

**Rasiyat Holding Company K.P.S.C. and its subsidiaries
State of Kuwait**

Condensed consolidated interim financial information (Unaudited)
and independent auditor's review report for the six month period ended 30 June 2024

Rasiyat Holding Company K.P.S.C. and its Subsidiaries
State of Kuwait

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**The Board of Directors
Rasiyat Holding Company K.P.S.C.
State of Kuwait**

Report on review of condensed consolidated interim financial information

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Rasiyat Holding Company K.P.S.C. (the "Parent Company") and its subsidiaries (together referred to as the "Group") as at 30 June 2024, and the related condensed consolidated interim statements of income and comprehensive income for the three-month and six-month periods then ended, and changes in equity and cash flows for the six month period then ended and explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

Except as explained in the following paragraph, we conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed consolidated 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.

Basis for qualified conclusion

Investment properties of KD 6,285,311 at 30 June 2024 represent undeveloped plots of lands located in the Arab Republic of Syria ("Syria"). The management of the Group appointed two external licensed valuers in Syria to value the plots of lands as at 31 December 2023, based on the market approach method. Due to insufficient reliable information available on the real estate market and economy in Syria we were unable to satisfy ourselves as to the fair values of the plots of lands and whether any adjustments that may be required to the condensed consolidated interim financial information.

Qualified conclusion

Except for the adjustments to the condensed consolidated interim financial information that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Report on review of other legal and regulatory requirements

Furthermore, based on our review except for the possible effect of the matter described in the basis for the qualified conclusion paragraph above, the condensed consolidated interim financial information is in agreement with the books of account of the Parent Company. We further report that nothing has come to our attention indicating any violations of the Companies Law No. 1 of 2016, and its executive regulations nor of the Parent Company's Memorandum and Articles of Association, as amended, have occurred during the six-month period ended 30 June 2024, that might have had a material effect on the business of the Parent Company or its consolidated financial position.

We further report that, during the course of our review except for the possible effect of the matter described in the basis for qualified conclusion paragraph above, we have not become aware of any violations during the six-month period ended 30 June 2024 of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations, that might have had a material effect on the business of the Parent Company or its financial position.

Khalid Ebrahim Al-Shatti
Licence No. 175
PricewaterhouseCoopers (AlShatti & Co.)

14 August 2024
Kuwait

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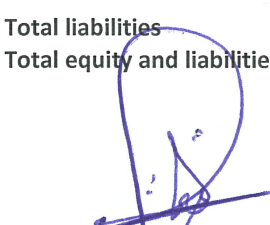
Rasiyat Holding Company K.P.S.C. and its Subsidiaries
State of Kuwait


Condensed consolidated interim statement of financial position

As at 30 June 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited) (Restated) Note 16
ASSETS				
Non-current assets				
Property, plant and equipment	5	15,363,042	6,897,266	6,819,432
Intangible assets		381,944	402,777	423,610
Goodwill	15	3,010,223	-	-
Investment properties	4 & 6	6,285,311	6,287,360	6,336,147
Investments in associate		9,833	10,737	12,379
Financial asset at fair value through profit or loss	4	671,230	312,436	293,580
Financial asset at fair value through other comprehensive income	4	14,857	11,857	11,857
		<u>25,736,440</u>	<u>13,922,433</u>	<u>13,897,005</u>
Current assets				
Financial asset at fair value through profit or loss	4	150,087	69,565	46,421
Trade and other receivables	7	849,526	2,042,368	2,656,895
Cash and cash equivalents	8	3,819,307	2,048,275	167,795
		<u>4,818,920</u>	<u>4,160,208</u>	<u>2,871,111</u>
Asset held for sale	14	139,033	139,079	352,678
Total assets		<u>30,694,393</u>	<u>18,221,720</u>	<u>17,120,794</u>
EQUITY AND LIABILITIES				
EQUITY				
Share capital		15,000,000	15,000,000	15,000,000
Accumulated losses		(3,155,371)	(3,564,935)	(4,142,449)
Equity attributable to equity holders of the Parent Company				
		<u>11,844,629</u>	<u>11,435,065</u>	<u>10,857,551</u>
Non-controlling interests		5,122,771	3,297,466	3,393,861
Net equity		<u>16,967,400</u>	<u>14,732,531</u>	<u>14,251,412</u>
LIABILITIES				
Non-current liabilities				
Employees' end of service benefits		480,941	295,565	245,065
Bank borrowing	9	7,852,750	1,886,350	1,219,950
Accounts payable and other liabilities	10	716,366	295,079	286,380
		<u>9,050,057</u>	<u>2,476,994</u>	<u>1,751,395</u>
Current liabilities				
Bank borrowing	9	2,309,475	593,054	542,200
Accounts payable and other liabilities	10	2,367,461	419,141	575,787
		<u>4,676,936</u>	<u>1,012,195</u>	<u>1,117,987</u>
Total liabilities		<u>13,726,993</u>	<u>3,489,189</u>	<u>2,869,382</u>
Total equity and liabilities		<u>30,694,393</u>	<u>18,221,720</u>	<u>17,120,794</u>


 Othman Ayman Boodai
 Vice Chairman and CEO


 Saleh Mohammad Alroomi
 Board member and General Manager

The notes on pages 7 to 19 form an integral part of this condensed consolidated interim financial information.

