

**INTEGRATED HOLDING COMPANY K.S.C.P AND ITS
SUBSIDIARIES**

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

30 JUNE 2023



INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF INTEGRATED HOLDING COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Integrated Holding Company K.S.C.P. ("the Parent Company") and its subsidiaries (collectively, the "Group") as at 30 June 2023, and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-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* ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

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

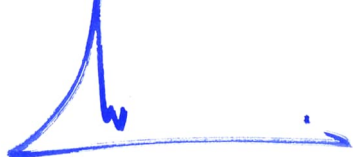
Conclusion

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

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 account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the six-month period ended 30 June 2023 that might have had a material effect on the business of the Parent Company or on its financial position.

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



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

10 August 2023
Kuwait

Integrated Holding Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(UNAUDITED)

For the period ended 30 June 2023

	<i>Notes</i>	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
		2023 KD	2022 KD	2023 KD	2022 KD
Revenue from contracts with customers	3	7,694,906	5,498,035	15,260,474	12,373,787
Cost of sales and rendering of services		(5,254,324)	(4,616,316)	(10,232,660)	(9,356,605)
GROSS PROFIT		2,440,582	881,719	5,027,814	3,017,182
General and administrative expenses		(1,150,400)	(1,059,851)	(2,512,119)	(1,890,216)
OPERATING PROFIT		1,290,182	(178,132)	2,515,695	1,126,966
Finance costs		(347,062)	(145,196)	(607,258)	(301,361)
Other income	4	196,268	1,012,478	264,521	1,473,637
PROFIT BEFORE TAX		1,139,388	689,150	2,172,958	2,299,242
Contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")		(10,254)	(6,697)	(19,556)	(22,991)
National Labour Support Tax ("NLST")		(29,758)	(17,723)	(70,838)	(60,237)
Income tax on overseas operations		(87,685)	(81,618)	(96,444)	(199,083)
Zakat		(12,773)	(7,088)	(29,300)	(24,095)
PROFIT FOR THE PERIOD		998,918	576,024	1,956,820	1,992,836
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY (FILS)	5	3.95	2.28	7.73	7.88

The attached notes 1 to 14 form part of this interim condensed consolidated financial information.

Integrated Holding Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (UNAUDITED)

For the period ended 30 June 2023

	<i>Three months ended</i> <i>30 June</i>		<i>Six months ended</i> <i>30 June</i>	
	2023	2022	2023	2022
	KD	KD	KD	KD
PROFIT FOR THE PERIOD	998,918	576,024	1,956,820	1,992,836
Other comprehensive income				
<i>Other comprehensive income that may be</i>				
<i>reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign				
operations	35,805	21,027	40,620	36,923
TOTAL COMPREHENSIVE INCOME FOR THE				
PERIOD	1,034,723	597,051	1,997,440	2,029,759


The attached notes 1 to 14 form part of this interim condensed consolidated financial information.

Integrated Holding Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2023

		30 June 2023 KD	(Audited) 31 December 2022 KD	30 June 2022 KD
	Notes			
ASSETS				
Non-current assets				
Property and equipment		76,571,377	70,171,488	71,887,317
Right-of-use assets		670,058	539,144	553,863
Intangible assets		711,615	711,568	827,661
Deferred tax asset		270,322	238,159	199,309
		<u>78,223,372</u>	<u>71,660,359</u>	<u>73,468,150</u>
Current assets				
Inventories		1,155,099	1,039,597	933,042
Trade and other receivables	6	13,858,381	12,766,583	14,440,510
Bank balances and cash	7	3,920,730	3,391,718	5,541,629
		<u>18,934,210</u>	<u>17,197,898</u>	<u>20,915,181</u>
TOTAL ASSETS		<u><u>97,157,582</u></u>	<u><u>88,858,257</u></u>	<u><u>94,383,331</u></u>
EQUITY AND LIABILITIES				
Equity				
Share capital	8	25,300,000	25,300,000	25,300,000
Statutory reserve		10,023,802	10,023,802	9,679,493
Foreign currency translation reserve		227,277	186,657	8,026
Retained earnings		25,309,666	27,147,846	26,318,057
Total equity		<u>60,860,745</u>	<u>62,658,305</u>	<u>61,305,576</u>
Liabilities				
Non-current liabilities				
Loans and borrowings	9	17,728,088	9,374,978	14,677,459
Employees' end of service benefits		2,031,980	2,040,700	2,084,449
Lease liabilities		566,176	603,198	616,979
		<u>20,326,244</u>	<u>12,018,876</u>	<u>17,378,887</u>
Current liabilities				
Trade and other payables	10	4,303,160	4,091,822	11,488,902
Loans and borrowings	9	11,572,215	10,036,557	4,162,023
Lease liabilities		95,218	52,697	47,943
		<u>15,970,593</u>	<u>14,181,076</u>	<u>15,698,868</u>
Total liabilities		<u>36,296,837</u>	<u>26,199,952</u>	<u>33,077,755</u>
TOTAL EQUITY AND LIABILITIES		<u><u>97,157,582</u></u>	<u><u>88,858,257</u></u>	<u><u>94,383,331</u></u>


