

الكويت في: 27 يوليو 2023
الإفصاح رقم (2023/12)

السادة/ المساهمين الكرام
شركة شرق للإستثمار (ش.م.ك) مقفلة

الموضوع: إفصاح بشأن معلومات جوهرية

بيان وتفاصيل الإفصاح	
يرجى الإحاطة بما يلي:	الإفصاح عن البيانات المالية المرحلية المجمعة للربع الثاني لعام 2023.
أثرا لإفصاح على المركز المالي للشركة	لا يوجد أثر مالي

يتم ذكر الأثر على المركز المالي في حال كانت المعلومات الجوهرية قابلة لقياس ذلك الأثر ويستثنى الأثر المالي الناتج عن المناقصات والممارسات وما يشبهها من عقود.

إقرار:

أقر أنا رئيس مجلس الإدارة الموقع أدناه بصحة وسلامة البيانات أعلاه، وأن جميع المعلومات المفصّل عنها سليمة وصحيحة.

المقر بما فيه
رئيس مجلس الإدارة



Handwritten signature and date

**Sharq Investment Company – K.S.C.C
And Its Subsidiaries
State of Kuwait**

**Unaudited Interim Condensed Consolidated
Financial Statements And Review Report
For The Period Ended 30 June 2023**

Interim Condensed Consolidated Financial Statements For The Six Months Ended 30 June 2023

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Report on Review of Interim Financial Statements Information

To The Board of Directors Of
Sharq Investment Company – K.S.C.C
And Its Subsidiaries
State of Kuwait

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Sharq Investment Company (K.S.C.C) and its subsidiaries "The Group", as of 30 June 2023, and the related condensed consolidated statements of comprehensive income, changes in shareholders equity and cash flows for the period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with IAS (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim 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 financial information is not prepared, in all material respects, in accordance with International Accounting Standard (34).

Report on Legal Requirements

Also, the interim condensed consolidated financial information is in agreement with the accounting records of the Parent Company. According to the information provided to us, there were no violations during the period ended 30 June 2023 to the Companies Law No. (1) of year 2016, the Executive Regulation of the Law, the Parent Company's Bylaws and Article of Association, nor to the Law No. (7) of year 2010 in regard of Capital Market Authority and its Executive Regulation which might have materially affect the Group's financial position or its result of operations.



Adnan Ali Alhazeem

License No. 40 "A"

Member firm of Moore Global

Kuwait – 27 July 2023



Sharq Investment Company – K.S.C.C
And Its Subsidiaries
State of Kuwait

Interim Condensed Consolidated Statement Of Comprehensive Income For The Six Months Ended 30 June 2023

	Notes	For the three months ended 30 June		For the Six months ended 30 June	
		Unaudited		Unaudited	
		2023	2022	2023	2022
		KD	KD	KD	KD
Revenues					
Management fees		200,277	109,814	414,572	381,173
Consultancy fees		1,554	51,350	44,104	142,497
Brokerage income		264,025	25,883	292,188	39,133
Realized gain on financial assets at FVTPL		536,734	211,971	869,041	274,931
Unrealized gain (loss) on financial assets at FVTPL	5	78,306	(269,164)	33,001	197,091
Rental income		347,415	189,985	670,925	381,978
Dividends income		117,134	168,794	158,856	248,325
Interests income		9,512	3,500	18,664	7,688
(Loss) gain on exchange differences		(50)	1,989	776	2,471
Other income		40,842	115,560	56,979	115,590
Total Revenues		1,595,749	609,682	2,559,106	1,790,877
Expenses					
Administrative expenses		418,081	201,009	646,577	422,789
Financing expenses		170,806	51,189	331,369	97,878
Total Expenses		588,887	252,198	977,946	520,667
Profit before Zakat and KFAS		1,006,862	357,484	1,581,160	1,270,210
Zakat		(10,039)	(3,530)	(15,753)	(12,702)
KFAS		(10,067)	(3,661)	(15,810)	(12,788)
Profit		986,756	350,293	1,549,597	1,244,720
Other Comprehensive Loss					
Items that will not be reclassified to profit or loss					
Net change in fair value of equity instruments at FVOCI	5	(56,726)	(120,600)	(360,690)	(4,310,150)
Total Other comprehensive loss		(56,726)	(120,600)	(360,690)	(4,310,150)
Comprehensive Income (Loss)		930,030	229,693	1,188,907	(3,065,430)
Profit Attributable to:					
Shareholders' of the Parent Company		986,756	349,567	1,549,597	1,243,994
Non-controlling interests		-	726	-	726
Total Profit		986,756	350,293	1,549,597	1,244,720
Comprehensive Income (Loss) Attributable to:					
Shareholders' of the Parent Company		930,030	228,958	1,188,907	(3,066,177)
Non-controlling interests		-	735	-	747
Total Comprehensive Income (Loss)		930,030	229,693	1,188,907	(3,065,430)
Basic earnings per share - fils	3	6.50	2.30	10.20	8.19


