



Grant Thornton

Al-Qatami, Al-Aiban & Partners

Interim condensed consolidated financial information and review report

**Gulf Cables and Electrical Industries Group Company – KPSC
and Subsidiaries**

Kuwait

30 September 2024 (Unaudited)

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Report on review of interim condensed consolidated financial information

To the board of directors of
Gulf Cables and Electrical Industries Group Company – KPSC
Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Gulf Cables and Electrical Industries Group Company – KPSC (“Parent Company”) and its subsidiaries (“the Group”) as of 30 September 2024 and the related interim condensed consolidated statements of profit or loss and profit or loss and other comprehensive income for the three-month and nine-month periods then ended and, interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 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 International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

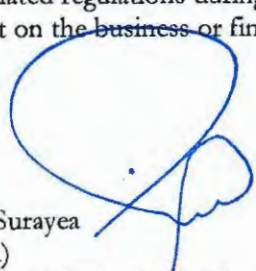
Conclusion

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

Report on review of other legal and regulatory requirements

Based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. We further report that, to the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016 and its Executive Regulations, or of the Parent Company’s Memorandum of Incorporation and Articles of Association, as amended, have occurred during the nine-month period ended 30 September 2024 that might have had a material effect on the business or financial position of the Parent Company.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any material violations of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the nine-month period ended 30 September 2024 that might have had a material effect on the business or financial position of the Parent Company.



Hend Abdullah Al Surayea
(Licence No. 141-A)
of Grant Thornton – Al-Qatami, Al-Aiban & Partners

Kuwait
14 November 2024

Interim condensed consolidated statement of profit or loss

	Note	Three months ended		Nine months ended	
		30 Sept. 2024 (Unaudited) KD	30 Sept. 2023 (Unaudited) KD	30 Sept. 2024 (Unaudited) KD	30 Sept. 2023 (Unaudited) KD
Revenue					
Sales and contracting revenue		26,829,989	24,223,141	79,547,847	76,809,684
Cost of revenue		(23,527,559)	(20,174,863)	(68,563,296)	(68,024,029)
Gross profit		3,302,430	4,048,278	10,984,551	8,785,655
Change in fair value of investments at fair value through profit or loss		166,745	(227,661)	(5,154)	(263,490)
Dividend income		13,500	65,787	11,548,597	16,854,161
Other investments (loss)/gain		(35,483)	126,246	1,891	188,785
Share of results of associates and joint venture	7	1,692,524	14,611	4,300,032	1,843,088
Interest and other income		96,163	177,769	238,600	386,514
Foreign currency exchange gain		156,597	140,558	432,913	374,583
		5,392,476	4,345,588	27,501,430	28,169,296
Expenses and other charges					
General and administrative expenses		(1,401,997)	(1,251,055)	(4,572,416)	(4,464,177)
Commercial expenses		(570,295)	(676,368)	(2,017,193)	(2,180,948)
Provision reversal/(charge) for obsolete and slow-moving inventories - net		67,624	11,024	145,946	(174,727)
Provision charge for doubtful debts - net		(910,839)	(13,148)	(2,139,534)	(410,362)
Provision charge for other receivables		-	-	-	(200,000)
Finance costs		(372,379)	(474,044)	(1,160,368)	(1,418,000)
		(3,187,886)	(2,403,591)	(9,743,565)	(8,848,214)
Profit before provision for taxation and Board of Directors' remuneration		2,204,590	1,941,997	17,757,865	19,321,082
Provision for taxation	5	(105,708)	(122,660)	(712,206)	(785,240)
Board of directors' remuneration		(76,250)	(77,500)	(228,750)	(232,500)
Profit for the period		2,022,632	1,741,837	16,816,909	18,303,342
Profit for the period attributable to:					
Owners of the Parent Company		2,011,070	1,734,590	16,802,011	18,292,294
Non-controlling interests		11,562	7,247	14,898	11,048
Profit for the period		2,022,632	1,741,837	16,816,909	18,303,342
Basic and diluted earnings per share attributable to the owners of the Parent Company	6	10 Fils	8 Fils	81 Fils	88 Fils

The notes set out on pages 7 to 21 form an integral part of this interim condensed consolidated financial information.


Interim condensed consolidated statement of profit or loss and other comprehensive income

	Three months ended		Nine months ended	
	30 Sept. 2024 (Unaudited) KD	30 Sept. 2023 (Unaudited) KD	30 Sept. 2024 (Unaudited) KD	30 Sept. 2023 (Unaudited) KD
Profit for the period	2,022,632	1,741,837	16,816,909	18,303,342
Other comprehensive (loss)/income:				
Items that may be reclassified subsequently to consolidated statement of profit or loss:				
Share of other comprehensive (loss)/income of associates	(15,091)	15,090	(19,403)	22,905
Exchange differences arising on translation of foreign operations	(55,407)	58,675	(66,068)	80,771
	(70,498)	73,765	(85,471)	103,676
Items that will not be reclassified subsequently to consolidated statement of profit or loss:				
Share of other comprehensive income/(loss) of associates	438,550	(441,567)	4,865,187	(1,798,402)
Net change in fair value of investments at FVTOCI	1,648,161	(838,752)	17,689,960	(7,233,646)
	2,086,711	(1,280,319)	22,555,147	(9,032,048)
Total other comprehensive income/(loss)	2,016,213	(1,206,554)	22,469,676	(8,928,372)
Total comprehensive income for the period	4,038,845	535,283	39,286,585	9,374,970
Total comprehensive income for the period attributable to:				
Owners of the Parent Company	4,030,331	524,809	39,275,321	9,359,480
Non-controlling interests	8,514	10,474	11,264	15,490
	4,038,845	535,283	39,286,585	9,374,970

