

**MABANEE COMPANY K.P.S.C. AND SUBSIDIARIES**



**Interim Condensed Consolidated Financial Information  
and  
Independent Auditors' Review Report  
for the three months period ended 31 March 2024  
(Unaudited)**

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## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS' OF MABANEE COMPANY K.P.S.C.**

### **Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Mabane Company K.P.S.C. (the “Parent Company”) and its subsidiaries (collectively the “Group”) as at 31 March 2024 and the related interim condensed consolidated statement of income, 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 three months period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard IAS 34 - *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

### **Scope of Review**

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

### **Conclusion**

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

### **Report on 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 Articles of Association and Memorandum of Incorporation, as amended, during the three months period ended 31 March 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 the Capital Markets Authority “CMA” and organisation of security activity and its executive regulations, as amended, during the three months period ended 31 March 2024 that might have a material effect on the business of the Parent Company or on its financial position.

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6 May 2024  
Kuwait

MABANEE COMPANY K.P.S.C. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2024

	Notes	Kuwaiti Dinars		
		31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property and equipment	3	144,337,108	145,142,971	149,269,561
Investment properties	4	943,081,876	895,775,100	788,966,383
Investments in associates	5	53,466,434	53,256,704	44,386,617
Right-of-use assets	6	17,441,912	19,562,860	18,159,170
Advance payments and prepayments		53,251,499	53,705,184	62,022,362
Investment securities		1,910,251	1,910,251	1,911,779
		<b>1,213,489,080</b>	<b>1,169,353,070</b>	<b>1,064,715,872</b>
<b>Current assets</b>				
Receivable from associates	11	315,205	1,074,012	376,259
Accounts receivable and other assets		24,850,574	23,753,677	14,630,766
Cash and bank balances	7	196,636,176	163,877,003	90,049,225
		<b>221,801,955</b>	<b>188,704,692</b>	<b>105,056,250</b>
<b>TOTAL ASSETS</b>		<b>1,435,291,035</b>	<b>1,358,057,762</b>	<b>1,169,772,122</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	12	131,618,459	131,618,459	124,168,358
Share premium		16,505,381	16,505,381	16,505,381
Statutory reserve		76,170,749	76,170,749	69,287,515
Voluntary reserve		76,170,749	76,170,749	69,287,515
Treasury shares		(319,340)	-	(195,061)
Treasury shares reserve		-	-	10,778
Foreign currency translation reserve		4,438,765	4,577,837	6,548,429
Fair value reserve		(1,338,876)	(1,338,876)	(1,340,088)
Other reserves		(2,028,657)	(2,028,657)	(972,684)
Retained earnings		316,314,888	318,474,596	290,489,407
<b>Equity attributable to the equity holders of the Parent Company</b>		<b>617,532,118</b>	<b>620,150,238</b>	<b>573,789,550</b>
<b>Non-controlling interest</b>		<b>81,842,666</b>	<b>80,698,985</b>	<b>79,428,622</b>
<b>Total equity</b>		<b>699,374,784</b>	<b>700,849,223</b>	<b>653,218,172</b>
<b>Non-current liabilities</b>				
Provision for staff indemnity		5,823,415	4,054,863	3,679,442
Finance from banks	8	522,687,135	507,864,377	363,499,566
Lease liabilities		8,992,893	9,011,328	12,334,752
Other non-current liabilities		41,312,085	37,746,886	36,748,525
		<b>578,815,528</b>	<b>558,677,454</b>	<b>416,262,285</b>
<b>Current liabilities</b>				
Finance from banks	8	85,847,347	40,328,629	37,196,507
Lease liabilities		8,852,398	8,789,840	6,087,186
Trade and other payables		62,400,978	49,412,616	57,007,972
		<b>157,100,723</b>	<b>98,531,085</b>	<b>100,291,665</b>
<b>Total liabilities</b>		<b>735,916,251</b>	<b>657,208,539</b>	<b>516,553,950</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,435,291,035</b>	<b>1,358,057,762</b>	<b>1,169,772,122</b>

  
 Mohammad Abdulaziz Alshaya  
 Chairman

The accompanying notes 1 to 14 are an integral part of this interim condensed consolidated financial information.