Mohammad Naser Abdulaziz Al Fouzan
Chairman

The attached notes 1 to 14 form part of this interim condensed consolidated financial information.

Integrated Holding Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 June 2023

	<i>Share capital KD</i>	<i>Statutory reserve KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Retained earnings KD</i>	<i>Total equity KD</i>
As at 1 January 2023	25,300,000	10,023,802	186,657	27,147,846	62,658,305
Profit for the period	-	-	-	1,956,820	1,956,820
Other comprehensive income for the period	-	-	40,620	-	40,620
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	40,620	1,956,820	1,997,440
Cash dividends (Note 14)	-	-	-	(3,795,000)	(3,795,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2023	25,300,000	10,023,802	227,277	25,309,666	60,860,745

	<i>Share capital KD</i>	<i>Statutory reserve KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Retained earnings KD</i>	<i>Total equity KD</i>
As at 1 January 2022	25,300,000	9,679,493	(28,897)	26,855,221	61,805,817
Profit for the period	-	-	-	1,992,836	1,992,836
Other comprehensive income for the period	-	-	36,923	-	36,923
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	36,923	1,992,836	2,029,759
Cash dividends (Note 14)	-	-	-	(2,530,000)	(2,530,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2022	25,300,000	9,679,493	8,026	26,318,057	61,305,576

The attached notes 1 to 14 form part of this interim condensed consolidated financial information.

Integrated Holding Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

For the period ended 30 June 2023

		Six months ended 30 June	
	Notes	2023 KD	2022 KD
OPERATING ACTIVITIES			
Profit before tax		2,172,958	2,299,242
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Depreciation of property and equipment		4,547,992	4,378,775
Depreciation of right-of-use assets		46,594	33,290
Gain on disposal of items of property and equipment	4	(89,499)	(573,046)
Provision for employees' end of service benefit		79,807	148,420
Net provision for expected credit losses of trade receivables	6	766,495	52,803
Finance costs on lease liabilities		20,311	15,311
Finance costs on bank facilities		586,947	286,050
Gain on derecognition of right-of-use assets and lease liabilities		(122,294)	-
Net foreign exchange differences	4	(17,500)	(830,081)
		7,991,809	5,810,764
<i>Working capital adjustments:</i>			
Inventories		(115,502)	(3,726)
Trade and other receivables		(1,858,293)	(2,129,089)
Trade and other payables		185,399	(536,557)
Cash flows from operations		6,203,415	3,141,392
Employees' end of service benefits paid		(88,527)	(94,802)
Taxes paid		(179,710)	-
Net cash flows from operating activities		5,935,178	3,046,590
INVESTING ACTIVITIES			
Purchase of items of property and equipment		(10,881,343)	(594,926)
Proceeds from disposal of items of property and equipment		89,499	573,508
Net cash flows used in investing activities		(10,791,844)	(21,418)
FINANCING ACTIVITIES			
Finance costs paid on bank facilities		(579,936)	(310,661)
Dividends paid		(3,795,000)	(2,530,000)
Payment of lease liabilities		(73,773)	(36,543)
Proceeds from borrowings	9	10,225,571	217,230
Repayments of borrowings	9	(864,560)	(1,304,167)
Net cash flows from (used in) financing activities		4,912,302	(3,964,141)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Net foreign exchange differences		(54,381)	(65,624)
Bank balances and cash at 1 January		3,138,817	6,546,222
CASH AND CASH EQUIVALENTS AT 30 JUNE	7	3,140,072	5,541,629

The attached notes 1 to 14 form part of this interim condensed consolidated financial information.

