

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

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

30 JUNE 2024



REPORT ON REVIEW OF 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 2024, and the related interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income for the three months and six months periods then ended and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-months 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.

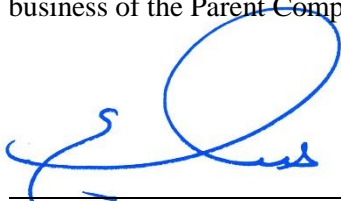
Conclusion

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 2024 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 establishment of Capital Markets Authority "CMA" and organization of security activity and its executive regulations, as amended during the six-month period ended 30 June 2024 that might have had material effect on the business of the Parent Company or on its financial position.



ABDULKARIM ALSAMDAN
LICENCE NO. 208 A
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AL AIBAN, AL OSAIMI & PARTNERS

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 2024

	<i>Notes</i>	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
		2024 KD	2023 KD	2024 KD	2023 KD
Revenue from contracts with customers	3	8,451,884	7,694,906	17,147,859	15,260,474
Cost of sales and rendering of services		(5,604,119)	(5,254,324)	(11,233,951)	(10,232,660)
GROSS PROFIT		2,847,765	2,440,582	5,913,908	5,027,814
General and administrative expenses		(1,127,941)	(1,150,400)	(2,182,619)	(2,512,119)
OPERATING PROFIT		1,719,824	1,290,182	3,731,289	2,515,695
Finance costs		(505,644)	(347,062)	(955,340)	(607,258)
Other income	4	359,873	196,268	369,674	264,521
PROFIT BEFORE TAX		1,574,053	1,139,388	3,145,623	2,172,958
Contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")		(14,166)	(10,254)	(28,311)	(19,556)
National Labour Support Tax ("NLST")		(37,454)	(29,758)	(83,048)	(70,838)
Income tax on overseas operations		(79,002)	(87,685)	(155,161)	(96,444)
Zakat		(14,963)	(12,773)	(33,261)	(29,300)
PROFIT FOR THE PERIOD		1,428,468	998,918	2,845,842	1,956,820
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY (FILS)	5	5.65	3.95	11.25	7.73

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 2024

	<i>Three months ended</i> <i>30 June</i>		<i>Six months ended</i> <i>30 June</i>	
	2024	2023	2024	2023
	KD	KD	KD	KD
PROFIT FOR THE PERIOD	1,428,468	998,918	2,845,842	1,956,820
Other comprehensive income				
<i>Other comprehensive income that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations	(60,427)	35,805	(132,828)	40,620
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,368,041	1,034,723	2,713,014	1,997,440

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 2024

		30 June 2024 KD	(Audited) 31 December 2023 KD	30 June 2023 KD
	Notes			
ASSETS				
Non-current assets				
Property and equipment		81,781,923	82,861,817	76,571,377
Right-of-use assets		486,949	519,390	670,058
Intangible assets		711,635	711,674	711,615
Deferred tax asset		301,816	271,150	270,322
		<u>83,282,323</u>	<u>84,364,031</u>	<u>78,223,372</u>
Current assets				
Inventories		1,368,451	1,118,991	1,155,099
Trade and other receivables	6	16,011,453	14,864,910	13,858,381
Bank balances and cash	7	2,849,040	2,229,279	3,920,730
		<u>20,228,944</u>	<u>18,213,180</u>	<u>18,934,210</u>
TOTAL ASSETS		<u>103,511,267</u>	<u>102,577,211</u>	<u>97,157,582</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	8	25,300,000	25,300,000	25,300,000
Statutory reserve		10,478,541	10,478,541	10,023,802
Foreign currency translation reserve		178,808	311,636	227,277
Retained earnings		24,784,584	26,998,742	25,309,666
Total equity		<u>60,741,933</u>	<u>63,088,919</u>	<u>60,860,745</u>
Liabilities				
Non-current liabilities				
Loans and borrowings	9	16,162,826	18,148,236	17,728,088
Employees' end of service benefits		2,224,504	2,067,861	2,031,980
Lease liabilities		494,946	553,963	566,176
		<u>18,882,276</u>	<u>20,770,060</u>	<u>20,326,244</u>
Current liabilities				
Trade and other payables	10	4,092,872	4,348,135	4,303,160
Loans and borrowings	9	19,714,991	14,268,427	11,572,215
Lease liabilities		79,195	101,670	95,218
		<u>23,887,058</u>	<u>18,718,232</u>	<u>15,970,593</u>
Total liabilities		<u>42,769,334</u>	<u>39,488,292</u>	<u>36,296,837</u>
TOTAL EQUITY AND LIABILITIES		<u>103,511,267</u>	<u>102,577,211</u>	<u>97,157,582</u>