Sharq Investment Company – K.S.C.C
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Interim Condensed Consolidated Statement Of Financial Position As At 30 June 2023

	Notes	30 June 2023 (Unaudited) KD	31 December 2022 (Audited) KD	30 June 2022 (Unaudited) KD
ASSETS				
Non-current Assets				
Investment properties	4	21,435,000	18,285,000	13,259,000
Financial assets at FVOCI	5 / A	6,038,624	6,661,291	4,153,215
Investment in an associate		387,193	387,193	437,463
Property and equipment, net		5,722	6,066	5,458
Investment in unconsolidated subsidiary	6	1,850,000	-	-
Total Non-current Assets		29,716,539	25,339,550	17,855,136
Current Assets				
Due from related parties	8	2,085	2,029	2,793
Accounts receivable and other debit balances		701,297	427,134	256,709
Financial assets at FVTPL	5 / B	6,005,088	7,745,632	7,546,915
Cash on hand and at banks	9	951,157	1,440,223	1,143,892
Total Current Assets		7,659,627	9,615,018	8,950,309
TOTAL ASSETS		37,376,166	34,954,568	26,805,445
SHAREHOLDERS EQUITY AND LIABILITIES				
Shareholders Equity				
Capital	10	15,185,000	15,185,000	15,185,000
Statutory reserve		1,477,358	1,477,358	1,249,777
Voluntary reserve		1,205,976	1,205,976	978,395
Cumulative change in fair value reserve		(3,745,141)	(3,603,200)	(4,380,624)
Cumulative change in fair value reserve - an associate		85	85	61,705
Retained earnings		7,648,394	6,924,946	6,492,394
Total Equity attributable to shareholders of the Parent Company		21,771,672	21,190,165	19,586,647
Non-controlling interests		-	-	2,402
Total Shareholders Equity		21,771,672	21,190,165	19,589,049
Liabilities				
Non-current Liabilities				
Murabahat payable - long term	11	5,100,000	5,100,000	5,100,000
End of services indemnity provision		146,716	141,070	134,974
Total Non-current Liabilities		5,246,716	5,241,070	5,234,974
Current Liabilities				
Murabahat payable - short term	11	8,800,000	7,050,000	550,000
Due to related parties	8	10,605	5,903	1,711
Accounts payable and other credit balances		1,547,173	1,467,430	1,429,711
Total Current Liabilities		10,357,778	8,523,333	1,981,422
Total Liabilities		15,604,494	13,764,403	7,216,396
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES		37,376,166	34,954,568	26,805,445