**MABANEE COMPANY K.P.S.C. AND SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)**

**For the period ended 31 March 2024**

		Kuwaiti Dinars	
		Three-months period ended 31 March	
	Notes	2024	2023
<b>REVENUE</b>			
Revenue from investment properties		<b>28,930,657</b>	27,052,014
Revenue from hotel operations		<b>4,175,686</b>	4,033,796
		<b>33,106,343</b>	31,085,810
<b>COST OF REVENUE</b>			
Investment properties' expenses		<b>(6,600,862)</b>	(5,039,872)
Depreciation on investment properties	4	<b>(2,834,550)</b>	(2,834,430)
Hotel operation expenses		<b>(2,863,366)</b>	(2,856,188)
Depreciation on hotel properties	3	<b>(1,076,382)</b>	(1,066,943)
		<b>(13,375,160)</b>	(11,797,433)
<b>GROSS PROFIT</b>		<b>19,731,183</b>	19,288,377
General and administrative expenses		<b>(1,963,940)</b>	(1,258,716)
Finance costs		<b>(3,712,166)</b>	(2,286,243)
Other income		<b>2,853,952</b>	752,367
Share of results from associates		<b>160,987</b>	80,216
<b>PROFIT BEFORE DEDUCTIONS</b>		<b>17,070,016</b>	16,576,001
Contribution to KFAS		<b>(172,256)</b>	(166,868)
Contribution to NLST		<b>(473,843)</b>	(424,930)
Contribution to Zakat		<b>(189,537)</b>	(169,972)
<b>PROFIT FOR THE PERIOD</b>		<b>16,234,380</b>	15,814,231
<b>ATTRIBUTABLE TO:</b>			
Equity holders of the Parent Company		<b>16,261,272</b>	15,862,014
Non-controlling interests		<b>(26,892)</b>	(47,783)
		<b>16,234,380</b>	15,814,231
<b>Basic earnings per share attributable to the equity holders of parent company</b>			
	10	<b>11.66 Fils</b>	11.37 fils

The accompanying notes 1 to 14 are an integral part of this interim condensed consolidated financial information.

**MABANEE COMPANY K.P.S.C. AND SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**

**For the period ended 31 March 2024**

	Kuwaiti Dinars	
	Three-months period ended 31 March	
	<b>2024</b>	2023
<b>Profit for the period</b>	<b>16,234,380</b>	15,814,231
<b>Other comprehensive items:</b>		
<i>Items that will not be reclassified to interim condensed consolidated statement of income in subsequent periods:</i>		
Change in fair value of equity instruments at fair value through other comprehensive income ("FVOCI")	-	1,511
<i>Items that are or may be reclassified subsequently to interim condensed consolidated statement of income:</i>		
Exchange differences on translating foreign operations	<b>(73,332)</b>	350,852
<b>Other comprehensive (loss) income for the period</b>	<b>(73,332)</b>	352,363
<b>Total comprehensive income for the period</b>	<b>16,161,048</b>	16,166,594
<b>Attributable to:</b>		
Equity holders of the Parent Company	<b>16,122,200</b>	16,163,456
Non-controlling interest	<b>38,848</b>	3,138
	<b>16,161,048</b>	16,166,594

The accompanying notes 1 to 14 are an integral part of this interim condensed consolidated financial information.

**MABANEE COMPANY K.P.S.C. AND SUBSIDIARIES**
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDIED)**
**For the period ended 31 March 2024**

	Kuwaiti Dinars												
	Equity attributable to equity holders of the Parent Company												
	Share capital	Share premium	Statutory reserve	Voluntary reserve	Treasury shares	Treasury shares reserve	Foreign currency translation reserve	Fair value reserve	Other reserve	Retained earnings	Sub total	Non-controlling interest	Total Equity
<b>As at 1 January 2024 (Audited)</b>	<b>131,618,459</b>	<b>16,505,381</b>	<b>76,170,749</b>	<b>76,170,749</b>	-	-	<b>4,577,837</b>	<b>(1,338,876)</b>	<b>(2,028,657)</b>	<b>318,474,596</b>	<b>620,150,238</b>	<b>80,698,985</b>	<b>700,849,223</b>
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	16,261,272	16,261,272	(26,892)	16,234,380
Other comprehensive (loss) income for the period	-	-	-	-	-	-	(139,072)	-	-	-	(139,072)	65,740	(73,332)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(139,072)	-	-	16,261,272	16,122,200	38,848	16,161,048
Transfer to dividends payable (Note 12)	-	-	-	-	-	-	-	-	-	(18,420,980)	(18,420,980)	-	(18,420,980)
Non-controlling interest contribution plan (Note 4)	-	-	-	-	-	-	-	-	-	-	-	1,104,833	1,104,833
Purchase of treasury shares	-	-	-	-	(319,340)	-	-	-	-	-	(319,340)	-	(319,340)
<b>As at 31 March 2024</b>	<b>131,618,459</b>	<b>16,505,381</b>	<b>76,170,749</b>	<b>76,170,749</b>	<b>(319,340)</b>	-	<b>4,438,765</b>	<b>(1,338,876)</b>	<b>(2,028,657)</b>	<b>316,314,888</b>	<b>617,532,118</b>	<b>81,842,666</b>	<b>699,374,784</b>
<b>As at 1 January 2023 (Audited)</b>	<b>124,168,358</b>	<b>16,505,381</b>	<b>69,287,515</b>	<b>69,287,515</b>	-	10,778	6,248,498	(1,341,599)	(972,684)	292,007,348	575,201,110	78,628,651	653,829,761
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	15,862,014	15,862,014	(47,783)	15,814,231
Other comprehensive income for the period	-	-	-	-	-	-	299,931	1,511	-	-	301,442	50,921	352,363
Total comprehensive income for the period	-	-	-	-	-	-	299,931	1,511	-	15,862,014	16,163,456	3,138	16,166,594
Transfer to dividends payable (Note 12)	-	-	-	-	-	-	-	-	-	(17,379,955)	(17,379,955)	-	(17,379,955)
Non-controlling interest contribution plan (Note 4)	-	-	-	-	-	-	-	-	-	-	-	796,833	796,833
Purchase of treasury shares	-	-	-	-	(195,061)	-	-	-	-	-	(195,061)	-	(195,061)
<b>As at 31 March 2023</b>	<b>124,168,358</b>	<b>16,505,381</b>	<b>69,287,515</b>	<b>69,287,515</b>	<b>(195,061)</b>	<b>10,778</b>	<b>6,548,429</b>	<b>(1,340,088)</b>	<b>(972,684)</b>	<b>290,489,407</b>	<b>573,789,550</b>	<b>79,428,622</b>	<b>653,218,172</b>