**Rasiyat Holding Company K.P.S.C. and its Subsidiaries
State of Kuwait**

Condensed consolidated interim statement of income

For the six month period ended 30 June 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	Three months ended 30 June		Six months ended 30 June	
		2024 (Unaudited)	2023 (Unaudited) (Restated)	2024 (Unaudited)	2023 (Unaudited) (Restated)
Income			Note 16		Note 16
Tuition fees - revenue		1,619,252	977,944	2,724,912	1,749,671
Management fees		750	2,250	3,000	4,500
Change in fair value of investment properties		(15,372)	27,958	(2,049)	64,837
Change in fair value of financial assets at fair value through profit or loss	4	390,814	46,384	433,885	78,274
Share of results of investment in an associate		(203)	(638)	(904)	(3,500)
Foreign exchange gain / (loss)		(8,377)	(5,711)	4,600	(7,467)
Other income		21,861	32,275	93,405	63,636
		<u>2,008,725</u>	<u>1,080,462</u>	<u>3,256,849</u>	<u>1,949,951</u>
Expenses					
Direct cost of tuition fees		(636,527)	(529,303)	(1,132,233)	(1,121,708)
General and administrative expenses		(470,398)	(109,094)	(808,309)	(261,912)
Net impairment losses on financial assets		(12,370)	-	(12,370)	-
Depreciation	5	(341,090)	(194,271)	(542,991)	(387,288)
Amortisation of intangible assets		(10,417)	(10,417)	(20,834)	(20,834)
Finance costs		(125,333)	(34,022)	(175,364)	(69,889)
Property and equipment written off		(10,420)	-	(10,420)	-
Loss on sale of subsidiary		-	(51,760)	-	(51,760)
		<u>(1,606,555)</u>	<u>(928,867)</u>	<u>(2,702,521)</u>	<u>(1,913,391)</u>
Profit before contribution to National Labour Support Tax ("NLST") and Zakat		402,170	151,595	554,328	36,560
Contribution to National Labour Support Tax ("NLST")		(6,203)	-	(9,348)	-
Contribution to Zakat		(15,834)	-	(20,015)	-
Profit for the period		380,133	151,595	524,965	36,560
Attributable to:					
Equity holders of the Parent Company		280,457	158,029	409,564	29,244
Non-controlling interests		99,676	(6,434)	115,401	7,316
Profit for the period		380,133	151,595	524,965	36,560
Basic and diluted earnings per share (fils)	11	1.87	1.05	2.73	0.19

The notes on pages 7 to 19 form an integral part of this condensed consolidated interim financial information.

Rasiyat Holding Company K.P.S.C. and its Subsidiaries
State of Kuwait

Condensed consolidated interim statement of comprehensive income

For the six month period ended 30 June 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Three months ended 30 June		Six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited) (Restated) Note 16	2024 (Unaudited)	2023 (Unaudited) (Restated) Note 16
Profit for the period	380,133	151,595	524,965	36,560
Other comprehensive income for the period:	-	-	-	-
Total comprehensive income/(loss) for the period	380,133	151,595	524,965	36,560
Attributable to:				
Equity holders of the Parent Company	280,457	158,029	409,564	29,244
Non-controlling interests	99,676	(6,434)	115,401	7,316
Total comprehensive income/(loss) for the period	380,133	151,595	524,965	36,560

The notes on pages 7 to 19 form an integral part of this condensed consolidated interim financial information.

Rasiyat Holding Company K.P.S.C. and its Subsidiaries
State of Kuwait

Condensed consolidated interim statement of changes in equity

For the six month period ended 30 June 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Equity attributable to the owners of the Parent Company (unaudited)						
	Share capital	Foreign currency translation reserve	Fair value reserve	Accumulated losses	Sub-total	Non-controlling interests (unaudited)	Total (unaudited)
Balance at 1 January 2024	15,000,000	-	-	(3,564,935)	11,435,065	3,297,466	14,732,531
Profit for the period	-	-	-	409,564	409,564	115,401	524,965
Total comprehensive income for the period	-	-	-	409,564	409,564	115,401	524,965
Non-controlling interest on acquisition of subsidiary (note 15)	-	-	-	-	-	1,709,904	1,709,904
Balance at 30 June 2024	15,000,000	-	-	(3,155,371)	11,844,629	5,122,771	16,967,400
Balance at 1 January 2023	15,000,000	1,481,669	(1,146,104)	(3,610,004)	11,725,561	3,587,321	15,312,882
Correction of errors (Note 16)	-	(1,481,669)	1,146,104	(561,689)	(897,254)	(66,496)	(963,750)
Restated at 1 January 2023	15,000,000	-	-	(4,171,693)	10,828,307	3,520,825	14,349,132
Profit for the period	-	-	-	29,244	29,244	7,316	36,560
Total comprehensive income for the period	-	-	-	29,244	29,244	7,316	36,560
Disposal of a subsidiary	-	-	-	-	-	(134,280)	(134,280)
Balance at 30 June 2023	15,000,000	-	-	(4,142,449)	10,857,551	3,393,861	14,251,412