Adel Taher Hassan Al-Nakas
Chairman





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	Attributable to shareholders of the Parent Company						
	Capital	Statutory reserve	Voluntary reserve	Cumulative change in fair value reserve	Cumulative change in fair value reserve - an associate	Retained earnings	Total
	KD	KD	KD	KD	KD	KD	KD
For the six months ended 30 June 2022							
As at 1 January 2022 - (Audited)	15,185,000	1,249,777	978,395	(77,514)	61,705	5,730,386	23,127,749
Profit / other comprehensive loss	-	-	-	(4,310,150)	-	1,244,720	(3,065,430)
Reclassification of loss on disposal of equity investments held at FVOCI	-	-	-	-	-	(26,441)	-
Dividends	-	-	-	-	-	(455,550)	-
Transactions with NCI	-	-	-	(19,401)	-	(721)	(20,124)
As at 30 June 2022 (Unaudited)	15,185,000	1,249,777	978,395	(4,380,624)	61,705	6,492,394	19,586,647
For the six months ended 30 June 2023							
As at 1 January 2023 - (Audited)	15,185,000	1,477,358	1,205,976	(3,603,200)	85	6,924,946	21,190,165
Profit / other comprehensive income (loss)	-	-	-	(360,690)	-	1,549,597	1,188,907
Reclassification of loss on disposal of equity investments held at FVOCI	-	-	-	-	-	(218,749)	-
Dividends	-	-	-	-	-	(607,400)	-
As at 30 June 2023 (Unaudited)	15,185,000	1,477,358	1,205,976	(3,745,141)	85	7,648,394	21,771,672

Sharq Investment Company – K.S.C.C
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Interim Condensed Consolidated Statement Of Cash Flows For The Six Months Ended 30 June 2023

	For the six months ended 30 June	
	Unaudited	
	2023	2022
	KD	KD
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before KFAS and Zakat	1,581,160	1,270,210
Adjustments for:		
Unrealized gain on financial assets at FVTPL	(33,001)	(197,091)
Dividends income	(158,856)	(248,325)
Depreciation expense	1,347	893
Interest income	(18,664)	(7,688)
Gain on exchange differences	(776)	(2,471)
Recognized financing expenses	331,369	97,878
	1,702,579	913,406
Movements in working capital items:		
Due from related parties	(56)	(20,775)
Accounts receivable and other debit balances	(274,163)	(145,408)
Accounts payable and other credit balances	48,180	(137,622)
Due to related parties	4,702	(2,163)
End of services indemnity provision	5,646	8,572
Net cash flows from operating activities	1,486,888	616,010
CASH FLOWS FROM INVESTING ACTIVITIES		
Term deposits	-	(200,000)
Received interest income	18,664	7,688
Dividends received	158,856	248,325
Investment in unconsolidated subsidiary	(1,850,000)	-
Purchase of property and equipment	(1,003)	(2,005)
Purchase of investment properties	(3,150,000)	-
Purchase of financial assets at FVOCI	(134)	(50,000)
Proceeds from sale of financial assets at FVOCI	262,111	507,222
Purchase of financial assets at FVTPL	(3,314,510)	(4,709,318)
Proceeds from sale of financial assets at FVTPL	5,088,055	3,824,583
Net cash flows from investing activities	(2,787,961)	(373,505)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends	(607,400)	(455,550)
Paid financing expenses	(331,369)	(97,878)
Murabahat payable	1,750,000	(150,000)
Net cash flows from financing activities	811,231	(703,428)
Net change in cash and cash equivalents	(489,842)	(460,923)
Cash and cash equivalents at beginning of the period	1,140,223	1,302,344
Effect of foreign exchange	776	2,471
Cash and cash equivalents at end of the period - Note (9)	651,157	843,892

Notes To The Interim Condensed Consolidated Financial Statements For The Six Months Ended 30 June 2023

1. General Information

The Parent Company (Sharq Investment Company – K.S.C.C) was established and registered at the Commercial Register as a closed shareholding company on 3 April 2005 under number (106750). The Parent Company is regulated by Capital Markets Authority (CMA) as an investment company. The Parent Company is a subsidiary of Al-Tafawoq United Holding Company (K.S.C.C) "Ultimate Parent".

The Parent company's objectives are:

- Investing in real estate, agricultural and industrial sectors. Also, investing in other economic sectors; by participating in the incorporation of specialised companies, or purchasing shares and bonds of such companies in different sectors.
- Managing funds of the public and private institutions, and investing these funds in different economic sectors including management of the financial and real estate portfolios.
- Investment portfolio manager.
- Dealing and trading in the foreign currency market as well as precious metals markets in and outside the State of Kuwait; provided that such transaction will be only in the account of the company.
- Securities broker not registered with an exchange.