The notes set out on pages 7 to 21 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position

	Note	30 Sept. 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 Sept. 2023 (Unaudited) KD
Assets				
Non-current assets				
Goodwill		3,603,180	3,603,180	3,603,180
Property, plant and equipment		9,266,648	9,248,051	9,256,840
Right-of-use assets		326,214	489,322	543,691
Investment in associates and joint venture	7	87,421,599	83,034,820	81,938,683
Investments at fair value through other comprehensive income	8	124,073,350	103,795,144	101,132,093
		224,690,991	200,170,517	196,474,487
Current assets				
Inventories	9	44,872,169	37,937,162	36,878,121
Trade accounts receivable		17,440,271	27,647,083	29,136,885
Other receivables and prepayments		1,628,560	1,705,791	1,652,747
Investments at fair value through profit or loss		3,593,317	3,214,470	3,227,203
Cash and cash equivalents	10	8,265,849	9,965,807	11,025,529
		75,800,166	80,470,313	81,920,485
Total assets		300,491,157	280,640,830	278,394,972
Equity and liabilities				
Equity				
Share capital		20,993,131	20,993,131	20,993,131
Share premium		29,160,075	29,160,075	29,160,075
Treasury shares	11	(2,236,199)	(1,361,022)	(1,971,996)
Statutory, voluntary and general reserves		74,109,625	74,109,625	71,893,702
Other components of equity	12	81,548,316	58,867,251	56,366,555
Retained earnings		51,778,785	48,507,417	47,976,100
Total equity attributable to the owners of the Parent Company		255,353,733	230,276,477	224,417,567
Non-controlling interests		515,182	503,918	538,837
Total equity		255,868,915	230,780,395	224,956,404
Non-current liabilities				
Provision for employees' end of service benefits		5,125,536	4,879,549	4,819,256
Term loans	13	19,030,500	23,691,000	15,558,000
Islamic financing	14	-	-	11,710,526
Lease liabilities		34,623	293,408	290,447
		24,190,659	28,863,957	32,378,229
Current liabilities				
Trade accounts payable		2,455,010	3,914,516	2,775,850
Other payables and accruals		9,117,486	8,860,218	8,556,436
Lease liabilities		227,124	189,270	189,270
Term loans	13	7,744,495	7,466,495	6,896,495
Islamic financing	14	-	-	1,815,789
Due to banks	10	887,468	565,979	826,499
		20,431,583	20,996,478	21,060,339
Total liabilities		44,622,242	49,860,435	53,438,568
Total equity and liabilities		300,491,157	280,640,830	278,394,972


Bader Naser Al-Kharafi
Vice Chairman

The notes set out on pages 7 to 21 form an integral part of this interim condensed consolidated financial information.



Interim condensed consolidated statement of changes in equity

	Equity attributable to the owners of the Parent Company							Non-controlling interests	Total
	Share capital KD	Share premium KD	Treasury shares KD	Statutory, voluntary and general reserves KD	Other components of equity KD	Retained earnings KD	Sub-total KD	KD	KD
Balance at 1 January 2024 (Audited)	20,993,131	29,160,075	(1,361,022)	74,109,625	58,867,251	48,507,417	230,276,477	503,918	230,780,395
Purchase of treasury shares	-	-	(1,457,263)	-	-	-	(1,457,263)	-	(1,457,263)
Sale of treasury shares	-	-	582,086	-	207,755	-	789,841	-	789,841
Cash dividends (Note 15)	-	-	-	-	-	(13,530,643)	(13,530,643)	-	(13,530,643)
Transactions with owners	-	-	(875,177)	-	207,755	(13,530,643)	(14,198,065)	-	(14,198,065)
Profit for the period	-	-	-	-	-	16,802,011	16,802,011	14,898	16,816,909
Other comprehensive income/(loss)	-	-	-	-	22,473,310	-	22,473,310	(3,634)	22,469,676
Total comprehensive income for the period	-	-	-	-	22,473,310	16,802,011	39,275,321	11,264	39,286,585
Balance at 30 September 2024 (Unaudited)	20,993,131	29,160,075	(2,236,199)	74,109,625	81,548,316	51,778,785	255,353,733	515,182	255,868,915
Balance at 1 January 2023 (Audited)	20,993,131	29,160,075	(1,686,080)	71,893,702	65,297,391	42,164,366	227,822,585	523,347	228,345,932
Purchase of treasury shares	-	-	(285,916)	-	-	-	(285,916)	-	(285,916)
Cash dividends (Note 15)	-	-	-	-	-	(12,478,582)	(12,478,582)	-	(12,478,582)
Transactions with owners	-	-	(285,916)	-	-	(12,478,582)	(12,764,498)	-	(12,764,498)
Profit for the period	-	-	-	-	-	18,292,294	18,292,294	11,048	18,303,342
Other comprehensive (loss)/income	-	-	-	-	(8,932,814)	-	(8,932,814)	4,442	(8,928,372)
Total comprehensive (loss)/income for the period	-	-	-	-	(8,932,814)	18,292,294	9,359,480	15,490	9,374,970
Loss on sale of investments at FVTOCI	-	-	-	-	1,978	(1,978)	-	-	-
Balance at 30 September 2023 (Unaudited)	20,993,131	29,160,075	(1,971,996)	71,893,702	56,366,555	47,976,100	224,417,567	538,837	224,956,404