The notes on pages 7 to 19 form an integral part of this condensed consolidated interim financial information.

Rasiyat Holding Company K.P.S.C. and its Subsidiaries
State of Kuwait

Condensed consolidated interim statement of cash flows

For the six month period ended 30 June 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	Six months ended 30 June	
		2024 (Unaudited)	2023 (Unaudited) (Restated) Note 16
Operating activities			
Profit before contribution to National Labour Support Tax (“NLST”) and Zakat		524,965	36,560
<i>Adjustments:</i>			
Depreciation	5	542,991	387,288
Amortisation of intangible assets		20,833	20,834
Loss on sale of subsidiary		-	51,760
Share of results of investment in an associate		904	3,500
Change in fair value of investment properties	6	2,049	(64,837)
Change in fair value of financial asset at fair value through profit or loss	4	(433,885)	(78,274)
Net impairment losses on financial assets		12,370	-
Finance costs		175,364	69,889
Foreign exchange (gain)/loss		(4,600)	7,467
Loss on disposal of property, plant and equipment		10,420	-
Employees’ end of service benefits		58,898	47,082
		910,309	481,269
Changes in working capital			
Trade and other receivables		1,502,385	(458,293)
Trade and other payables		(131,252)	360,861
Cash flows generated from operations		2,281,442	383,837
Employees’ end of service benefits paid		(3,117)	(10,330)
Net cash flows generated from operating activities		2,278,325	373,507
Investing activities			
Payment for acquisition of subsidiary, net of cash acquired		(6,986,000)	-
Purchase of property, plant and equipment	5	(200,981)	(75,553)
Investment income received		100,185	78,274
Net cash flows (used in) / generated from investing activities		(7,086,796)	2,721
Financing activities			
Proceeds from borrowings	10	7,000,000	-
Payment of term borrowing		(271,100)	(271,100)
Lease liabilities paid		(46,100)	(35,987)
Finance costs paid		(107,897)	(59,776)
Net cash flows generated from / (used in) financing activities		6,574,903	(366,863)
Net increase in cash and cash equivalents		1,766,432	9,365
Effects of exchange rate changes on cash and cash equivalents		4,600	6,050
Cash and cash equivalents at beginning of the period		2,048,275	152,380
Cash and cash equivalents at end of the period	8	3,819,307	167,795

The notes on pages 7 to 19 form an integral part of this condensed consolidated interim financial information.

Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

1. INCORPORATION AND ACTIVITIES

Rasiyat Holding Company K.P.S.C. (the “Parent Company”) was incorporated on 3 December 2005 as a Kuwaiti Shareholding Company. The General Assembly meeting for establishment of the Parent Company was held at the Ministry of Commerce and Industry on 14 December 2005. The Parent Company’s shares were listed on the Bursa Kuwait Securities Company on 23 March 2010.

The main objectives of the Parent Company are as follows:

- Extending loans to investee companies and providing guarantees for third parties, provided that the share of the holding company in the investee company is not less than 20%.
- Acquisition of industrial rights and related intellectual properties or any other industrial trade marks or royalties and any other property related thereto, and renting such properties to the others whether inside Kuwait or abroad.
- Acquisition of properties and buildings necessary to carry out the business activities as allowable by the law.
- Ownership of shares in Kuwaiti and foreign shareholding companies in addition to ownership of shares in Kuwaiti and foreign limited liability companies and the participation in the share capital of both types of companies including management, lending and guaranteeing against third parties.
- Utilizing excess funds through investing in financial portfolios managed by specialized companies and institutions.

The Parent Company has the right to carry out its activities inside Kuwait or abroad whether directly or through power of attorney.

The Group comprises the Parent Company and its subsidiaries.

In all cases, the Parent Company is governed in all its activities by Islamic Sharia’a and all activities which are in compliance of Islamic Sharia’a board are obligatory to the Parent Company.

The address of the Parent Company’s registered office is PO Box 4425, Safat 13045, State of Kuwait.

The condensed consolidated interim financial information of the Group for the period ended 30 June 2024 was authorised for issue by the Board of Directors of the Parent Company on 14 August 2024.

Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

2. BASIS OF PREPARATION

The condensed consolidated interim financial information has been prepared in accordance with the International Accounting Standard 34, Interim Financial Reporting. The condensed consolidated interim financial information does not include all the information and notes required for complete annual consolidated financial statements prepared in accordance with IFRS Accounting Standards. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for fair presentation have been included.

Operating results for the six month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024. For further information, refer to the annual audited consolidated financial statements of the Group for the financial year ended 31 December 2023.

The condensed consolidated interim financial information has been presented in Kuwaiti Dinars ("KD") which is the functional and presentation currency of the Parent Company.

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those followed in the preparation of annual consolidated financial statements for the year ended 31 December 2023 and the corresponding interim reporting period. Also see (a) and (b) below.

(a) New and amended standards adopted by the Group:

The Group has applied the following amendments for the first time for their annual reporting period commencing on 1 January 2024:

- Non-current Liabilities with Covenants – Amendments to IAS 1
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16
- Supplier finance arrangements – Amendments to IAS 7 and IFRS 7
- Classification of Liabilities as Current or Non-current – Amendments to IAS 1

The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current period.

(b) New standards and amendments not yet effective for the financial period beginning on 1 January 2024 and have not been early adopted by the Group:

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the current reporting periods and have not been early adopted by the Group. The management of the Group is in the process of assessing the impact of these new standards, interpretations and amendments which will be adopted in the Group's consolidated financial statement as and when they are applicable.

3. JUDGEMENT AND ESTIMATES

The preparation of condensed consolidated interim 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 condensed consolidated interim 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 audited annual consolidated financial statements as at and for the year ended 31 December 2023.

Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

4. FAIR VALUE ESTIMATION

The fair values of financial assets and investment properties are estimated as follows:

- Level 1:** Quoted prices in active markets for quoted financial instruments.
Level 2: Quoted prices in active markets for similar instruments. Quoted prices for identical assets or liabilities in market that is not active. Inputs other than quoted prices that are observable for assets and liabilities.
Level 3: Inputs for the asset or liabilities that are not based on observable market data.

The following table shows the fair value measurement hierarchy of the Group's financial assets recorded at fair value:

	Level 1	Level 2	Level 3	Total fair value
30 June 2024 (Unaudited)				
Investment properties	-	-	6,285,311	6,285,311
Financial asset at fair value through other comprehensive income	-	-	14,857	14,857
Financial assets at fair value through profit or loss	105,616	-	715,701	821,317
	Level 1	Level 2	Level 3	Total fair value
31 December 2023 (Audited)				
Investment properties	-	-	6,287,360	6,287,360
Financial asset at fair value through other comprehensive income	-	-	11,857	11,857
Financial assets at fair value through profit or loss	-	-	382,001	382,001
	Level 1	Level 2	Level 3	Total fair value
30 June 2023 (Unaudited)				
Investment properties	-	-	6,336,147	6,336,147
Financial asset at fair value through other comprehensive income	-	-	11,857	11,857
Financial assets at fair value through profit or loss	-	-	340,001	340,001

The method of valuation used in Level 3 has been consistent with that used in the recent annual consolidated financial statements, which is measured at fair value estimated using various models like discounted cash flow model, which includes some assumptions that are not supportable by observable market prices or rates or the latest financial statements or information available on these investments the future financial flows of which are unpredictable.

The following table represents movement in financial assets at fair value through profit or loss:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Opening balance	382,001	340,001	340,001
Business combination (refer note 15)	105,616	-	-
Change in fair value	433,885	204,186	78,274
Cash received	(100,185)	(162,186)	(78,274)
Ending balance	821,317	382,001	340,001

Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

5. PROPERTY AND EQUIPMENT

	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
At 1 January	6,897,266	7,131,167	7,131,167
Additions	200,981	556,691	75,553
Disposal	(10,420)	-	-
Business combination (note 15)	8,818,206	-	-
Depreciation	(542,991)	(790,592)	(387,288)
	15,363,042	6,897,266	6,819,432

6. INVESTMENT PROPERTIES

	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
At 1 January	6,287,360	7,586,511	7,586,511
Change in fair value	(2,049)	16,050	64,837
Disposal of investment property resulted from sale of subsidiary	-	(1,315,201)	(1,315,201)
	6,285,311	6,287,360	6,336,147

7. TRADE AND OTHER RECEIVABLES

	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Tuition fees receivables	1,029,081	2,215,770	1,983,905
Provision for impairment of trade receivables	(414,319)	(355,861)	(343,934)
	614,762	1,859,909	1,639,971
Letter of guarantee	-	-	118,810
Prepaid expenses	156,461	90,617	195,784
Staff receivable	7,813	6,670	19,053
Refundable deposits	7,965	9,590	8,985
Due from a related party (note 12)	32,072	-	89,519
Other receivables	30,453	75,582	589,178
Provision for impairment of other receivables	-	-	(4,405)
	849,526	2,042,368	2,656,895