Jassim Mustafa Jassim Boodai
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 2024

	<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 2024 (Audited)	25,300,000	10,478,541	311,636	26,998,742	63,088,919
Profit for the period	-	-	-	2,845,842	2,845,842
Other comprehensive loss for the period	-	-	(132,828)	-	(132,828)
Total comprehensive (loss) income for the period	-	-	(132,828)	2,845,842	2,713,014
Cash dividends (note 14)	-	-	-	(5,060,000)	(5,060,000)
At 30 June 2024	25,300,000	10,478,541	178,808	24,784,584	60,741,933

	<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 (Audited)	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
Total comprehensive income for the period	-	-	40,620	1,956,820	1,997,440
Cash dividends	-	-	-	(3,795,000)	(3,795,000)
At 30 June 2023	25,300,000	10,023,802	227,277	25,309,666	60,860,745

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 2024

		Six months ended 30 June	
		2024	2023
	Notes	KD	KD
OPERATING ACTIVITIES			
Profit before tax		3,145,623	2,172,958
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Depreciation of property and equipment		5,289,189	4,547,992
Depreciation of right-of-use assets		38,634	46,594
Gain on disposal of items of property and equipment	4	(82,348)	(89,499)
Provision for employees' end of service benefit		195,810	79,807
Net provision for expected credit losses of trade receivables	6	261,697	766,495
Finance costs on lease liabilities		18,259	20,311
Finance costs on bank facilities		955,339	586,947
Gain on derecognition of right-of-use assets and lease liabilities		(648)	(122,294)
Net foreign exchange loss (gain)	4	128,245	(17,500)
		<hr/> 9,949,800	<hr/> 7,991,811
<i>Working capital adjustments:</i>			
Inventories		(249,460)	(115,502)
Trade and other receivables		(1,408,240)	(1,858,293)
Trade and other payables		(663,681)	185,399
		<hr/> 7,628,419	<hr/> 6,203,415
Cash flows from operations			
Employees' end of service benefits paid		(38,353)	(88,527)
Taxes paid		(245,637)	(179,710)
		<hr/> 7,344,429	<hr/> 5,935,178
Net cash flows from operating activities			
INVESTING ACTIVITIES			
Purchase of items of property and equipment		(4,287,360)	(10,881,343)
Proceeds from disposal of items of property and equipment		82,348	89,499
		<hr/> (4,205,012)	<hr/> (10,791,844)
Net cash flows used in investing activities			
FINANCING ACTIVITIES			
Finance costs paid on bank facilities		(729,310)	(579,936)
Dividends paid		(5,060,000)	(3,795,000)
Payment of lease liabilities		(105,069)	(73,773)
Proceeds from borrowings	9	2,833,254	10,225,571
Repayments of borrowings	9	(791,368)	(864,560)
		<hr/> (3,852,493)	<hr/> 4,912,302
Net cash flows (used in) from financing activities			
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS			
Net foreign exchange differences		(86,432)	(54,381)
Bank balances and cash at 1 January		2,229,279	3,138,817
		<hr/> 1,429,771	<hr/> 3,140,072
CASH AND CASH EQUIVALENTS AT 30 JUNE			
	7		

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 2024

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 2024 were authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company on 13 August 2024.

The shareholders of the Parent Company at the annual general assembly meeting (“AGM”) held on 2 May 2024 approved the consolidated financial statements for the year ended 31 December 2023. 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 types 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 immoveable properties for carrying out its business to the extent 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 2024 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 contain all information and disclosures required for annual consolidated financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023. In addition, results for the period ended 30 June 2024 may not necessarily be indicative of the results that may be expected for the financial year ending 31 December 2024. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

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 2023, except for the adoption of new standards effective as of 1 January 2024. 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 2024, 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 2024

**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)

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's interim condensed consolidated financial information.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

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

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- ▶ What is meant by a right to defer settlement
- ▶ That a right to defer must exist at the end of the reporting period
- ▶ That classification is unaffected by the likelihood that an entity will exercise its deferral right
- ▶ That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's 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 2024