The accompanying notes 1 to 14 are an integral part of this interim condensed consolidated financial information.

**MABANEE COMPANY K.P.S.C. AND SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
**For the period ended 31 March 2024**

	Notes	Kuwaiti Dinars	
		Three months period ended	
		31 March	
		2024	2023
<b>Operating activities</b>			
Profit before contribution to KFAS, NLST and Zakat		<b>17,070,016</b>	16,576,001
Adjustments for:			
Depreciation	3&4	<b>4,177,271</b>	4,018,683
Depreciation of rights-of-use assets	6	<b>2,114,264</b>	1,483,114
Provision for staff indemnity		<b>1,716,440</b>	364,630
Net investment loss		-	11,077
Share of results from associates	5	<b>(160,987)</b>	(80,216)
Finance costs		<b>3,712,166</b>	2,286,243
		<b>28,629,170</b>	24,659,532
<i>Movements in working capital:</i>			
Receivables from associates		<b>758,807</b>	(168,184)
Accounts receivable and other assets and prepayments		<b>(544,076)</b>	(2,896,362)
Trade and other payables		<b>(13,184,202)</b>	4,179,892
Other non-current liabilities		<b>444</b>	(209,106)
<b>Cash generated from operations</b>		<b>15,660,143</b>	25,565,772
Payment of staff indemnity		<b>(42,113)</b>	(149,784)
Payment of KFAS, NLST and Zakat		<b>(3,108,882)</b>	-
<b>Net cash flow from operating activities</b>		<b>12,509,148</b>	25,415,988
<b>Investing activities</b>			
Additions to property and equipment	3	<b>(533,118)</b>	(118,433)
Additions to investment properties and advances paid		<b>(25,228,181)</b>	(40,127,932)
Additional investment in associate	5	-	(1,016,459)
Investment in term deposit in excess of three months	7	<b>(9,344,772)</b>	(17,906,897)
<b>Net cash flow used in investing activities</b>		<b>(35,106,071)</b>	(59,169,721)
<b>Financing activities</b>			
Finance from banks obtained		<b>63,714,150</b>	30,488,718
Finance from banks repaid		<b>(3,766,670)</b>	(18,788,658)
Repayment of principal on lease liabilities		<b>(152,868)</b>	(209,265)
Repayment of interest on lease liabilities		<b>(205,751)</b>	(88,038)
Finance costs paid		<b>(8,847,146)</b>	(5,615,880)
Prepayments of bank fees		<b>(4,747,261)</b>	-
Purchase of treasury shares		<b>(319,340)</b>	(195,061)
Funding from non-controlling interest	4	<b>1,104,833</b>	796,833
<b>Net cash generated from financing activities</b>		<b>46,779,947</b>	6,388,649
<b>Net increase (decrease) in cash and bank balances</b>		<b>24,183,024</b>	(27,365,084)
Effect of foreign currency translation		<b>(768,623)</b>	(212,190)
Cash and bank balances at beginning of the period		<b>12,702,598</b>	69,973,512
<b>Cash and bank balances at end of the period</b>	7	<b>36,116,999</b>	42,396,238

The accompanying notes 1 to 14 are an integral part of this interim condensed consolidated financial information.