The Parent Company may conduct the above-mentioned activities either inside the State of Kuwait or outside as a principal or a proxy. The Parent Company may have an equity interest or in any way associated with entities engaged in similar activities or other activities which may assist the Group in achieving its primary objectives in State of Kuwait or abroad, The Parent Company may also establish, participate in, acquire or affiliate itself with such entities.

These consolidated interim financial statements are presented in Kuwaiti Dinar (KD), as that is the currency in which the majority of the Company's transactions are denominated. They comprise the financial statements of the Company and its subsidiaries (together "the Group") and the Group's interest in an associate entity drawn up for the period ended 30 June 2023. Except where otherwise indicated, all financial information presented in (KD) has been rounded to the nearest one Dinar.

The Company's address is: Mirqab – Block (3) – KBT Tower - Floor (37) - State of Kuwait.

Key terms included in financial statements.

FVOCI	Fair value through other comprehensive income.
FVTPL	Fair value through profit or loss.
OCI	Other comprehensive income.
NCI	Non-controlling interest

Notes To The Interim Condensed Consolidated Financial Statements For The Six Months Ended 30 June 2023

2. Basis of preparation and changes to the Group's accounting policies

Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2023 have been prepared in accordance with IAS (34) Interim Financial Reporting. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast doubt 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 statements do 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 as at 31 December 2022.

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements 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 apply for the first time in 2023, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Standards / Amendments effective from 1 January 2023	Effective from
IFRS (17): Insurance contracts	1 January 2023
Definition of Accounting Estimate (Amendments to IAS (8))	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS (Practice Statement 2))	1 January 2023
Deferred Tax related to Assets and Liabilities Arising from a single Transaction (Amendments to IAS (12))	1 January 2023
Amendments and Accounting Standards effective after 1 January 2023	
Classification of liabilities as current or non-current (Amendments to IAS 1)	1 January 2024
Sale or contribution of Assets between an investor and its Associate or joint venture (Amendments to IFRS 10 and IAS 28)	Postponed indefinitely
Lease Liability in Sale and Leaseback (Amendments to IFRS 16)	1 January 2024
Non-current Liabilities with Covenants (Amendments to IAS 1)	1 January 2024

Notes To The Interim Condensed Consolidated Financial Statements For The Six Months Ended 30 June 2023

3. Basic Earnings Per Share

The Group presents basic earnings per share information for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the reporting period.

Basic earnings per share are based on the following information:

	For the three months ended 30 June		For the Six months ended 30 June	
	(Unaudited)		(Unaudited)	
	2023	2022	2023	2022
Profit attributable to the Parent Company - KD	986,756	349,567	1,549,597	1,243,994
Weighted average number of ordinary shares	151,850,000	151,850,000	151,850,000	151,850,000
Basic earnings per share - fils	6.50	2.30	10.20	8.19

4. Investment Properties

	30 June 2023	31 December 2022	30 June 2022
	(Unaudited)	(Audited)	(Unaudited)
	KD	KD	KD
Balance at the beginning of the period / year	18,285,000	13,259,000	13,259,000
Additions	3,150,000	-	-
Effect of acquiring subsidiaries	-	5,604,000	-
Loss on revaluation	-	(578,000)	-
Balance at end of period / year	21,435,000	18,285,000	13,259,000

Farwaniya complex – Plot (33) with a carrying value of KD 840,000 at 30 June 2023 (31 December 2022: KD 840,000 and 30 June 2022: KD 829,000) is registered in the name of a local bank and leased back the property with an option of re-purchase at the end of lease term. The transfer of the property by the seller-lessee (the Group) does not satisfy the requirements of IFRS (15) to be accounted for as a sale of the asset. Accordingly, the Group continued to recognize the transferred property and recognized a financial liability equal to the transferred proceeds. It accounted for the financial liability applying IFRS (9).

The Group has pledged buildings in Mahboula – Plot (333) and Salmiya – Plots (10) and (11) to secure bank facilities – Note (11).