The notes set out on pages 7 to 21 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Note	Nine months ended 30 Sept. 2024 (Unaudited) KD	Nine months ended 30 Sept. 2023 (Unaudited) KD
OPERATING ACTIVITIES			
Profit for the period		16,816,909	18,303,342
Adjustments:			
Depreciation		1,364,034	1,357,840
Finance costs		1,160,368	1,418,000
Interest income		(134,541)	(205,106)
Dividend income		(11,548,597)	(16,854,161)
Share of results of associates and joint venture		(4,300,032)	(1,843,088)
Gain on sale/disposal of property, plant and equipment		(3,224)	(10,202)
Gain on bargain purchase of an associate		(240)	-
Provision (reversal)/charge for obsolete and slow-moving inventories – net		(145,946)	174,727
Provision charge for doubtful debts - net		2,139,534	410,362
Provision charge for other receivables		-	200,000
Provision charge for employees' end of service benefits		395,334	407,751
		5,743,599	3,359,465
Changes in operating assets and liabilities:			
Inventories		(6,789,061)	332,565
Investments at fair value through profit or loss		(378,847)	(2,630,436)
Trade accounts receivable		8,067,278	1,552,983
Other receivables and prepayments		77,231	183,830
Trade accounts payable		(1,456,906)	(884,317)
Other payables and accruals		128,338	(496,852)
Employees' end of service benefits paid		(149,347)	(186,091)
Net cash from operating activities		5,242,285	1,231,147
INVESTING ACTIVITIES			
Addition for investment in associates		(57,797)	-
Purchase of property, plant and equipment		(1,227,443)	(1,299,002)
Proceeds from sale/disposal of property, plant and equipment		3,000	114,409
Purchase of investments at FVTOCI		(2,588,246)	(56,394)
Proceeds from sale of investments at FVTOCI		-	1,537
Dividend income received		11,548,597	16,854,161
Dividend received from associates		4,817,074	7,251,133
Interest income received		134,541	197,416
Net cash from investing activities		12,629,726	23,063,260
FINANCING ACTIVITIES			
Payment of cash dividends		(13,466,039)	(12,367,731)
Purchase of treasury shares		(1,457,263)	(285,916)
Proceeds from sale of treasury shares		789,841	-
Net movement in term loans		(4,382,500)	(1,580,000)
Net movement in Islamic financing		-	(6,361,842)
Lease liabilities paid		(227,124)	(189,270)
Finance costs paid		(1,089,848)	(1,404,155)
Net cash used in financing activities		(19,832,933)	(22,188,914)
(Decrease)/increase in cash and cash equivalents		(1,960,922)	2,105,493
Foreign currency adjustment		(60,525)	67,490
Cash and cash equivalents at beginning of the period	10	9,399,828	8,026,047
Cash and cash equivalents at end of the period	10	7,378,381	10,199,030

The notes set out on pages 7 to 21 form an integral part of this interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information

1 Incorporation and activities

Gulf Cables and Electrical Industries Group Company – KPSC (“the Parent Company”) is a registered Kuwaiti Public Shareholding Company, which was established on 15 March 1975. The shares of the Parent Company are listed on Boursa Kuwait.

The Group comprises the Parent Company and its subsidiaries.

Objectives for which the Parent Company was incorporated are as follows:

- 1- Produce all kinds of electrical and telephone cables of various sizes and varieties;
- 2- Produce all kinds of electric and telephone wires of various sizes and varieties;
- 3- Produce the wires necessary for the production of light bulbs;
- 4- Produce light bulbs of all varieties and sizes after obtaining the necessary license from the Public Authority for Industry;
- 5- Manufacture electrical transformers, switches and distribution panels after obtaining the necessary license from the Public Authority for Industry;
- 6- Various manufacturing relating to power equipment and tools for industrial or household purposes after obtaining the necessary license from the Public Authority for Industry;
- 7- Produce all kinds of aluminum chips and nylon covering rolls of various sizes and varieties after obtaining the necessary license from the Public Authority for Industry;
- 8- Produce copper bars which are used in the production of electrical and telephone cables after obtaining the necessary license from the Public Authority for Industry;
- 9- Trade in all kinds of these products;
- 10- Import machinery, plant, equipment and tools necessary to achieve the Company’s objectives;
- 11- Import the raw materials for this industry;
- 12- Invest the surplus funds in investment portfolios in order to serve the Company’s objectives;
- 13- Owning real estate and movables for the benefit of the Company.
- 14- Owning stocks and shares in Kuwaiti or non-Kuwaiti shareholding companies and shares in Kuwaiti and non-Kuwaiti limited liability companies and participating in the establishment of, lending and managing of these companies and acting as guarantor for these companies.
- 15- Managing its subsidiaries or participating in the management of other companies in which it contributes and providing the necessary support for them.