**1. ESTABLISHMENT AND PRINCIPAL ACTIVITIES**

Mabane Company K.P.S.C. (the "Parent Company") is a Kuwaiti Shareholding Company and was established and registered in Kuwait in 1964. The objectives of the Parent Company are as follows:

- ▶ Construction of buildings in prefabricated units and carrying out other construction works. For doing the same, the Parent Company may:
  - Establish factories and plants in order to achieve its objectives.
  - Trade in all materials, tools and machines associated with the nature of its business.
  - Carry out construction works.
  - Investing in construction, reconstruction and housing operations.
- ▶ Establish buildings, shopping malls, commercial exhibitions, stores, and different warehouses for itself and others', as well as sale, rent, manage and maintenance of those owned by others.
- ▶ Export, and import all types of materials, tools, equipment and others that are related to nature of the Parent Company's activity.
- ▶ Own, sale, and purchase of real estate properties and lands and developing them for the Parent Company's account inside and outside the State of Kuwait, as well as management of third parties' properties, all with no prejudice to the provisions set out in the applicable laws, which prohibit trading in private residential plots as stipulated by virtue of such laws.
- ▶ Own, sale, and purchase of shares and bonds of the real estate companies for the benefit of the Parent Company inside and outside Kuwait only.
- ▶ Prepare studies, provide consultations in real estate fields (of all types) provided that the service provider should meet the required conditions.
- ▶ Own, manage, lease, and rent hotels, health clubs and touristic utilities.
- ▶ Carry out all maintenance work related to buildings and real estate owned by the Parent Company and others, including steel and aluminium works, maintenance work, civil works, including sanitary works, paints, mechanical, electrical, elevators and air conditioning works including extensions and spare parts, and other complementary works for buildings and constructions to ensure the preservation of buildings and their safety.
- ▶ Manage, operate, invest, rent and lease hotels, health clubs, motels, hosting houses, rest places, parks and gardens, exhibitions, restaurants, cafes, residential complexes, touristic and health resorts, entertainment and sport projects, and shops of all levels and classes including all main and sub services, in addition to related utilities and other services.
- ▶ Organize real estate exhibitions for the Parent Company's real estate projects according to the regulations adopted in the ministry.
- ▶ Holding real estate auctions.
- ▶ Own and manage commercial shopping malls and residential complexes.
- ▶ Develop and manage real estate investment funds only rather than carrying out other types of utilizations and investment of funds for others.
- ▶ Utilize the Parent Company's financial surpluses through investment in financial and real estate portfolios managed by specialized authorities.
- ▶ Direct contribution to the development of infrastructure for residential, commercial and industrial areas and projects under BOT and management of real estate facilities under BOT.

The Parent Company may carry out similar, complementary business or works that are essential or related to its business. The Parent Company may carry out the above business in the state of Kuwait or outside by itself or through agency. The Parent Company may establish its branches inside and outside State of Kuwait. Also, the Parent Company may have an interest or be involved in any way with the entities that are engaged in similar activities or that may assist the Parent Company in achieving its objectives in Kuwait and abroad. The Parent Company may also buy these entities or merge with them.

The Parent Company is listed on the Boursa Kuwait.

**1. ESTABLISHMENT AND PRINCIPAL ACTIVITIES (CONTINUED)**

The Parent Company is an associate of Alshaya United Company W.L.L and National Industries Group (Holding) K.P.S.C. The registered address of the Parent Company is P.O. Box 5132, Safat 13052, Kuwait.

The interim condensed consolidated financial information includes the interim financial information of the Parent Company, its subsidiaries and Hotels (together referred to as "the Group").

The Annual General Meeting ("AGM") of the shareholders of the Parent Company held on 7 March 2024 approved the Group's consolidated financial statements for the year ended 31 December 2023.

This interim condensed consolidated financial information for the period ended 31 March 2024 were authorised for issue by the Board of Directors on 6 May 2024.

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

This interim condensed consolidated financial information of the Group is prepared in accordance with IAS 34: Interim Financial Reporting. The accounting policies used in the preparation of these interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2023.

This interim condensed consolidated financial information does not contain all information and disclosures required for complete consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included in this interim condensed consolidated financial information. Operating results for the three months ended 31 March 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars ("KD").

Certain prior period amounts have been reclassified in order to conform to the current period presentation. Such reclassifications do not affect previously reported assets, liabilities, equity and profit for the period.

Amendments and annual improvements to IFRS, relevant to the Group which are effective for annual reporting period starting from 1 January 2024 did not result in any material impact on the accounting policies, financial position or performance of the Group.