Notes To The Interim Condensed Consolidated Financial Statements For The Six Months Ended 30 June 2023

5. Financial Assets

The Group has the following investments in equity and debt instruments.

A - Investment in FVOCI

	30 June 2023 (Unaudited)	31 December 2022 (Audited)	30 June 2022 (Unaudited)
	KD	KD	KD
Equity securities - Quoted	5,377,169	5,985,333	3,812,715
Debt securities - Bonds	362,300	367,100	-
Equity securities - Unquoted	36,751	36,751	68,050
Managed equity funds	239,410	249,113	249,456
Managed equity portfolios	22,994	22,994	22,994
Total	6,038,624	6,661,291	4,153,215

The movement of investment in FVOCI is as follows:

	30 June 2023 (Unaudited)	31 December 2022 (Audited)	30 June 2022 (Unaudited)
	KD	KD	KD
Balance at the beginning of the period / year	6,661,291	8,920,587	8,920,587
Acquisition of subsidiaries effect	-	1,365,600	-
Additions during the period / year	134	809,867	50,000
Sales during the period / year	(277,449)	(640,627)	(467,731)
Capital recovery	15,338	(134,787)	(65,932)
Change in fair value	(360,690)	(3,659,349)	(4,283,709)
Balance at end of period / year	6,038,624	6,661,291	4,153,215

B - Investment in FVTPL

	30 June 2023 (Unaudited)	31 December 2022 (Audited)	30 June 2022 (Unaudited)
	KD	KD	KD
Equity securities - Quoted	1,440,317	2,420,815	2,913,039
Equity securities - Unquoted	3,569,852	4,492,551	3,797,210
Investments in managed portfolio	827,872	669,266	661,840
Debt securities - Bonds	167,047	163,000	174,826
Total	6,005,088	7,745,632	7,546,915

Notes To The Interim Condensed Consolidated Financial Statements For The Six Months Ended 30 June 2023

The movement of investment in FVTPL is as follows:

	30 June 2023 (Unaudited) KD	31 December 2022 (Audited) KD	30 June 2022 (Unaudited) KD
Balance at the beginning of the period / year	7,745,632	6,465,089	6,465,089
Purchases during the period / year	3,314,510	9,690,230	4,709,318
Sales during the period / year	(5,088,055)	(8,625,095)	(3,824,583)
Capital recovery	-	(99,913)	-
Change in fair value	33,001	315,321	197,091
Balance at end of period / year	6,005,088	7,745,632	7,546,915

6. Advances To Acquire A Subsidiary

This item represents advances paid during the period to acquire 100% of (Al Masaa Real Estate Company – W.L.L) for total amount of KD 1,850,000. All legal procedures are yet to be completed at the Ministry of Commerce as at 30 June 2023.

7. Management Fees

The Group manages investment portfolios on behalf of clients. The total value of these portfolios at 30 June 2023 is amounted to KD 342,840,498 (31 December 2022: KD 370,507,958 and 30 June 2022: KD 345,268,120) which are not reflected in the interim condensed consolidated financial information.

The portfolios have no recourse to the general assets of the Group. The Group makes investment decisions in line with the respective agreements.

Income earned from fiduciary assets amounted to KD 175,103 for the period ended 30 June 2023 (30 June 2022: KD 281,173).

Details of assets held in a fiduciary capacity are as follows:

	30 June 2023 (Unaudited) KD	31 December 2022 (Audited) KD	30 June 2022 (Unaudited) KD
Financial assets portfolio	342,840,498	370,507,958	345,268,120

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Notes To The Interim Condensed Consolidated Financial Statements For The Six Months Ended 30 June 2023

8. Related Parties

Details of transactions between the Group and related parties are given below.