The Parent Company may have interest or participate in any aspect in the authorities and companies which practice similar activities, or which may assist it in the achievement of its objectives in Kuwait and abroad. The Parent Company may also purchase these authorities and companies or affiliate them therewith.

The address of the Parent Company’s registered office is PO Box 1196, Safat 13012, State of Kuwait.

This interim condensed consolidated financial information for the nine-month period ended 30 September 2024 was authorised for issue by the Parent Company’s board of directors on 14 November 2024.

2 Basis of preparation

The interim condensed consolidated financial information of the Group for the nine-month period ended 30 September 2024 has been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting”.

Notes to the interim condensed consolidated financial information (continued)

2 Basis of preparation (continued)

The annual consolidated financial statements for the year ended 31 December 2023 were prepared in accordance with the IFRS Accounting Standards (“IFRS Accounting Standards”) as issued by the International Accounting Standards Board (“IASB”).

This interim condensed consolidated financial information is presented in Kuwaiti Dinars (“KD”) which is the functional and presentation currency of the Parent Company.

This interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements prepared in accordance with the IFRS Accounting Standards. In the opinion of the Parent Company’s management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the nine-month period ended 30 September 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024. For further details, refer to the consolidated financial statements and their disclosures for the year ended 31 December 2023.

The Group has consolidated its subsidiaries using management accounts for the period ended 30 September 2024.

3 Changes in accounting policies

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the new and amended IFRS Accounting Standards effective as of 1 January 2024 as described in Note 3.1. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

3.1 New and amended IFRS Accounting Standards adopted by the Group

The following new IFRS Accounting Standards or amendments to existing IFRS Accounting Standards were effective for the current period.

<i>Description</i>	<i>Effective for annual periods beginning</i>
IAS 1 Amendments- Classification of liabilities with debt covenants	1 January 2024
IAS 1 Amendments- Classification of liabilities as current or non-current	1 January 2024
IAS 7 and IFRS 7 Amendments- Supplier finance arrangement disclosures	1 January 2024
IFRS 16 Amendments- Lease liability in a sale and leaseback	1 January 2024

IAS 1 Amendments - Classification of liabilities with debt covenants

The amendments to IAS 1 clarify that classification of liabilities as either current or non-current depends only on the covenants that an entity is required to comply with on or before the reporting date. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

The adoption of the amendments did not have a significant impact on the Group’s interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies (continued)

3.1 New and amended IFRS Accounting Standards adopted by the Group (continued)

IAS 1 Amendments - Classification of liabilities as current or non-current

The amendments to IAS 1 clarify the classification of a liability as either current or non-current is based on the entity's rights at the end of the reporting period. Stating management expectations around whether they will defer settlement or not does not impact the classification of the liability. It has added guidance about lending conditions and how these can impact classification and has included requirements for liabilities that can be settled using an entity's own instruments.

The adoption of the amendments did not have a significant impact on the Group's interim condensed consolidated financial information.

IAS 7 and IFRS 7 Amendments – Supplier finance arrangements disclosures

The amendments to IAS 7 and IFRS 7 added disclosure objectives to IAS 7 to enable the users of the financial statements to assess how the supplier finance arrangements effect an entity's liabilities and cash flows, and to understand the effect of these arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it. While the amendments do not explicitly define supplier finance arrangements it instead describes characteristics of such arrangements.

To meet the disclosure objectives, an entity is required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

The adoption of the amendments did not have a significant impact on the Group's interim condensed consolidated financial information.

IFRS 16 Amendments – Lease liability in a sale and leaseback

The amendments to IFRS 16 requires a seller-lessee to measure the right-of-use asset arising from a sale and leaseback transaction at the proportion of the previous carrying amount of the asset that relates to the right of use the seller-lessee retains. Accordingly, in a sale and leaseback transaction the seller-lessee recognises only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. The initial measurement of the lease liability that arise from a sale and leaseback transaction is a consequence of how the seller-lessee measures the right-of-use asset and the gain or loss recognised at the date of the transaction. The new requirements do not prevent a seller-lessee from recognising in any gain or loss relating to the partial or full termination of a lease.

The adoption of the amendments did not have a significant impact on the Group's interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information (continued)

4 Judgement and estimates

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2023.

5 Provision for taxation

	Three months ended		Nine months ended	
	30 Sept. 2024 (Unaudited) KD	30 Sept. 2023 (Unaudited) KD	30 Sept. 2024 (Unaudited) KD	30 Sept. 2023 (Unaudited) KD
Provision for contributions to Kuwait Foundation for Advancement of Science	4,701	18,940	134,200	174,305
Provision for Zakat	13,382	18,975	139,534	157,331
Provision for National Labour Support Tax	33,684	48,039	349,798	394,676
Taxation charge on overseas subsidiary	53,941	36,706	88,674	58,928
	105,708	122,660	712,206	785,240

6 Basic and diluted earnings per share attributable to the owners of the Parent Company

Basic and diluted earnings per share is calculated by dividing the profit for the period attributable to the owners of the Parent Company by the weighted average number of shares outstanding during the period after excluding treasury shares. As there are no dilutive instruments outstanding, basic and diluted loss per share are identical.