**MABANEE COMPANY K.P.S.C. AND SUBSIDIARIES**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**  
For the period ended 31 March 2024

**3. PROPERTY AND EQUIPMENT**

	Kuwaiti Dinars				
	Land	Buildings	Fixture and office equipment	Tools and motor vehicles	Total
<b>Cost</b>					
At 31 December 2023	5,648,543	139,550,877	18,516,999	1,325,538	165,041,957
Additions	-	-	523,079	10,039	533,118
Foreign currency translation	677	405	4,917	963	6,962
<b>At 31 March 2024</b>	<b>5,649,220</b>	<b>139,551,282</b>	<b>19,044,995</b>	<b>1,336,540</b>	<b>165,582,037</b>
<b>Accumulated depreciation</b>					
At 31 December 2023	-	8,366,875	10,686,078	846,033	19,898,986
Charge for the period	-	729,368	559,888	53,465	1,342,721
Foreign currency translation	-	126	2,563	533	3,222
<b>At 31 March 2024</b>	<b>-</b>	<b>9,096,369</b>	<b>11,248,529</b>	<b>900,031</b>	<b>21,244,929</b>
<b>Carrying amount</b>					
<b>At 31 March 2024</b>	<b>5,649,220</b>	<b>130,454,913</b>	<b>7,796,466</b>	<b>436,509</b>	<b>144,337,108</b>
At 31 December 2023	5,648,543	131,184,002	7,830,921	479,505	145,142,971

Depreciation charge amounting to KD 1,076,382 (31 March 2023: KD 1,066,943) has been allocated to cost of revenue for the hotels, and the remaining has been charged to general and administrative expenses in the interim condensed consolidated statement of income.

**MABANEE COMPANY K.P.S.C. AND SUBSIDIARIES**  
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**3. PROPERTY AND EQUIPMENT (CONTINUED)**

	Kuwaiti Dinars				Total
	Land	Buildings	Fixture and office equipment	Tools and motor vehicles	
Cost					
At 31 December 2022	5,648,073	140,055,283	17,297,744	1,047,374	164,048,474
Additions	-	39,983	73,419	5,031	118,433
Foreign currency translation	12	157	319	355	843
At 31 March 2023	<u>5,648,085</u>	<u>140,095,423</u>	<u>17,371,482</u>	<u>1,052,760</u>	<u>164,167,750</u>
Accumulated depreciation					
At 31 December 2022	-	4,427,634	8,601,800	677,365	13,706,799
Charge for the period	-	735,353	432,564	16,336	1,184,253
Foreign currency translation	-	32	6,944	161	7,137
At 31 March 2023	<u>-</u>	<u>5,163,019</u>	<u>9,041,308</u>	<u>693,862</u>	<u>14,898,189</u>
Carrying amount					
At 31 March 2023	<u>5,648,085</u>	<u>134,932,404</u>	<u>8,330,174</u>	<u>358,898</u>	<u>149,269,561</u>

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**4. INVESTMENT PROPERTIES**

	Kuwaiti Dinars		
	31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)
<b>Cost</b>			
At beginning of the period/year	1,011,503,760	867,734,520	867,734,520
Additions	49,300,872	143,675,240	28,345,300
Foreign currency translation reserve	840,454	94,000	111,944
	<b>1,061,645,086</b>	<b>1,011,503,760</b>	<b>896,191,764</b>
<b>Accumulated depreciation</b>			
At beginning of the period/year	(115,728,660)	(104,390,951)	(104,390,951)
Charge for the period/year	(2,834,550)	(11,337,709)	(2,834,430)
	<b>(118,563,210)</b>	<b>(115,728,660)</b>	<b>(107,225,381)</b>
<b>Carrying amount</b>	<b>943,081,876</b>	<b>895,775,100</b>	<b>788,966,383</b>
Annual depreciation rates	<b>2% - 3.33%</b>	<b>2% - 3.33%</b>	<b>2% - 3.33%</b>

Investment properties comprise of the following:

	Kuwaiti Dinars		
	31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)
<b>Kuwait</b>			
Completed properties	471,232,777	474,067,327	482,571,863
Properties under development	962,022	902,376	-
Owned land	7,815,724	7,815,724	7,815,724
	<b>480,010,523</b>	<b>482,785,427</b>	<b>490,387,587</b>
<b>KSA</b>			
Properties under development	302,237,417	257,509,109	143,198,971
Owned land*	155,807,067	155,480,564	155,379,825
	<b>458,044,484</b>	<b>412,989,673</b>	<b>298,578,796</b>
<b>Others</b>			
Owned land	5,026,869	-	-
	<b>5,026,869</b>	<b>-</b>	<b>-</b>
	<b>943,081,876</b>	<b>895,775,100</b>	<b>788,966,383</b>

The additions represent cost amounting to KD 44,197,397 (31 December 2023: KD 142,772,864 and 31 March 2023: KD 28,345,300) incurred on the development of property projects in "Kingdom of Saudi Arabia". This includes borrowing costs of KD 6,923,978 (31 December 2023: KD 15,713,169 and 31 March 2023: KD 3,417,675) capitalized during the period at an annual capitalization rate of 4.46% to 5.84% (31 December 2023: 3.79% to 5.56%, 31 March 2023: 3.58% to 3.79%). No depreciation has been charged as the property is still under development.