For the six months ended 30 June 2023 (Unaudited)				
	Ultimate parent Company	Associate	Other related parties	Total
	KD	KD	KD	KD
Management fees	20,219	1,200	35,071	56,490
Administrative expenses	18,630	42,000	-	60,630

For the six months ended 30 June 2022 (Unaudited)				
	Ultimate parent Company	Associate	Other related parties	Total
	KD	KD	KD	KD
Management and consultancy fees	20,682	1,200	33,143	55,025
Administrative expenses	18,630	42,000	-	60,630

The following are the outstanding balances as at the end of the financial period:

As at 30 June 2023 (Unaudited)				
	Ultimate parent Company	Associate	Other related parties	Total
	KD	KD	KD	KD
Financial assets at FVTPL	183,029	-	40,590	223,619
Financial assets at FVOCI	4,093	-	5,376,481	5,380,574
Due from related parties	-	-	2,085	2,085
Due to related parties	7,876	2,729	-	10,605

As at 31 December 2022 (Audited)				
	Ultimate parent Company	Associate	Other related parties	Total
	KD	KD	KD	KD
Financial assets at FVTPL	183,029	-	907,221	1,090,250
Financial assets at FVOCI	4,093	-	5,984,645	5,988,738
Due from related parties	-	-	2,029	2,029
Due to related parties	2,257	3,646	-	5,903

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Notes To The Interim Condensed Consolidated Financial Statements For The Six Months Ended 30 June 2023

	As at 30 June 2022 (Unaudited)			
	Ultimate parent Company	Associate	Other related parties	Total
	KD	KD	KD	KD
Financial assets at FVTPL	247,652	-	31,525	279,177
Financial assets at FVOCI	4,093	-	3,783,523	3,787,616
Due from related parties	-	-	2,793	2,793
Due to related parties	1,711	-	-	1,711

Key Management Personnel Compensation

	For the Six months ended 30 June (Unaudited)	
	2023	2022
	KD	KD
Salaries and short-term benefits	74,919	71,527
End of services benefits	4,782	4,625
Total	79,701	76,152

9. Cash On Hand And At Banks

	30 June 2023 (Unaudited)	31 December 2022 (Audited)	30 June 2022 (Unaudited)
	KD	KD	KD
Cash at banks - KD	291,869	669,460	450,854
Cash at financial institutions - KD	208,808	357,932	290,042
Cash at banks - foreign currencies	135,547	105,843	2,273
Cash at financial institutions - foreign currencies	14,639	6,529	100,179
Cash on hand	294	459	544
Total cash and cash equivalents	651,157	1,140,223	843,892
Term deposits	300,000	300,000	300,000
Total	951,157	1,440,223	1,143,892

Notes To The Interim Condensed Consolidated Financial Statements For The Six Months Ended 30 June 2023

10. Capital

The Parent Company's authorized, issued and paid in capital amounted to KD 15,185,000 divided into KD 151,850,000 shares, each share for 100 Fils and all shares are paid in cash.

11. Murabahat Payable

	30 June 2023	31 December 2022	30 June 2022
Lendor	(Unaudited)	(Audited)	(Unaudited)
	KD	KD	KD
Warba Bank	8,500,000	6,800,000	-
Kuwait International Bank	5,100,000	5,100,000	5,400,000
Kuwait Finance House	300,000	250,000	250,000
Total	13,900,000	12,150,000	5,650,000

The above Murabahat is shown on the consolidated statement of financial position as follows:

	30 June 2023	31 December 2022	30 June 2022
	(Unaudited)	(Audited)	(Unaudited)
	KD	KD	KD
Long term portion	5,100,000	5,100,000	5,100,000
Short term portion	8,800,000	7,050,000	550,000
Total	13,900,000	12,150,000	5,650,000

12. Fair Value Estimation

The estimated fair values have been determined using appropriate valuation methodologies as outlined below.

The fair value for non-derivative financial liabilities is determined based on the amount the Group would pay to transfer a liability in an orderly transaction between market participants at the measurement date. If a market price is available then this will be used to determine the fair value, otherwise a valuation technique is used. Generally, the Group will obtain the fair value by calculating the present value of future cash flows discounted at prevailing rates of return for financial instruments having the same terms and characteristics and credit rating.

The fair values of financial assets and financial liabilities, together with their respective carrying values as shown in the statement of financial position, are presented in the table below. All assets and liabilities except those expressly state at are measured at fair value on a recurring basis, classified within the fair value hierarchy:

Level (1) – prices quoted (unadjusted) in active markets for identical assets or liabilities.