	Three months ended		Nine months ended	
	30 Sept. 2024 (Unaudited)	30 Sept. 2023 (Unaudited)	30 Sept. 2024 (Unaudited)	30 Sept. 2023 (Unaudited)
Profit for the period attributable to the owners of the Parent Company – KD	2,011,070	1,734,590	16,802,011	18,292,294
Weighted average number of shares outstanding during the period (excluding treasury shares)	208,051,694	207,829,835	208,245,830	207,966,134
Basic and diluted earnings per share attributable to the owners of the Parent Company	10 Fils	8 Fils	81 Fils	88 Fils

Notes to the interim condensed consolidated financial information (continued)

7 Investment in associates and joint venture

	30 Sept. 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 Sept. 2023 (Unaudited) KD
Investment in associates (7.1)	84,830,667	80,509,610	79,428,150
Investment in joint venture (7.2)	2,590,932	2,525,210	2,510,533
	87,421,599	83,034,820	81,938,683

7.1 Investment in associates

7.1.1 Details of the Group's associates are as follows:

Name	Country of incorporation	Effective interest held by Group at period/year end			Principal activities
		30 Sept. 2024 (Unaudited) %	31 Dec. 2023 (Audited) %	30 Sept. 2023 (Unaudited) %	
Team Holding Company – KSC (Closed) - (Unquoted)	Kuwait	50.00	47.50	47.50	Financing and investment
National Investment Company – KPSC (Quoted)	Kuwait	26.98	26.98	26.98	Financial services
Heavy Engineering Industries and Shipbuilding – KPSC (Quoted)	Kuwait	28.33	28.33	28.33	Industrial

7.1.2 The movement in the carrying value of the investment in associates during the period/year is as follows:

	30 Sept. 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 Sept. 2023 (Unaudited) KD
At the beginning of the period/year	80,509,610	86,634,171	86,634,171
Additions during the period/year	57,797	-	-
Gain on bargain purchase	240	-	-
Share of results for the period/year	4,234,310	3,168,860	1,820,609
Share of other comprehensive income/(loss)	4,845,784	(2,042,288)	(1,775,497)
Dividends received	(4,817,074)	(7,251,133)	(7,251,133)
At the end of period/year	84,830,667	80,509,610	79,428,150

7.2 Investment in joint venture

This represents the Group's participation in a joint venture "Gulf and Riyadh Electric Wires, Cables and Electronics Manufacturing Company – WLL" (Kuwait) having a total share capital of KD5,000,000 in which the Group has 50% ownership. The joint venture's main objective is manufacture of electric and electronic wires and cables. The movement in the carrying amount of the investment in the joint venture is as follows:

Notes to the interim condensed consolidated financial information (continued)

7 Investment in associates and joint venture (continued)

7.2 Investment in joint venture (continued)

	30 Sept. 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 Sept. 2023 (Unaudited) KD
At the beginning of the period/year	2,525,210	2,488,054	2,488,054
Share of results for the period/year	65,722	37,156	22,479
	2,590,932	2,525,210	2,510,533

8 Investments at fair value through other comprehensive income

	30 Sept. 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 Sept. 2023 (Unaudited) KD
Local quoted securities held through managed portfolios (Note 8.1)	66,786,063	47,482,615	48,488,775
Local unquoted securities held through managed portfolios	1,438,371	1,156,267	1,056,231
Foreign quoted securities held through managed portfolios and others	259,298	243,512	222,870
Foreign unquoted securities held through managed portfolios	2,950,483	2,882,469	3,046,667
Foreign unquoted securities	46,987,208	47,018,251	43,442,852
Local managed funds	5,651,927	5,012,030	4,874,698
	124,073,350	103,795,144	101,132,093

- 8.1 The Group's investments in local quoted shares include an investment in a local listed company (Boursa Kuwait Securities Company). Due to restrictions on sale of this investment for a five-year period, the Group had applied a discount of 15% and 20% on the market value as at 31 December 2023 and 30 September 2023, respectively. During the period, the restrictions on sale of this investment have been removed. Accordingly, the Group has discontinued applying the discount on the above quoted bid price when determining its fair value.
- 8.2 These investments are held in equity instruments for medium to long term strategic objectives. Accordingly, management has chosen to identify these investments in equity instruments as investments at fair value through other comprehensive income where it is believed that the recognition of short-term fluctuations in the fair value of these investments in the statement of profit or loss will not be consistent with the Group's strategy to hold such investments for long-term purposes and realizing their performance potential in the long term.
- 8.3 Local managed funds represents units held in funds. Fair value of these investments is determined using net asset values reported by the investment managers and the management believes that this represent the best estimate of fair value available for these investments.