8. CASH AND CASH EQUIVALENTS

	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Saving accounts	9,048	9,423	9,533
Cash in hand	5,797	5,298	3,753
Bank balances	3,796,109	2,033,554	154,509
Deposit with original maturity of less than 3 months	8,353	-	-
	3,819,307	2,048,275	167,795

Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2024

(All amounts are in Kuwaiti Dinar unless otherwise stated)

9. BANK BORROWING

	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Current	2,309,475	593,054	542,200
Non-current	7,852,750	1,886,350	1,219,950
	10,162,225	2,479,404	1,762,150

Bank borrowing is Tawarruq financing which represents Islamic financing obtained from a local financial institution and it is repayable in 20 equal quarterly installments and secured against the shares of a subsidiary Kuwait Technical College S.P.C. It carries a profit rate of 2.5% per annum (31 December 2023: 2.5% and 30 June 2023 2.25%) above the discount rate of the Central Bank of Kuwait.

The group obtained Murabaha from a local financial institution bearing a profit rate of 1.5% annually above the discount rate of the Central Bank of Kuwait.

In April 2024, the group entered into a new credit facility to finance the acquisition of Orient Education Services Company. The total available amount under the facility is KD 8,000,000 of which KD 7,000,000 were drawn down as at 30 June 2024. The amounts drawn down are repayable in semiannual instalments, commencing 20 April 2025.

10. ACCOUNTS PAYABLE AND OTHER LIABILITIES

	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Accounts payable	576,830	220,455	371,467
Accrued NLST	6,203	18,345	-
Accrued Zakat	15,834	9,227	-
Unearned income	335,390	-	15,230
Lease liabilities	743,944	321,619	312,137
Due to related parties (note 12)	1,185,114	-	44,448
Staff leave provision	212,437	136,124	110,335
Dividend payable	8,075	8,450	8,550
	3,083,827	714,220	862,167

	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Current	2,367,461	419,141	575,787
Non-current	716,366	295,079	286,380
	3,083,827	714,220	862,167

11. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the profit for the period by the weighted average number of shares in issue excluding treasury shares.

	Three months ended 30 June		Six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited) (restated) (Note 16)	2024 (Unaudited)	2023 (Unaudited) (restated) (Note 16)
Profit for the period attributable to the equity holders of the Parent Company (KD)	280,457	158,029	409,564	29,244
Weighted average number of shares	150,000,000	150,000,000	150,000,000	150,000,000
Basic and diluted earnings per share (fils)	1.87	1.05	2.73	0.19

Notes to the condensed consolidated interim financial information (Unaudited)

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(All amounts are in Kuwaiti Dinar unless otherwise stated)

12. RELATED PARTY TRANSACTIONS

Related parties represent, major shareholders, directors and key management personnel of the Group, their close family members, and entities controlled, or significantly influenced by the Parent Company. In the ordinary course of business, and subject to the approval of the Group's management, transactions were made with such related parties during the period ended 31 March. Detail of the significant related party transactions and balances are as follows:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Balances			
Due from an associate	32,072	-	89,519
Due to an associate	34,527	-	44,448
Due to related party arising on acquisition	1,150,587	-	-
Dividends payable - shareholders	-	8,450	-

	Three months ended 30 June		Six-months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Key management compensation:				
Salaries and other short term benefits	61,463	42,410	125,517	91,491
End of service benefits	5,459	2,655	12,680	6,752
	66,922	45,065	138,197	98,243

13. SEGMENTAL ANALYSIS

13.1 Geographical and operational segments of the revenues, results, assets and liabilities

An operating segment is a component of an entity that engages in business activities from which it earns revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker represented by the Chairman and Vice Chairman to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group conducts its activities through the following operating segments:

- The academic segment of the university encompasses a broad range of activities, including curriculum development, course delivery, and academic research. This involves creating, organizing, and delivering educational programs to students. The university is responsible for purchasing educational materials, transporting students, facilitating research endeavors, and providing a platform for the exchange of knowledge.
- Investments segment include investment portfolios and investments in non-financial assets held for capital appreciation.

13.2 Operating segments for the revenues and results

The segments results are reported to the senior executive management of the Group, as well as the revenues and results of the Group's business, assets and liabilities are reported in accordance with the above mentioned segments. The following is the segment analysis which is consistent with the internal reports submitted to the management:

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(All amounts are in Kuwaiti Dinar unless otherwise stated)

13. SEGMENTAL ANALYSIS (CONTINUED)

i. Segment revenue

	Academic segment		Investments segment		Total	
	Six months ended 30 June					
	2024	2023	2024	2023	2024	2023
Kuwait	2,810,964	1,807,606	443,334	142,345	3,254,298	1,949,951
Morocco	-	-	(1,580)	-	(1,580)	-
Syria	-	-	4,131	-	4,131	-
Total	2,810,964	1,807,606	445,885	142,345	3,256,849	1,949,951