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

Level (3) – Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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30 June 2023 (Unaudited)	Level (1)	Level (2)	Level (3)	Total balance	Carrying Value
Assets	KD	KD	KD	KD	KD
Financial assets at FVOCI					
Equity securities - Quoted	5,377,169	-	-	5,377,169	5,377,169
Debt securities - Bonds	362,300	-	-	362,300	362,300
Equity securities - Unquoted	-	36,751	-	36,751	36,751
Managed equity funds	-	-	239,410	239,410	239,410
Managed equity portfolio	-	-	22,994	22,994	22,994
	<u>5,739,469</u>	<u>36,751</u>	<u>262,404</u>	<u>6,038,624</u>	<u>6,038,624</u>
Financial assets at FVTPL					
Equity securities - Quoted	1,440,317	-	-	1,440,317	1,440,317
Equity securities - Unquoted	-	3,569,852	-	3,569,852	3,569,852
Investments in managed portfolio	-	-	827,872	827,872	827,872
Debt securities - Bonds	167,047	-	-	167,047	167,047
	<u>1,607,364</u>	<u>3,569,852</u>	<u>827,872</u>	<u>6,005,088</u>	<u>6,005,088</u>
Financial assets held at amortized cost					
Cash on hand and at banks	-	-	951,157	951,157	951,157
Accounts receivable and other debit balances	-	-	701,297	701,297	701,297
Investment in unconsolidated subsidiary	-	-	1,850,000	1,850,000	1,850,000
Due from related parties	-	-	2,085	2,085	2,085
Investment in an associate	-	-	387,193	387,193	387,193
	<u>-</u>	<u>-</u>	<u>3,891,732</u>	<u>3,891,732</u>	<u>3,891,732</u>
Total assets	<u><u>7,346,833</u></u>	<u><u>3,606,603</u></u>	<u><u>4,982,008</u></u>	<u><u>15,935,444</u></u>	<u><u>15,935,444</u></u>
Liabilities					
Financial liabilities not at FVTPL					
Accounts payable and other credit balances	-	-	1,547,173	1,547,173	1,547,173
Due to related parties	-	-	10,605	10,605	10,605
Murabaha payable	-	-	13,900,000	13,900,000	13,900,000
Total liabilities	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>15,457,778</u></u>	<u><u>15,457,778</u></u>	<u><u>15,457,778</u></u>

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31 December 2022 (Audited)	Level (1)	Level (2)	Level (3)	Total balance	Carrying Value
Assets	KD	KD	KD	KD	KD
Financial assets at FVOCI					
Equity securities - Quoted	5,985,333	-	-	5,985,333	5,985,333
Debt securities - Bonds	367,100	-	-	367,100	367,100
Equity securities - Unquoted	-	36,751	-	36,751	36,751
Managed equity funds	-	-	249,113	249,113	249,113
Managed equity portfolio	-	-	22,994	22,994	22,994
	<u>6,352,433</u>	<u>36,751</u>	<u>272,107</u>	<u>6,661,291</u>	<u>6,661,291</u>
Financial assets at FVTPL					
Equity securities - Quoted	2,420,815	-	-	2,420,815	2,420,815
Equity securities - Unquoted	-	4,492,551	-	4,492,551	4,492,551
Investments in managed portfolio	-	-	669,266	669,266	669,266
Debt securities - Bonds	<u>163,000</u>	<u>-</u>	<u>-</u>	<u>163,000</u>	<u>163,000</u>
	<u>2,583,815</u>	<u>4,492,551</u>	<u>669,266</u>	<u>7,745,632</u>	<u>7,745,632</u>
Financial assets held at amortized cost					
Cash on hand and at banks	-	-	1,440,223	1,440,223	1,440,223
Accounts receivable and other debit balances	-	-	407,820	407,820	427,134
Due from related parties	-	-	2,029	2,029	2,029
Investment in an associate	<u>-</u>	<u>-</u>	<u>387,193</u>	<u>387,193</u>	<u>387,193</u>
	<u>-</u>	<u>-</u>	<u>2,237,265</u>	<u>2,237,265</u>	<u>2,256,579</u>
Total assets	<u><u>8,936,248</u></u>	<u><u>4,529,302</u></u>	<u><u>3,178,638</u></u>	<u><u>16,644,188</u></u>	<u><u>16,663,502</u></u>
Liabilities					
Financial liabilities not at FVTPL					
Accounts payable and other credit balances	-	-	1,467,430	1,467,430	1,467,430
Due to related parties	-	-	5,903	5,903	5,903
Murabahat payable	<u>-</u>	<u>-</u>	<u>12,150,000</u>	<u>12,150,000</u>	<u>12,150,000</u>
Total liabilities	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>13,623,333</u></u>	<u><u>13,623,333</u></u>	<u><u>13,623,333</u></u>