Notes to the interim condensed consolidated financial information (continued)

9 Inventories

	30 Sept. 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 Sept. 2023 (Unaudited) KD
Raw materials	13,950,909	11,837,750	9,838,230
Finished goods	16,805,943	15,343,453	15,861,002
Work-in-progress	7,515,580	7,714,621	7,298,824
Spare parts	3,032,779	3,092,494	3,110,186
	41,305,211	37,988,318	36,108,242
Less: provision for obsolete and slow-moving inventories	(1,011,965)	(1,158,140)	(1,274,244)
	40,293,246	36,830,178	34,833,998
Goods in transit	4,578,923	1,106,984	2,044,123
	44,872,169	37,937,162	36,878,121

10 Cash and cash equivalents

	30 Sept. 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 Sept. 2023 (Unaudited) KD
Cash in hand	65,702	102,868	172,537
Cash held in managed portfolios	2,022,679	74,827	145,637
Bank balances	6,113,977	5,025,026	4,367,019
Time deposits issued with original maturity not exceeding three months	63,491	4,763,086	6,340,336
Cash and cash equivalents for the purpose of interim condensed consolidated statement of financial position	8,265,849	9,965,807	11,025,529
Less: due to banks	(887,468)	(565,979)	(826,499)
Cash and cash equivalents for the purpose of interim condensed consolidated statement of cash flows	7,378,381	9,399,828	10,199,030

Due to banks represent overdraft facilities which carry commercial interest rates and are payable on demand.

11 Treasury shares

The Group holds treasury shares as follows:

	30 Sept. 2024 (Unaudited)	31 Dec. 2023 (Audited)	30 Sept. 2023 (Unaudited)
Number of shares	1,907,211	1,450,955	2,113,702
Percentage of issued shares	0.91%	0.69%	1.01%
Market value (KD)	2,956,177	1,864,477	2,458,235
Cost of treasury shares (KD)	2,236,199	1,361,022	1,971,996

Reserves of the Parent Company equivalent to the cost of treasury shares have been earmarked as non-distributable.

Notes to the interim condensed consolidated financial information (continued)

12 Other components of equity

	Cumulative changes in fair value KD	Foreign currency translation reserve KD	Treasury shares reserve KD	Other reserves KD	Total KD
Balance at 1 January 2024 (Audited)	58,013,540	603,285	238,334	12,092	58,867,251
Purchase of treasury shares	-	-	207,755	-	207,755
Group's share in associates' other comprehensive income/(loss)	4,865,187	(19,403)	-	-	4,845,784
Exchange differences arising on translation of foreign operations	-	(62,434)	-	-	(62,434)
Change in fair value of investments at FVTOCI	17,689,960	-	-	-	17,689,960
Total other comprehensive income/(loss) for the period	22,555,147	(81,837)	-	-	22,473,310
Balance at 30 September 2024 (Unaudited)	80,568,687	521,448	446,089	12,092	81,548,316
Balance at 1 January 2023 (Audited)	64,608,815	598,596	77,888	12,092	65,297,391
Group's share in associates' other comprehensive income/(loss)	(1,798,402)	22,905	-	-	(1,775,497)
Exchange differences arising on translation of foreign operations	-	76,329	-	-	76,329
Change in fair value of investments at FVTOCI	(7,233,646)	-	-	-	(7,233,646)
Total other comprehensive (loss)/income for the period	(9,032,048)	99,234	-	-	(8,932,814)
Loss on sale of investments at FVTOCI	1,978	-	-	-	1,978
Balance at 30 September 2023 (Unaudited)	55,578,745	697,830	77,888	12,092	56,366,555

13 Term loans

	30 Sept. 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 Sept. 2023 (Unaudited) KD
Short term loan (13.1)	834,495	1,284,495	500,000
Long term loans (13.2)	25,940,500	29,873,000	21,954,495
	26,774,995	31,157,495	22,454,495
Due within one year	7,744,495	7,466,495	6,896,495
Due after one year	19,030,500	23,691,000	15,558,000
	26,774,995	31,157,495	22,454,495

Notes to the interim condensed consolidated financial information (continued)

13 Term loans (continued)

- 13.1 Short-term loan amounting to KD834,495 (31 December 2023: KD1,284,495 and 30 September 2023: KD500,000) is repayable on different dates ending 31 January 2025.
- 13.2 Long-term loans represent the following:
- A long-term loan amounting to KD15,000,000 (31 December 2023: KD17,500,000 and 30 September 2023: KD20,000,000) repayable in 12 semi-annual installments of KD2,500,000 and matures on 20 December 2027.
 - A long-term loan amounting to KD4,460,000 (31 December 2023: KD5,000,000 and 30 September 2023: Nil) repayable in 11 quarterly installments of KD180,000 each with a balloon repayment amounting to KD3,020,000 on 1 January 2027.
 - A long-term loan amounting to KD4,454,000 (31 December 2023: KD5,000,000 and 30 September 2023: Nil) repayable in 11 quarterly installments of KD182,000 each with a balloon repayment amounting to KD2,998,000 on 31 December 2026.
 - A long-term loan amounting to KD2,026,500 (31 December 2023: KD2,373,000 and 30 September 2023: KD1,954,495) is repayable on various dates and matures on 1 September 2026.

The above loans are denominated in Kuwaiti Dinar and carry commercial interest rates.

14 Islamic financing

Islamic financing was repaid during the year ended 31 December 2023.

15 General Assembly of the shareholders and dividend

The Annual General Assembly of the shareholders held on 22 April 2024 approved the consolidated financial statements of the Group for the year ended 31 December 2023 and cash dividend of 65% (2022: 60%) equivalent to 65 Fils (2022: 60 Fils) per share of the paid-up share capital.

Further, the shareholders approved the board of directors' remuneration of KD305,000 for the year ended 31 December 2023 (2022: KD305,000).

16 Segmental information

The Group activities are concentrated in three main segments: cable manufacture, investment and rendering services. The segments' results are reported to the senior management in the Group.