	Academic segment		Investments segment		Total	
	Three months ended 30 June					
	2024	2023	2024	2023	2024	2023
Kuwait	1,638,760	979,380	388,071	101,082	2,026,831	1,080,462
Morocco	-	-	(11,844)	-	(11,844)	-
Syria	-	-	(6,262)	-	(6,262)	-
Total	1,638,760	979,380	369,965	101,082	2,008,725	1,080,462

ii. Segment results

	Academic segment		Investments segment		Total	
	Six months ended 30 June					
	2024	2023	2024	2023	2024	2023
Kuwait	843,870	368,540	(259,065)	132,836	584,805	501,376
Morocco	-	-	(37,025)	(444,525)	(37,025)	(444,525)
Syria	-	-	(22,815)	(20,291)	(22,815)	(20,291)
Total	843,870	368,540	(318,905)	(331,980)	524,965	36,560

	Academic segment		Investments segment		Total	
	Three months ended 30 June					
	2024	2023	2024	2023	2024	2023
Kuwait	552,243	345,930	(137,003)	252,450	415,240	598,380
Morocco	-	-	(25,555)	(436,604)	(25,555)	(436,604)
Syria	-	-	(9,552)	(10,181)	(9,552)	(10,181)
Total	552,243	345,930	(172,110)	(194,335)	380,133	151,595

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(All amounts are in Kuwaiti Dinar unless otherwise stated)

13. SEGMENTAL ANALYSIS (CONTINUED)

13.3 Segmental distribution of assets and liabilities

	30 June 2024		
	Academic segment	Investments segment	Total
Assets	21,518,141	9,176,252	30,694,393
Liabilities	6,741,268	6,985,725	13,726,993

	31 December 2023		
	Academic segment	Investments segment	Total
Assets	11,686,012	6,535,708	18,221,720
Liabilities	3,343,005	146,184	3,489,189

	30 June 2023		
	Academic segment	Investments segment	Total
Assets	11,632,818	5,487,976	17,120,794
Liabilities	2,711,424	157,958	2,869,382

Intersegment assets and liabilities are eliminated on consolidation.

13.4 Geographical distribution of assets and liabilities

	30 June 2024			
	Kuwait	Morocco	Syria	Total
Assets	22,780,382	1,628,667	6,285,344	30,694,393
Liabilities	13,726,937	-	56	13,726,993

	31 December 2023			
	Kuwait	Morocco	Syria	Total
Assets	10,265,600	1,668,727	6,287,393	18,221,720
Liabilities	3,483,849	2,491	2,849	3,489,189

	30 June 2023			
	Kuwait	Morocco	Syria	Total
Assets	8,980,052	1,804,405	6,336,337	17,120,794
Liabilities	2,797,783	71,218	381	2,869,382

14. ASSET HELD FOR SALE

During the previous year ended 31 December 2023, the Group signed an agreement to sell 70% of its ownership of Dream Building SARL, an indirect subsidiary of the Group reducing its ownership from 85% to 15%. Accordingly, the Group no longer has control over the subsidiary. Simultaneously, the Group has signed another agreement comprising a promise to sell the remaining 15% ownership of the indirect subsidiary. Accordingly, the remaining 15% ownership has been classified as an asset held for sale.

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15. BUSINESS COMBINATION

On 1 May 2024, the Parent Company acquired 70% of the shares of Orient Education Services Company (“OES”) a Kuwaiti based education company that owns and operates a college, Algonquin College, which offers diploma and degree programs in business, art and advanced technology fields. The acquisition has significantly increased the group’s market share and complements the group’s existing education industry business. The group obtained control of the OES through acquiring 70% of its shareholding and majority representation on the board of directors.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

The purchase consideration was for total cash outflow of KD 7,000,000 fully paid in cash. The assets and liabilities recognised as a result of the acquisition are as follows:

	<u>Fair value</u>
Trade and other receivables	322,065
Investments	108,616
Property, plant & equipment	8,818,000
Cash	14,000
Account and other payable	(1,923,000)
Lease liabilities	(614,000)
Borrowings	(896,000)
End of service benefit	(130,000)
Net identifiable assets acquired	5,699,681
Less: non-controlling interests	(1,709,904)
Add: goodwill	3,010,223
Net assets acquired	<u>7,000,000</u>

Goodwill is attributable to Orient Education Services Co.'s strong position in the higher education sector, along with the anticipated cost synergies resulting from the acquisition. Goodwill has been allocated to the education services segment.

Acquisition-related costs

Direct transaction costs of KD 207,655 are included in administrative expenses in profit or loss.

Acquired receivables

The fair value of acquired trade receivables is KD 322K which represents gross contractual amount for trade receivables due is KD 369k, with KD 47k not expected to be recovered.