3 REVENUE FROM CONTRACTS WITH CUSTOMERS

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

	Three months ended 30 June		Six months ended 30 June	
	2024 KD	2023 KD	2023 KD	2022 KD
Unaudited				
<i>Type of goods or service</i>				
Revenue from rendering of services				
- Equipment hire	6,409,153	5,278,897	13,362,386	10,869,145
- Transportation	102,285	125,916	207,467	315,427
- Port management	1,690,623	1,614,356	3,237,679	3,355,697
- Other revenue	134,962	186,533	209,964	229,656
Sale of goods	114,861	489,204	130,363	490,549
	<u>8,451,884</u>	<u>7,694,906</u>	<u>17,147,859</u>	<u>15,260,474</u>
<i>Geographical markets:</i>				
Kuwait	3,543,667	4,049,050	7,158,367	10,076,977
Foreign Operations	4,908,217	3,645,856	9,989,492	5,183,497
	<u>8,451,884</u>	<u>7,694,906</u>	<u>17,147,859</u>	<u>15,260,474</u>
<i>Timing of revenue recognition:</i>				
Goods transferred at a point in time	114,861	489,204	130,363	490,549
Services transferred over time	8,337,023	7,205,702	17,017,496	14,769,925
	<u>8,451,884</u>	<u>7,694,906</u>	<u>17,147,859</u>	<u>15,260,474</u>

4 OTHER INCOME

	Three months ended 30 June		Six months ended 30 June	
	2024 KD	2023 KD	2024 KD	2023 KD
Net foreign exchange (loss) gain	(60,691)	67,774	(128,245)	17,500
Gain on sale of property and equipment	55,750	-	82,348	89,499
Provision no longer required written back*	319,162	-	319,162	-
Other miscellaneous income	45,652	128,494	96,409	157,522
	<u>359,873</u>	<u>196,268</u>	<u>369,674</u>	<u>264,521</u>

* These pertains to old provisions for which liabilities will not be materialize and hence, the management has agreed to reverse the provisions.

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.

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 2024

5 EARNINGS PER SHARE (EPS) (continued)

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

	<i>Three months ended</i> <i>30 June</i>		<i>Six months ended</i> <i>30 June</i>	
	<i>2023</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Profit for the period (KD)	1,428,468	998,918	2,845,842	1,956,820
Weighted average number of ordinary shares outstanding during the period	25,300,000	25,300,000	25,300,000	25,300,000
Basic and diluted earnings per share (fils)	5.65	3.95	11.25	7.73

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</i> <i>2024</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2023</i> <i>KD</i>	<i>30 June</i> <i>2023</i> <i>KD</i>
Trade receivables	18,213,713	17,636,729	17,848,897
Retention receivables	80,540	83,848	123,064
	18,294,253	17,720,577	17,971,961
Less: Allowance for expected credit losses	(5,201,524)	(5,027,782)	(6,253,940)
	13,092,729	12,692,795	11,718,021
Contract assets	583,209	407,770	286,633
Refundable deposits	190,596	180,360	153,059
Advances to suppliers and employees	826,294	471,524	563,080
Prepaid expenses	521,040	269,226	353,151
Other receivables	797,585	843,235	784,437
	16,011,453	14,864,910	13,858,381

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

	<i>30 June</i> <i>2024</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2023</i> <i>KD</i>	<i>30 June</i> <i>2023</i> <i>KD</i>
As at 1 January	5,027,782	5,480,754	5,480,754
Net of allowance for expected credit losses	261,697	1,271,901	766,495
Write-offs	(83,410)	(1,740,549)	-
Exchange differences	(4,545)	15,676	6,691
As at the end of the period/ year	5,201,524	5,027,782	6,253,940

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 2024

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 2024 KD</i>	<i>(Audited) 31 December 2023 KD</i>	<i>30 June 2023 KD</i>
Cash on hand	29,730	24,844	37,973
Bank balances	2,819,310	2,204,435	3,882,757
Bank balances and cash	2,849,040	2,229,279	3,920,730
<i>Less:</i>			
Bank overdrafts (Note 9)	(1,419,269)	-	(780,658)
Cash and cash equivalents	1,429,771	2,229,279	3,140,072