The additions include transactions of KD 1,104,833 (31 December 2023: KD 957,424, 31 March 2023: KD 796,833) representing amounts paid by minority shareholder for investment properties developed during the period.

Management has estimated the economic useful life for 'The Avenues - Kuwait' to be 50 years.

The underlying lease on which The Avenues Mall, Kuwait, is constructed has been renewed for a period of five years ending September 2025, with no major change in terms and conditions except annual lease payments been modified in current period.

As on 31 March 2024, the Group has not identified any significant impact on the carrying values of its investment properties.

\*Owned land in KSA amounting to KD 110,743,596 (31 December 2023: KD 110,509,877 and 31 March 2023: KD 110,438,275) has been pledged with banks (Note 8).

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There has been no change in the valuation techniques as compared to the prior period. All of the Group's investment properties are included in level 3 of fair value hierarchy. During the period ended 31 March 2024, there were no transfers between the levels.

**5. INVESTMENT IN ASSOCIATES**

	Kuwaiti Dinars		
	31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)
Opening balance	53,256,704	43,300,716	43,300,716
Increase in investment	-	9,851,259	1,016,459
Share of results from the associates	160,987	237,306	80,216
Foreign currency translation	48,743	(132,577)	(10,774)
<b>Closing balance</b>	<b>53,466,434</b>	<b>53,256,704</b>	<b>44,386,617</b>

**6. RIGHT OF USE ASSETS**

	Kuwaiti Dinars		
	31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)
Opening balance	19,562,860	19,552,487	19,552,487
Additions	-	7,814,230	59,954
Disposal / Derecognize	(7,855)	(13,799)	-
Charge for the period/ year	(2,114,264)	(7,820,532)	(1,483,114)
Foreign currency translation	1,171	30,474	29,843
<b>Closing balance</b>	<b>17,441,912</b>	<b>19,562,860</b>	<b>18,159,170</b>

**7. CASH AND BANK BALANCES**

Cash and bank balances include the following amounts:

	Kuwaiti Dinars		
	31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)
Cash in hand	66,543	68,419	112,177
Current and call account with banks	28,577,589	10,963,670	15,618,848
Deposits with original maturities up to three months	7,472,867	1,670,509	26,665,213
Cash and bank balances in the interim condensed consolidated statement of cash flows	36,116,999	12,702,598	42,396,238
Deposits with original maturities after three months	160,519,177	151,174,405	47,652,987
	<b>196,636,176</b>	<b>163,877,003</b>	<b>90,049,225</b>

Deposits are placed with local and regional commercial banks in Kuwaiti Dinars and Saudi Riyals. The effective interest rates on these deposits as at 31 March 2024 were 4.55% to 6.30% (31 December 2023: 4.05% to 6.30%, 31 March 2023: 4.05% to 5.9%) per annum.

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**8. FINANCE FROM BANKS**

	Kuwaiti Dinars		
	<b>31 March 2024 (Unaudited)</b>	31 December 2023 (Audited)	31 March 2023 (Unaudited)
<b>Current</b>			
Murabaha and islamic finance	<b>49,343,395</b>	37,288,903	37,196,507
Bank overdraft facilities	<b>36,503,952</b>	3,039,726	-
	<b>85,847,347</b>	40,328,629	37,196,507
<b>Non-Current</b>			
Murabaha and islamic finance	<b>522,687,135</b>	507,864,377	363,499,566
	<b>522,687,135</b>	507,864,377	363,499,566
	<b>608,534,482</b>	548,193,006	400,696,073

	Kuwaiti Dinars		
	<b>31 March 2024 (Unaudited)</b>	31 December 2023 (Audited)	31 March 2023 (Unaudited)
Finance from banks in KWD	<b>406,705,445</b>	377,007,888	296,189,945
Finance from banks in SAR equivalent to KWD	<b>201,829,037</b>	171,185,118	104,506,128
	<b>608,534,482</b>	548,193,006	400,696,073

The following assets has been pledged to the lender banks against the obtained finance from banks.