The following is the segments information, which conforms with the internal reporting presented to management:

Notes to the interim condensed consolidated financial information (continued)

16 Segmental information (continued)

	Cable manufacture KD	Investment KD	Rendering of services KD	Total KD
For the three months ended 30 September 2024 (Unaudited):				
Total revenue	25,119,550	1,837,286	1,710,439	28,667,275
Segment profit/(loss)	888,829	1,328,504	(12,743)	2,204,590
Unallocated expenses				(181,958)
Profit for the period				2,022,632
Additions to property, plant and equipment	1,009,856	-	35,626	1,045,482
Depreciation	(309,105)	-	(153,445)	(462,550)
Finance costs	(1,616)	(315,548)	(55,215)	(372,379)
Dividend income	-	13,500	-	13,500
For the nine months ended 30 September 2024 (Unaudited):				
Total revenue	74,202,490	15,845,366	5,345,357	95,393,213
Segment profit/(loss)	3,537,188	14,363,878	(143,201)	17,757,865
Unallocated expenses				(940,956)
Profit for the period				16,816,909
Additions to property, plant and equipment	1,108,521	-	118,922	1,227,443
Depreciation	(918,981)	-	(445,053)	(1,364,034)
Finance costs	(6,254)	(976,099)	(178,015)	(1,160,368)
Dividend income	-	11,548,597	-	11,548,597
Total assets	75,393,374	217,147,262	7,950,521	300,491,157
Total liabilities	(15,687,467)	(24,348,693)	(4,586,082)	(44,622,242)
Net assets	59,705,907	192,798,569	3,364,439	255,868,915

Notes to the interim condensed consolidated financial information (continued)

16 Segmental information (continued)

	Cable manufacture KD	Investment KD	Rendering of services KD	Total KD
For the three months ended 30 September 2023 (Unaudited):				
Total revenue	22,617,200	(21,017)	1,605,941	24,202,124
Segment profit/(loss)	2,623,108	(638,585)	(42,526)	1,941,997
Unallocated expenses				(200,160)
Profit for the period				1,741,837
Additions to property, plant and equipment	41,079	-	96,409	137,488
Depreciation	(331,509)	-	(146,315)	(477,824)
Finance costs	(2,999)	(430,868)	(40,177)	(474,044)
Dividend income	-	65,787	-	65,787
For the nine months ended 30 September 2023 (Unaudited):				
Total revenue	72,804,527	18,622,544	4,005,157	95,432,228
Segment profit/(loss)	2,714,937	16,886,945	(280,800)	19,321,082
Unallocated expenses				(1,017,740)
Profit for the period				18,303,342
Additions to property, plant and equipment	852,322	-	446,680	1,299,002
Depreciation	(946,099)	-	(411,741)	(1,357,840)
Finance costs	(8,910)	(1,303,936)	(105,154)	(1,418,000)
Dividend income	-	16,854,161	-	16,854,161
Total assets	87,433,366	183,252,731	7,708,875	278,394,972
Total liabilities	(15,855,133)	(33,586,500)	(3,996,935)	(53,438,568)
Net assets	71,578,233	149,666,231	3,711,940	224,956,404
31 December 2023 (audited):				
Total assets	82,009,674	190,155,580	8,475,576	280,640,830
Total liabilities	(17,020,118)	(27,846,331)	(4,993,986)	(49,860,435)
Net assets	64,989,556	162,309,249	3,481,590	230,780,395

17 Related party balances and transactions

Related parties represent subsidiaries, associate, joint venture, major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management. Transactions between the Parent Company and its subsidiaries which are related parties of the Parent Company have been eliminated on consolidation and are not disclosed in this note. Details of balances and transactions between the Group and its other related parties are disclosed below.

Notes to the interim condensed consolidated financial information (continued)

17 Related party balances and transactions (continued)

	30 Sept. 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 Sept. 2023 (Unaudited) KD
Balances included in the interim condensed consolidated statement of financial position:			
Due from a joint venture – included within other receivables and prepayments	34,032	31,204	25,754
Trade accounts payable	7,673	7,231	7,231
Purchase of property, plant and equipment	-	406,250	406,250
	Three months ended		Nine months ended
	30 Sept. 2024 (Unaudited) KD	30 Sept. 2023 (Unaudited) KD	30 Sept. 2024 (Unaudited) KD
			30 Sept. 2023 (Unaudited) KD
Amounts included in the interim condensed consolidated statement of profit or loss:			
Sales	31,751	-	31,751
Gain on sale of property, plant and equipment	-	-	-
Expenses	(55,852)	(70,943)	(206,215)
Key management compensation:			
Salaries and other short-term benefits	143,512	131,109	443,500
End of service benefits	10,075	11,333	36,943
Provision for board of directors' remuneration	76,250	77,500	228,750
	229,837	219,942	709,193

18 Contingent liabilities

Contingent liabilities as at 30 September 2024 in respect of outstanding letters of guarantee amounted to KD9,515,700 (31 December 2023: KD8,686,851 and 30 September 2023: KD8,561,529).

19 Capital commitments

Capital commitments at 30 September 2024 in respect of contracted capital expenditure amounted to KD49,722 (31 December 2023: KD893,634 and 30 September 2023: KD859,666).