At 30 June 2024, the Group had available KD 2,067,587 (31 December 2023: KD 3,492,000 and 30 June 2023: KD 2,719,342) 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 2024 KD</i>	<i>(Audited) 31 December 2023 KD</i>	<i>30 June 2023 KD</i>
Tawaruq payables	20,658,550	18,616,663	18,719,645
Murabaha payables	13,800,000	13,800,000	9,800,000
Bank overdrafts	1,419,269	-	780,658
	35,877,819	32,416,663	29,300,303

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

	<i>30 June 2024 KD</i>	<i>(Audited) 31 December 2023 KD</i>	<i>30 June 2023 KD</i>
Non-current	16,162,826	18,148,236	17,728,088
Current	19,714,991	14,268,427	11,572,215
	35,877,817	32,416,663	29,300,303

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 4.95% to 5.25% (31 December 2023: 4.95% to 5.25%, 30 June 2023: 4.75% to 5%).

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 2024

9 LOANS AND BORROWINGS (continued)

Changes in liabilities arising from financing activities:

	30 June 2024 KD	<i>(Audited)</i> 31 December 2023 KD	30 June 2023 KD
As at 1 January	32,416,663	19,411,535	19,411,535
Proceeds from borrowings	2,833,254	19,657,048	10,225,571
Proceeds from bank overdrafts	1,419,268	1,521,010	1,521,010
Repayment of borrowings	(791,368)	(6,399,019)	(864,560)
Repayment of bank overdrafts	-	(1,773,911)	(993,253)
As at the end of the period/ year	35,877,817	32,416,663	29,300,303

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.

10 TRADE AND OTHER PAYABLES

	30 June 2024 KD	<i>(Audited)</i> 31 December 2023 KD	30 June 2023 KD
Trade payables	1,347,163	1,144,676	1,167,146
Accrued expenses	1,028,323	1,589,223	1,389,674
KFAS payable	28,311	41,244	-
Staff payables	1,130,616	1,024,539	1,218,429
Other payables	558,459	548,453	527,911
	4,092,872	4,348,135	4,303,160

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:

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

11 RELATED PARTY DISCLOSURES (continued)

Transactions with key management personnel (continued)

	<i>Transaction values for the Three months ended</i>		<i>Balance outstanding as at</i>		
	<i>30 June 2024 KD</i>	<i>30 June 2023 KD</i>	<i>30 June 2024 KD</i>	<i>31 December 2023 KD (Audited)</i>	<i>30 June 2023 KD</i>
Salaries and other short-term benefits	426,867	774,590	-	54,000	68,531
Employees end of service benefits	17,377	27,659	666,383	640,528	612,782
	444,244	802,249	666,383	694,528	681,313

The Board of Directors at the meeting held on 28 March 2024 proposed directors' remuneration of KD 54,000 for the year ended 31 December 2023. The remuneration was approved by the shareholders at the AGM held on 2 May 2024.

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 2024 and 30 June 2023 and assets and liabilities for the year ended 31 December 2023.

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.

	<i>30 June 2024 (Unaudited)</i>		
	<i>Kuwait KD</i>	<i>Foreign operations KD</i>	<i>Total KD</i>
Total assets	52,864,189	50,647,078	103,511,267
Total liabilities	33,200,245	9,569,089	42,769,334
Revenues	7,158,367	9,989,492	17,147,859
Expenses	4,499,482	3,627,901	8,127,383
Profit for the period	670,385	2,175,457	2,845,842
Depreciation of property and equipment	1,998,591	3,290,598	5,289,189
Finance costs	303,338	652,002	955,340
Capital expenditures	1,794,758	2,492,602	4,287,360
Depreciation of right-of-use assets	5,626	33,008	38,634

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 2024

12 SEGMENT INFORMATION (continued)

	<i>31 December 2023 (Audited)</i>		
	<i>Inside Kuwait KD</i>	<i>Outside Kuwait KD</i>	<i>Total KD</i>
Total assets	53,164,336	49,412,875	102,577,211
Total liabilities	27,425,686	12,062,606	39,488,292
	<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

13 CONTINGENCIES

As at 30 June 2024, the Group's bankers had outstanding letter of guarantees and credits amounting to KD 4,133,558 (31 December 2023: KD 6,880,003 and 30 June 2023: KD 8,311,718) 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 2 May 2024 approved cash dividends of 20 fils per share aggregating to KD 5,060,000 for the year ended 31 December 2023 (2022: cash dividends of 15 fils per share aggregating to KD 3,795,000 approved in the AGM held on 30 April 2023).