Integrated Holding Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

1 CORPORATE INFORMATION

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

The shareholders of the Parent Company at the annual general assembly meeting (“AGM”) held on 30 April 2023 approved the consolidated financial statements for the year ended 31 December 2022. Dividends declared by the Parent Company for the year then ended are provided in Note 14.

The Parent Company was incorporated and domiciled in Kuwait and is listed on Boursa Kuwait. The Parent Company’s head office is located at Building 7, Block 6, East Ahmadi and its registered office is P.O. Box 750, Dasman 15458, State of Kuwait.

The principal activities of the Parent Company are, as follows:

- ▶ Acquiring shares in Kuwaiti or foreign shareholding companies as well as acquisition of shares in Kuwaiti or foreign companies with limited liability or participate in the incorporation of such two type of companies and management thereof and guaranteeing them with third parties;
- ▶ Lending money to the companies in which it holds shares. In such case, the Parent Company’s share in the capital of the borrower company is not less than 20%;
- ▶ Acquiring industrial property rights including patents, trademarks, industrial marks or industrial drawings or other rights related thereto and lease the same to other companies for use inside or outside Kuwait;
- ▶ Acquiring necessary movable and immovable properties for carrying out its business to the extend permitted by the law; and
- ▶ Utilising the financial surpluses available with the Parent Company through investing the same in financial portfolios managed by specialised companies and entities.

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

2.1 Basis of preparation

The interim condensed consolidated financial information of the Group for the six months ended 30 June 2023 have been prepared in accordance with International Accounting Standard 34, “*Interim Financial Reporting*” (“IAS 34”). The Group has prepared the interim condensed consolidated financial information on the basis that it will continue to operate as a going concern. The management considers that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

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

2.2 New standards, interpretations and amendments adopted by the Group

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

**2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES
(continued)**

2.2 New standards, interpretations and amendments adopted by the Group (continued)

Definition of Accounting Estimates - Amendments to IAS 8

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

The amendments had no impact on the Group's interim condensed consolidated financial information.

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

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

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

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 *Income Tax* narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Group's interim condensed consolidated financial information.

3 REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	<i>Three months ended</i> <i>30 June</i>		<i>Six months ended</i> <i>30 June</i>	
	<i>2023</i> <i>KD</i>	<i>2022</i> <i>KD</i>	<i>2023</i> <i>KD</i>	<i>2022</i> <i>KD</i>
Unaudited				
<i>Type of goods or service</i>				
Revenue from rendering of services				
- Equipment hire	5,278,897	4,558,503	10,869,145	10,484,240
- Transportation	125,916	171,269	315,427	363,388
- Port management	1,614,356	708,996	3,355,697	1,391,209
- Other revenue	186,533	50,846	229,656	117,088
Sale of goods	489,204	8,421	490,549	17,862
	<u>7,694,906</u>	<u>5,498,035</u>	<u>15,260,474</u>	<u>12,373,787</u>
<i>Geographical markets:</i>				
Kuwait	4,049,050	2,587,347	10,076,977	5,576,085
Qatar	3,645,856	2,910,688	5,183,497	6,797,702
	<u>7,694,906</u>	<u>5,498,035</u>	<u>15,260,474</u>	<u>12,373,787</u>
<i>Timing of revenue recognition:</i>				
Goods transferred at a point in time	489,204	8,421	490,549	17,862
Services transferred over time	7,205,702	5,489,614	14,769,925	12,355,925
	<u>7,694,906</u>	<u>5,498,035</u>	<u>15,260,474</u>	<u>12,373,787</u>

Integrated Holding Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

4 OTHER INCOME

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2023 KD</i>	<i>2022 KD</i>	<i>2023 KD</i>	<i>2022 KD</i>
Net foreign exchange gain	67,774	621,216	17,500	830,081
Gain on sale of property and equipment	-	391,262	89,499	573,046
Other miscellaneous income	128,494	-	157,522	70,510
	196,268	1,012,478	264,521	1,473,637

5 EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
Profit for the period (KD)	998,918	576,024	1,956,820	1,992,836
Weighted average number of ordinary shares outstanding during the period	25,300,000	253,000,000	25,300,000	253,000,000
Basic and diluted earnings per share (fils)	3.95	2.28	7.73	7.88