Accounting policy choice for non-controlling interests

The group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest’s proportionate share of the acquired entity’s net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in OES, the group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets.

Revenue and profit contribution

The acquired business contributed revenues of KD 232,715 and net profit of KD 16,560 to the group for the period from 1 May to 30 June 2024.

If the acquisition had occurred on 1 January 2024, consolidated pro-forma revenue and loss for the period ended 30 June 2024 would have been KD 431,707 and KD (354,882) respectively. These amounts have been calculated using the subsidiary’s results and adjusting them for:

- differences in the accounting policies between the group and the subsidiary (if any), and
- the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 May 2024.

Notes to the condensed consolidated interim financial information (Unaudited)

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(All amounts are in Kuwaiti Dinar unless otherwise stated)

16. RESTATEMENT EFFECT – CORRECTION OF ERRORS

During the period, management has re-evaluated the accounting treatment and presentation of certain transactions and balances in the condensed consolidated interim financial information to determine if these have been accounted for correctly and presented appropriately in line with the requirements of IFRS Accounting Standards. Where necessary, changes in presentation were made in accordance with IAS 8 "Accounting policies, changes in accounting estimates and errors. The impact of the restatements below has been presented in the tables below:

Restatement 1 – Correction of an error in the classification of financial asset at fair value through other comprehensive income to be financial asset at fair value through profit or loss

As at 30 June 2023, the investment in Hajar Towers in Saudi Arabia was classified as an equity instrument at fair value through other comprehensive income (FVOCI). As such, all fair value movements were presented in the other comprehensive income in the condensed consolidated interim statement of comprehensive income.

As at 31 December 2023, on review of the contractual terms it was noted that the instruments did not meet the definition of an equity instrument from the perspective of the issuer and the returns received did not represent solely payments of principal and interest. As such, this investment did not meet the classification requirements in International Financial Report Standard 9 - Financial Instruments (IFRS 9) to be classified as a financial instrument at FVOCI.

In the current period this investment has been classified as a financial asset at fair value through profit or loss (FVTPL). In addition, all fair value movements were accounted for in the condensed consolidated interim statement of income and not in other comprehensive income. The carrying amount of the asset on the statement of financial position was split between current and non-current based on timing and amounts of expected cash flows.

Restatement 2 – Correction of an error related to determining functional currency of a foreign subsidiaries

In the condensed consolidated interim financial information for period ended 30 June 2023, the Group had three subsidiary entities incorporated in foreign jurisdictions and the functional currency of the subsidiaries was determined to be USD and MAD. The subsidiaries had no management structure, no cash inflows and were merely holding investments in underlying vacant land.

In 2023, management performed an assessment to determine if the functional currency was appropriate. In terms of International Accounting Standard 21 - The effects of changes in foreign exchange rates (IAS 21), foreign operations need to be assessed to determine if the such entities are autonomous from the parent entity. Management determined that these entities were not autonomous and should be considered an extension of the parent and therefore have the same functional currency as the parent, namely the KWD.

As such, the functional currency was changed from USD/MAD to KWD. This resulted in the exchange differences being recorded in the condensed consolidated interim statement of income, primarily as part of the fair value movement on investment property, and no longer in other comprehensive income. Accumulated foreign currency translation reserve balances were reclassified to accumulated losses.

Notes to the condensed consolidated interim financial information (Unaudited)

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(All amounts are in Kuwaiti Dinar unless otherwise stated)

16. RESTATEMENT EFFECT – CORRECTION OF ERRORS (CONTINUED)

Restatement 3 – Corrections of the accounting treatment for the consideration paid to acquire leasehold

During 2018, as part of the acquisition of Kuwait Technical College, the land lease where the college stands was considered to contain an off-market element and as per the requirements of IFRS 3, the favourable component was accounted for as a key money asset and was not depreciated as it was considered to have a residual value which was higher than the carrying value based on the valuation obtained.

On the adoption of IFRS 16 leases, the transition requirements with respect to the favourable element (off-market element) required the lessee to derecognise that asset and adjust the carrying amount of the right-of-use asset by a corresponding amount at the date of initial application. Management had not adjusted this amount against the right-of-use asset and the balance was not depreciated over the lease term.

In order to correct the above, the key money asset was reclassified from being a separate category in property, plant and equipment to be under the right of use assets and was depreciated over the lease term.

Below is the impact of the correction on the condensed consolidated interim financial information line items for the periods impacted.

