductions			535,652			(668,561)

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.