	Kuwaiti Dinars		
	<b>31 March 2024 (Unaudited)</b>	31 December 2023 (Audited)	31 March 2023 (Unaudited)
Owned land in KSA (Note 4)	<b>110,743,596</b>	110,509,877	110,438,275

**9. SEGMENT REPORTING**

The Group is organised into functional divisions in order to manage its various lines of business. The reported segment profits are based on internal management reporting information that is regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance and is reconciled to the Group's profit or loss. Segment performance is evaluated based on operating profit or loss as explained in the table below. The Group has following reportable segments:

- ▶ Construction and real estate operations: consist of leasing of properties, real estate development, projects leasing and the construction activity for self or others.
- ▶ Hospitality operations: consist of the hotel services provided through Hilton Garden Inn and Waldorf Astoria Hotel, Kuwait.

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Segment reporting information for the three months period ended 31 March is as follows:

		Kuwaiti Dinars							
		Three-months period ended 31 March							
		Construction and real estate Investment		Hotel operations		Unallocated		Total	
		2024	2023	2024	2023	2024	2023	2024	2023
Segment revenue		<b>29,091,644</b>	27,147,996	<b>4,175,686</b>	4,033,796	<b>2,853,952</b>	736,601	<b>36,121,282</b>	31,918,393
Segment expenses		<b>(14,493,437)</b>	(10,921,939)	<b>(3,939,748)</b>	(4,141,221)	<b>(1,453,717)</b>	(1,041,002)	<b>(19,886,902)</b>	(16,104,162)
Segment results		<b>14,598,207</b>	16,226,057	<b>235,938</b>	(107,425)	<b>1,400,235</b>	(304,401)	<b>16,234,380</b>	15,814,231
Segment assets		<b>1,284,710,019</b>	1,013,023,563	<b>142,024,246</b>	148,239,030	<b>8,556,770</b>	8,509,529	<b>1,435,291,035</b>	1,169,772,122
Segment liabilities		<b>728,683,614</b>	501,591,388	<b>5,550,126</b>	13,330,988	<b>1,682,511</b>	1,631,574	<b>735,916,251</b>	516,553,950

		Three-months period ended 31 March							
		Kuwait		Saudi Arabia		Others		Total	
		2024	2023	2024	2023	2024	2023	2024	2023
Segment revenue		<b>35,513,125</b>	31,650,579	<b>169,653</b>	-	<b>438,504</b>	267,814	<b>36,121,282</b>	31,918,393
Segment expenses		<b>(19,451,321)</b>	(15,738,942)	<b>(314,543)</b>	(120,655)	<b>(121,038)</b>	(244,565)	<b>(19,886,902)</b>	(16,104,162)
Segment results		<b>16,061,804</b>	15,911,637	<b>(144,890)</b>	(120,655)	<b>317,466</b>	23,249	<b>16,234,380</b>	15,814,231

		Kuwait			Saudi Arabia			Others			Total		
		31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)	31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)	31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)	31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)
Segment assets		<b>905,620,167</b>	876,232,986	798,434,119	<b>494,282,932</b>	446,649,330	345,918,913	<b>35,387,936</b>	35,175,446	25,419,090	<b>1,435,291,035</b>	1,358,057,762	1,169,772,122
Segment liabilities		<b>451,322,748</b>	404,253,636	322,672,657	<b>282,836,482</b>	251,159,640	176,574,159	<b>1,757,021</b>	1,795,263	17,307,134	<b>735,916,251</b>	657,208,539	516,553,950



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**10. BASIC AND DILUTED EARNINGS PER SHARE**

Basic and diluted earnings per share are computed by dividing profit for the period attributable to equity holders of the Parent Company by the weighted average number of shares outstanding during the period. There are no potential dilutive ordinary shares. The information necessary to calculate basic earnings per share based on the weighted average number of share outstanding during the period is as follows.

	Kuwaiti Dinars	
	<b>Three-months period ended 31 March</b>	
	<b>2024</b>	2023
Profit for the period attributable to equity holders of the Parent Company	<b>16,261,272</b>	15,862,014
	Shares	
Weighted average number of outstanding shares during the period:		
Issued shares*	<b>1,395,155,663</b>	1,395,155,663
Weighted average treasury shares	<b>(209,470)</b>	(34,321)
Total	<b>1,394,946,193</b>	1,395,121,342
Basic earnings per share	<b>11.66 fils</b>	11.37 fils

\* Earnings per share calculations for the prior period have been adjusted to account of the bonus shares proposed to be issued in 2024 (Note 12).