20 Fair value measurement

20.1 Fair value hierarchy

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets and financial liabilities measured at fair value in the interim condensed consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Notes to the interim condensed consolidated financial information (continued)

20 Fair value measurement (continued)

20.1 Fair value hierarchy (continued)

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

20.2 Fair value measurement of financial instruments

The carrying amounts of the Group's financial assets and liabilities as stated in the interim condensed consolidated statement of financial position may also be categorized as follows:

	30 Sept 2024 (Unaudited) KD	31 Dec 2023 (Audited) KD	30 Sept 2023 (Unaudited) KD
Financial assets:			
At amortised cost:			
- Trade accounts receivable	17,440,271	27,647,083	29,136,885
- Other financial assets	584,318	864,241	745,539
- Cash and cash equivalents	8,265,849	9,965,807	11,025,529
At fair value:			
- Investments at FVTPL	3,593,317	3,214,470	3,227,203
- Investments at FVTOCI	124,073,350	103,795,144	101,132,093
	153,957,105	145,486,745	145,267,249
Financial liabilities:			
At amortised cost:			
- Trade accounts payable	2,455,010	3,914,516	2,775,850
- Other payables and accruals	9,117,486	8,860,218	8,556,436
- Lease liabilities	261,747	482,678	479,717
- Term loans	26,774,995	31,157,495	22,454,495
- Islamic financing	-	-	13,526,315
- Due to banks	887,468	565,979	826,499
	39,496,706	44,980,886	48,619,312

Management considers that the carrying amounts of financial assets and financial liabilities, which are stated at amortised cost, approximate their fair values.

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

Notes to the interim condensed consolidated financial information (continued)

20 Fair value measurement (continued)

20.2 Fair value measurement of financial instruments (continued)

The financial assets measured at fair value in the interim condensed consolidated statement of financial position are grouped into the fair value hierarchy as follows:

	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
30 September 2024 (Unaudited):				
Investments at FVTPL:				
Quoted equity securities	3,593,317	-	-	3,593,317
Investments at FVTOCI:				
Quoted equity securities	67,045,361	-	-	67,045,361
Unquoted equity securities	-	-	51,376,062	51,376,062
Local managed funds	-	5,651,927	-	5,651,927
	70,638,678	5,651,927	51,376,062	127,666,667
31 December 2023 (Audited):				
Investments at FVTPL:				
Quoted equity securities	3,214,470	-	-	3,214,470
Investments at FVTOCI:				
Quoted equity securities	5,436,885	42,289,242	-	47,726,127
Unquoted equity securities	-	-	51,056,987	51,056,987
Local managed funds	-	5,012,030	-	5,012,030
	8,651,355	47,301,272	51,056,987	107,009,614
30 September 2023 (Unaudited):				
Investments at FVTPL:				
Quoted equity securities	3,227,203	-	-	3,227,203
Investments at FVTOCI:				
Quoted equity securities	6,040,584	42,671,060	-	48,711,644
Unquoted equity securities	-	-	47,545,751	47,545,751
Local managed funds	-	4,874,698	-	4,874,698
	9,267,787	47,545,758	47,545,751	104,359,296

There have been no transfers between level 1 and 2 during the reporting period.

Measurement at fair value

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period except for investment in quoted equity securities with a carrying value of KD58,834,691 at 30 September 2024 were classified under level "2" fair value hierarchy as at 31 December 2023 (KD42,289,242) and 30 September 2023 (KD42,671,060) are now classified under level "1" hierarchy as at 30 September 2024 for the reasons mentioned in note 8.1.

Notes to the interim condensed consolidated financial information (continued)

20 Fair value measurement (continued)

20.2 Fair value measurement of financial instruments (continued)

Level 3 fair value measurements

The Group's financial assets classified in level 3 uses valuation techniques based on significant inputs that are not based on observable market data. The financial instruments within this level can be reconciled from beginning to ending balances as follows:

	(Unquoted equity securities) (Investments at FVTOCI)		
	30 Sept. 2024 (Unaudited) KD	31 Dec. 2023 (Audited) KD	30 Sept. 2023 (Unaudited) KD
Opening balance	51,056,987	48,572,571	48,572,571
Change in fair value	319,075	2,484,416	(1,026,820)
Closing balance	51,376,062	51,056,987	47,545,751

The Group's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information.

The fair value of financial instruments that are not traded in an active market (e.g. unquoted securities) is determined by using valuation techniques. Fair value for the unquoted securities investments are approximately the summation of the estimated value of underlying investments as if realised on the reporting date.

The investment managers and Group's finance team in determining the fair value of these investments use a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. In determining fair value, techniques such as recent transactions prices and adjusted net book value have been used.

The impact on interim condensed consolidated statement of profit or loss and other comprehensive income would be immaterial if the relevant risk variable used to fair value the level 3 investments were changed by 5%.

21 Subsequent events

Subsequent to the reporting date, the board of directors of the Parent Company in their meeting held on 10 October 2024 approved a non-binding offer submitted to Foulath Holding Co.- BSC (Bahrain) ("Foulath") regarding the acquisition of 100% of the shares of the Foulath which is conditional upon the completion of due diligence after which a binding offer will be made with a final price. Currently, the Parent Company owns 10% shareholding in Foulath and is classified as financial assets at fair value through other comprehensive income in the Group's interim condensed consolidated financial information.

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