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

6 TRADE AND OTHER RECEIVABLES

	<i>30 June 2023 KD</i>	<i>(Audited) 31 December 2022 KD</i>	<i>30 June 2022 KD</i>
Trade receivables	17,848,897	15,861,326	16,748,380
Retention receivables	123,064	116,643	119,850
	17,971,961	15,977,969	16,868,230
Less: Allowance for expected credit losses	(6,253,940)	(5,480,754)	(5,553,512)
	11,718,021	10,497,215	11,314,718
Contract assets	286,633	266,802	1,053,110
Refundable deposits	153,059	65,022	123,609
Advances to suppliers and employees	563,080	962,022	777,978
Staff receivables	-	-	100,384
Prepaid expenses	353,151	375,417	335,796
Other receivables	784,437	600,105	734,915
	13,858,381	12,766,583	14,440,510

Integrated Holding Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

6 TRADE AND OTHER RECEIVABLES (continued)

Set out below is the movement in the allowance for expected credit losses of trade and retention receivables:

	<i>30 June 2023 KD</i>	<i>(Audited) 31 December 2022 KD</i>	<i>30 June 2022 KD</i>
As at 1 January	5,480,754	5,461,756	5,461,756
Net allowance for expected credit losses	766,495	226,075	52,803
Write-off	-	(244,873)	-
Exchange differences	6,691	37,796	38,953
As at the end of the period/ year	6,253,940	5,480,754	5,553,512

7 BANK BALANCES AND CASH

For the purpose of the interim consolidated statement of cash flows, cash and cash equivalents comprise the following at 31 December:

	<i>30 June 2023 KD</i>	<i>(Audited) 31 December 2022 KD</i>	<i>30 June 2022 KD</i>
Cash on hand	37,973	38,120	26,862
Bank balances	3,882,757	3,353,598	5,514,767
Bank balances and cash	3,920,730	3,391,718	5,541,629
<i>Less:</i>			
Bank overdrafts (Note 9)	(780,658)	(252,901)	-
Cash and cash equivalents	3,140,072	3,138,817	5,541,629

At 30 June 2023, the Group had available KD 2,719,342 (31 December 2022: KD 1,247,099 and 30 June 2022: KD 1,500,000) of undrawn committed overdraft facilities.

8 SHARE CAPITAL

Authorised, issued and paid-up share capital comprises of 253,000,000 shares of 100 fils each paid in cash.

9 LOANS AND BORROWINGS

	<i>30 June 2023 KD</i>	<i>(Audited) 31 December 2022 KD</i>	<i>30 June 2022 KD</i>
Term loan	-	-	271,582
Tawaruq payables	18,719,645	14,658,634	14,067,900
Murabaha payables	9,800,000	4,500,000	4,500,000
Bank overdrafts	780,658	252,901	-
	29,300,303	19,411,535	18,839,482

Integrated Holding Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

9 LOANS AND BORROWINGS (continued)

Loans and borrowing in the interim condensed consolidated statement of financial position are categorised as:

	30 June 2023 KD	(Audited) 31 December 2022 KD	30 June 2022 KD
Non-current	17,728,088	9,374,978	14,677,459
Current	11,572,215	10,036,557	4,162,023
	29,300,303	19,411,535	18,839,482

The amounts payable under Murabaha and Tawaruq agreements are repayable within 1 to 5 years. The amount due is settled on a deferred payment basis and bear an interest rate ranging from 4.75% to 5% (31 December 2022: 3.5% to 4%, 30 June 2022: 2.75%)

The Group's currency exposure for loans and borrowings is, as follows:

	30 June 2023 KD	(Audited) 31 December 2022 KD	30 June 2022 KD
Currency			
Kuwait Dinars	29,300,303	19,411,535	18,567,900
Euro	-	-	271,582
	29,300,303	19,411,535	18,839,482

Changes in liabilities arising from financing activities:

	30 June 2023 KD	(Audited) 31 December 2022 KD	30 June 2022 KD
As at 1 January	19,411,535	19,950,174	19,950,174
Proceeds from borrowings	10,225,571	900,000	217,230
Proceeds from bank overdrafts	1,521,010	252,901	-
Repayment of bank overdrafts	(993,253)	-	-
Repayment of borrowings	(864,560)	(1,691,540)	(1,304,167)
Exchange differences	-	-	(23,755)
As at the end of the period/ year	29,300,303	19,411,535	18,839,482

Debt covenants

Banking covenants vary according to each loan agreement. During the period, the Group did not breach any of its loan covenants, nor did it default on any other of its obligations under its loan arrangements.