**11. RELATED PARTY DISCLOSURES**

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

**Balances:**

Balances with related parties included in the interim condensed consolidated statement of financial position are as follows:

	Kuwaiti Dinars		
	<b>31 March 2024</b> <b>(Unaudited)</b>	31 December 2023 (Audited)	31 March 2023 (Unaudited)
<b>Right of use assets ("ROU")</b>			
Office premises	<b>644,136</b>	674,809	766,828
<b>Accounts receivable and prepayments</b>			
Lease and other receivables from lessees	<b>347,792</b>	720,691	1,912,033
Receivables from associate on demand "The amount receivable is interest free"	<b>315,205</b>	1,074,012	376,259

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**11. RELATED PARTY DISCLOSURES (CONTINUED)**

	Kuwaiti Dinars		
	<b>31 March 2024 (Unaudited)</b>	31 December 2023 (Audited)	31 March 2023 (Unaudited)
<b>Lease liabilities</b>	<b>594,425</b>	733,636	713,748
<b>Property and equipment</b>			
Property and equipment	<b>217,582</b>	181,826	-
<b>Trade and other payables</b>			
Rent received in advance within one year	<b>1,931,464</b>	741,962	3,938,831

**Transactions:**

Transactions with related parties included in the interim condensed consolidated statement of income are as follows:

	Kuwaiti Dinars	
	<b>Three months period ended 31 March</b>	
	<b>2024</b>	2023
Revenue	<b>4,260,036</b>	4,343,722
Expenses	<b>87,555</b>	32,620
Management fee (included in revenue from investment properties)	<b>316,360</b>	316,943

**Compensation of key management personnel:**

The remuneration of directors and other members of key management during the period are as follows:

	Kuwaiti Dinars	
	<b>Three months period ended 31 March</b>	
	<b>2024</b>	2023
Salaries and other short-term benefits	<b>342,141</b>	235,107
Termination benefits	<b>1,014,546</b>	27,496
	<b>1,356,687</b>	262,603

Directors' remuneration of KD 730,000 for the year ended 31 December 2023 was approved by the shareholders at the AGM held on 7 March 2024.

**12. ANNUAL GENERAL MEETING**

The issued and fully paid up share capital of the Parent Company as at 31 March 2024 is KD 131,618,459 consisting of 1,316,184,588 shares of 100 fils each (31 December 2023: KD 131,618,459 consisting of 1,316,184,588 shares of 100 fils each and 31 March 2023: KD 124,168,358 consisting of 1,241,683,574 shares of 100 fils each).

The Ordinary General Assembly meeting of the shareholders held on 7 March 2024 approved cash dividend of 14 fils per share (2022: 14 fils per share) and 6% bonus shares for the year ended 2023 (2022: 6%). The cash dividend payable amounted to KD 18,420,980 (2022: KD 17,379,955) is included in trade and other payables. The bonus shares will increase the number of issued and fully paid shares by 78,971,075 shares (2022: 74,501,014 shares) and increase in share capital by KD 7,897,108 (2022: KD 7,450,101). Subsequent to the balance sheet date, on 7 April 2024, bonus shares and cash dividend were distributed.

**12. ANNUAL GENERAL MEETING (CONTINUED)**

In accordance with the resolution of the Extraordinary Assembly General meeting held on March 9, 2023, the authorized capital of the Parent Company was approved to become KWD 155,000,000 (one hundred and fifty-five million Kuwaiti Dinars only) distributed over 1,550,000,000 shares, and the commercial register has been updated during the prior period with the increase in authorized capital.

**13. COMMITMENTS AND CONTINGENT LIABILITIES**

The Group's management has approved future capital expenditure amounting to KD 776,352,276 (31 December 2023: KD 793,571,745 and 31 March 2023: KD 329,484,373).

The Group has secured debt in place to finance the project expansions with the value of the debt undrawn as of March 31, 2024 amounting to KD 637,802,313 which is part of the debt plan in addition to the shareholder's funding.

As at 31 March 2024, the Group has given letters of credit, bank guarantees and corporate guarantee amounting to KD 79,750,405 (31 December 2023: KD 79,626,765 and 31 March 2023: KD 40,106,979).

**14. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Financial instruments comprise of financial assets and financial liabilities. Financial assets consist of receivable from associates, account receivables, investment securities at fair value through profit or loss, investment securities at fair value through other comprehensive income and cash and bank balances. Financial liabilities consist of other non-current liabilities, Finance from banks and trade and other payables.

**Fair value**

The Group's financial assets carried at fair value in the consolidated interim condensed statement of financial position date were determined by reference to published price quotations. The fair values of financial instruments that are carried at amortized cost are not significantly different from book value as the majority are short-term in nature.

The table below analyses financial instruments carried at fair value, by valuation methods. The different levels have been defined as follows:

- ▶ Level 1: Quoted prices (unadjusted) market prices in active markets for identical assets or liabilities.
- ▶ Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- ▶ Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The impact on the interim condensed consolidated statement of financial position or the interim condensed consolidated statement of changes in equity is immaterial, if the relevant risk variables used to determine fair values for the unquoted securities are altered by 5%.

There has been no change in the valuation techniques as compared to the prior period. During the period ended 31 March 2024, there were no transfers between the levels.