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30 June 2022 (Unaudited)	Level (1)	Level (2)	Level (3)	Total balance	Carrying Value
Assets	KD	KD	KD	KD	KD
Financial assets at FVOCI					
Equity securities - Quoted	3,812,715	-	-	3,812,715	3,812,715
Equity securities - Unquoted	-	68,050	-	68,050	68,050
Managed equity funds	-	-	249,456	249,456	249,456
Managed portfolio	-	-	22,994	22,994	22,994
	<u>3,812,715</u>	<u>68,050</u>	<u>272,450</u>	<u>4,153,215</u>	<u>4,153,215</u>
Financial assets at FVTPL					
Equity securities - Quoted	2,913,039	-	-	2,913,039	2,913,039
Equity securities - Unquoted	-	3,797,210	-	3,797,210	3,797,210
Investments in managed portfolio	-	-	661,840	661,840	661,840
Debt securities - Bonds	174,826	-	-	174,826	174,826
	<u>3,087,865</u>	<u>3,797,210</u>	<u>661,840</u>	<u>7,546,915</u>	<u>7,546,915</u>
Financial assets held at amortized cost					
Cash on hand and at banks	-	-	1,143,892	1,143,892	1,143,892
Accounts receivable and other debit balances	-	-	256,709	256,709	256,709
Due from related parties	-	-	2,793	2,793	2,793
Investment in an associate	-	-	437,463	437,463	437,463
	<u>-</u>	<u>-</u>	<u>1,840,857</u>	<u>1,840,857</u>	<u>1,840,857</u>
Total assets	<u>6,900,580</u>	<u>3,865,260</u>	<u>2,775,147</u>	<u>13,540,987</u>	<u>13,540,987</u>
Liabilities					
Financial liabilities not at FVTPL					
Accounts payable and other credit balances	-	-	1,429,711	1,429,711	1,429,711
Due to related parties	-	-	1,711	1,711	1,711
Murabahat payable	-	-	5,650,000	5,650,000	5,650,000
Total liabilities	<u>-</u>	<u>-</u>	<u>7,081,422</u>	<u>7,081,422</u>	<u>7,081,422</u>

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13. Impact Of Global Pandemic

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by the government to contain the virus have affected economic activity in various ways. The currently known impacts of COVID – 19 on the Group are:

- * A delay in collecting the rents from tenants in the current period.
- * A delay of leasing Khaitan real estate.

In response to these matters, the Group has taken the following action:

- * The Group decreased the administrative expenses.
- * Set and follow a conservative investment plan.
- * Increase of provisions.
- * Set investments loss risks purposes which will be reviewed quarterly.

Management has determined that the actions that it has taken are sufficient to mitigate the uncertainty and has therefore prepared the financial reporting on a going concern basis.

14. General Assembly Meeting

At the Annual General Assembly of the shareholders of the Parent Company held on 28 March 2023, the shareholders approved the distribution of cash dividends of 4 fils per share (2022: 3 fils per share) amounting to KD 607,400 for the year ended 31 December 2022 (2021: KD 455,550) to the registered shareholders as of the records at the date of holding the annual general meeting, which paid during the reporting period.

15. Approval Of The Financial Statements

The interim condensed consolidated financial statements were approved by the board of directors of the Group and authorized for issue on 27 July 2023.