Integrated Holding Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

10 TRADE AND OTHER PAYABLES

	30 June 2023 KD	<i>(Audited)</i> 31 December 2022 KD	30 June 2022 KD
Trade payables	1,167,146	931,345	7,790,358
Accrued expenses	1,389,674	1,453,862	1,268,440
Staff payables	1,218,429	1,105,667	1,209,392
Other payables	527,911	600,948	1,220,712
	4,303,160	4,091,822	11,488,902

11 RELATED PARTY DISCLOSURES

Related parties represent major shareholders, associates, directors and key management personnel of the Parent Company, and entities controlled, jointly controlled or significantly influenced by such parties. The Parent Company's management approves pricing policies and terms of transactions with related parties.

Transactions with key management personnel

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

	<i>Transaction values for the six months ended</i>		<i>Balance outstanding as at</i>		
	30 June 2023 KD	30 June 2022 KD	30 June 2023 KD	31 December 2022 KD	30 June 2022 KD
				<i>(Audited)</i>	
Salaries and other short-term benefits	774,590	660,728	68,531	54,000	54,000
Employees end of service benefits	27,659	31,315	612,782	606,657	571,302
	802,249	692,043	681,313	660,657	625,302

The Board of Directors at the meeting held on 27 March 2023 proposed directors' remuneration of KD 54,000 for the year ended 31 December 2022. The remuneration was approved by the shareholders at the AGM held on 30 April 2023.

12 SEGMENT INFORMATION

The management has determined the operating segments based on the information reviewed by Board of Directors represented by the chief operating decision maker for the purposes of allocating resource and assessing performance. The chief operating decision-maker organises the entity based on different geographical areas, inside and outside Kuwait. There are no inter-segmental transactions. The following table presents the geographical analysis of the Group's assets, liabilities, revenue, expenses and profit for the period ended 30 June 2023 and 30 June 2022 and assets and liabilities for the year ended 31 December 2022.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on return on investments.

Integrated Holding Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

12 SEGMENT INFORMATION (continued)

	<i>30 June 2023 (Unaudited)</i>		
	<i>Kuwait KD</i>	<i>Foreign operations KD</i>	<i>Total KD</i>
Total assets	53,509,800	43,647,782	97,157,582
Total liabilities	28,729,798	7,567,039	36,296,837
Revenues	8,816,087	6,444,387	15,260,474
Expenses	7,844,718	4,900,061	12,744,779
Profit for the period	467,690	1,489,130	1,956,820
Depreciation of property and equipment	2,326,060	2,221,932	4,547,992
Finance costs	544,786	62,472	607,258
Capital expenditures	2,874,329	8,007,014	10,881,343
Depreciation of right-of-use assets	6,296	40,298	46,594

	<i>31 December 2022 (Audited)</i>		
	<i>Kuwait KD</i>	<i>Foreign operations KD</i>	<i>Total KD</i>
Total assets	52,606,178	36,252,079	88,858,257
Total liabilities	9,982,696	16,217,256	26,199,952

	<i>30 June 2022 (Unaudited)</i>		
	<i>Kuwait KD</i>	<i>Foreign operations KD</i>	<i>Total KD</i>
Total assets	61,414,592	32,968,739	94,383,331
Total liabilities	31,097,065	1,980,690	33,077,755
Revenues	5,576,085	6,797,702	12,373,787
Expenses	(7,702,272)	(3,544,549)	(11,246,821)
(Loss) profit for the year	(1,337,964)	3,330,800	1,992,836
Depreciation of property and equipment	(2,880,235)	(1,498,540)	(4,378,775)
Finance costs	(276,235)	(25,126)	(301,361)
Capital expenditures	165	594,761	594,926
Depreciation of right-of-use assets	(3,205)	(30,085)	(33,290)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

13 CONTINGENCIES

As at 30 June 2023, the Group's bankers had outstanding letter of guarantees and credits amounting to KD 8,311,718 (31 December 2022: KD 14,381,664 and 30 June 2022: KD 2,765,487) for the performance of certain contracts for which it is anticipated that no material liabilities will arise.

14 DISTRIBUTIONS MADE AND PROPOSED

The annual general assembly meeting (AGM) of the shareholders of the Parent Company held on 30 April 2023 approved cash dividends of 15 fils per share aggregating to KD 3,795,000 for the year ended 31 December 2022 (2021: cash dividends of 10 fils per share aggregating to KD 2,530,000 approved in the AGM held on 20 April 2022).

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