	Previous presentation	Restatement 1	Restatement 2	Restatement 3	Current presentation
Condensed consolidated interim statement of financial position as at 1 January 2023					
Financial assets at fair value through other comprehensive income	351,858	(340,001)	-	-	11,857
Financial asset at fair value through profit or loss	-	340,001	-	-	340,001
Fair value reserve	(1,146,104)	1,146,104	-	-	-
Foreign currency translation reserve	1,481,669	-	(1,481,669)	-	-
Accumulated losses	(3,610,004)	(1,146,104)	1,481,669	(897,254)	(4,171,693)
Non controlling interest	3,587,321	-	-	(66,496)	3,520,825
Property, plant and equipment	8,094,917	-	-	(963,750)	7,131,167

Notes to the condensed consolidated interim financial information (Unaudited)

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16. RESTATEMENT EFFECT – CORRECTION OF ERRORS (CONTINUED)

	Previous presentation	Restatement 1	Restatement 2	Restatement 3	Current presentation
Condensed consolidated interim statement of financial position as at 30 June 2023					
Financial assets at fair value through other comprehensive income	351,858	(340,001)	-	-	11,857
Financial asset at fair value through profit or loss	-	340,001	-	-	340,001
Fair value reserve	(1,146,104)	1,146,104	-	-	-
Foreign currency translation reserve	1,677,572	-	(1,677,572)	-	-
Accumulated losses	(3,674,835)	(1,146,104)	1,677,572	(999,082)	(4,142,449)
Non controlling interest	3,467,904	-	-	(74,043)	3,393,861
Property, plant and equipment	7,892,557	-	-	(1,073,125)	6,819,432
	Previous presentation	Restatement 1	Restatement 2	Restatement 3	Current presentation
Condensed consolidated interim statement of income for the six-month period ended 30 June 2023					
Change in fair value of investment properties	-	-	64,837	-	64,837
Change in fair value of financial assets at fair value through profit or loss	-	78,274	-	-	78,274
Dividend income	78,274	(78,274)	-	-	-
Foreign exchange (loss) / gain	(8,581)	-	1,114	-	(7,467)
Depreciation	(277,913)	-	-	(109,375)	(387,288)
Loss on sale of subsidiary	(401,619)	-	349,859	-	(51,760)
Condensed consolidated interim statement of comprehensive income for the six-month period ended 30 June 2023					
Exchange difference arising on translation of foreign operations	65,951	-	(65,951)	-	-
Exchange difference arising on translation of foreign operation transferred to profit & loss	349,859	-	(349,859)	-	-

Notes to the condensed consolidated interim financial information (Unaudited)

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16. RESTATEMENT EFFECT – CORRECTION OF ERRORS (CONTINUED)

	Previous presentation	Restatement 1	Restatement 2	Restatement 3	Current presentation
Condensed consolidated interim statement of income for the three-month period ended 30 June 2023					
Change in fair value of investment properties	-	-	27,958	-	27,958
Change in fair value of financial assets at fair value through profit or loss	-	46,384	-	-	46,384
Dividend income	46,384	(46,384)	-	-	-
Foreign exchange (loss) / gain	(12,865)	-	7,154	-	(5,711)
Depreciation	(139,584)	-	-	(54,687)	(194,271)
Loss on sale of subsidiary	(401,619)	-	349,859	-	(51,760)
Condensed consolidated interim statement of comprehensive income for the three-month period ended 30 June 2023					
Exchange difference arising on translation of foreign operations	35,112	-	(35,112)	-	-
Exchange difference arising on translation of foreign operation transferred to profit & loss	349,859	-	(349,859)	-	-

Correction of error in classification in condensed consolidated interim statement of cash flow

Principal of lease liabilities paid from IFRS 16 was classified within changes in working capital under trade and other payables part of operating activities and has been reclassified to be presented on the face of condensed consolidated interim statement of cash flows under financing activities to comply with the requirements of IAS 7.

In accordance with IAS 7, net foreign exchange differences are not cash flows, accordingly the effect of foreign currency exchange rates is to be presented separately from cash flows from operating, investing and financing activities. In the prior period, the effect of foreign currency exchange rates was reported before the net decrease in cash and cash equivalents and has been reclassified to be presented after a net decrease in cash and cash equivalents.

	Previous presentation	Restatement	Current presentation
Condensed consolidated interim statement of cash flows for the period ended 30 June 2023			
Net increase in cash and cash equivalents		15,415	(6,050)
			9,365

Adjustment to the six-months period ended 30 June 2023 basic and diluted earnings per share

The above adjustments resulted in change of the (loss)/profit attributable to equity holders of the parent company for the six-months period ended 30 June 2023 from KD (64,831) to KD 29,244 after adjustments. As a result of this, the basic and diluted earnings per share for that period were adjusted by KD 0.62 fils from KD (0.43) fils to KD 0.19 fils. Please refer to note 11.

Adjustment to the three-months period ended 30 June 2023 basic and diluted earnings per share

The above adjustments resulted in change of the profit attributable to equity holders of the parent company for the three-months period ended 30 June 2023 from KD 35,812 to KD 158,029 after adjustments. As a result of this, the basic and diluted earnings per share for that period were adjusted by KD 0.81 fils from KD 0.24 fils to KD 1.05 fils. Please refer to note 11.