

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



**Interim Condensed Consolidated Financial Information
And
Independent Auditors' Review Report
For The Six Months Period Ended 30 June 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 30 June 2024 and the related interim condensed consolidated statement of income, interim condensed consolidated statement of comprehensive income for the three month and six month periods then ended, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six month 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

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 six months 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 months period ended 30 June 2024 that might have a material effect on the business of the Parent Company or on its financial position.



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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2024

		Kuwaiti Dinars		
		30 June 2024	31 December 2023	30 June 2023
		(Unaudited)	(Audited)	(Unaudited)
ASSETS	Notes			
ASSETS				
Non-current assets				
Property and equipment	4	143,162,973	145,142,971	147,796,866
Investment properties	5	996,968,555	895,775,100	814,511,476
Investments in associates	6	54,221,132	53,256,704	46,605,274
Advance payments and prepayments	7	55,856,866	53,705,184	61,747,318
Right of use assets	8	15,302,153	19,562,860	23,785,060
Investment securities		1,852,458	1,910,251	1,911,779
		<u>1,267,364,137</u>	<u>1,169,353,070</u>	<u>1,096,357,773</u>
Current assets				
Receivable from associates	14	375,739	1,074,012	958,454
Accounts receivable and other assets		28,313,308	23,753,677	12,443,763
Cash and bank balances	9	162,057,598	163,877,003	77,385,746
		<u>190,746,645</u>	<u>188,704,692</u>	<u>90,787,963</u>
TOTAL ASSETS		<u>1,458,110,782</u>	<u>1,358,057,762</u>	<u>1,187,145,736</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	15	139,515,566	131,618,459	131,618,459
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	16	(235,484)	-	(273,882)
Treasury shares reserve		1,509	-	19,915
Foreign currency translation reserve		4,543,566	4,577,837	6,743,103
Fair value reserve		(1,376,661)	(1,338,876)	(1,340,088)
Other reserves		(2,028,657)	(2,028,657)	(972,684)
Retained earnings		324,813,307	318,474,596	298,920,466
Equity attributable to the equity holders of the Parent Company		<u>634,080,025</u>	<u>620,150,238</u>	<u>589,795,700</u>
Non-controlling interest		82,413,657	80,698,985	79,819,809
Total equity		<u>716,493,682</u>	<u>700,849,223</u>	<u>669,615,509</u>
Non-current liabilities				
Provision for staff indemnity		6,011,814	4,054,863	3,693,334
Finance from banks	11	538,127,553	507,864,377	369,096,516
Lease liabilities	10	862,367	9,011,328	8,706,739
Other non-current liabilities		45,225,890	37,746,886	37,100,970
		<u>590,227,624</u>	<u>558,677,454</u>	<u>418,597,559</u>
Current liabilities				
Finance from banks	11	94,586,065	40,328,629	48,341,753
Lease liabilities	10	8,556,654	8,789,840	8,802,416
Trade and other payables		48,246,757	49,412,616	41,788,499
		<u>151,389,476</u>	<u>98,531,085</u>	<u>98,932,668</u>
Total liabilities		<u>741,617,100</u>	<u>657,208,539</u>	<u>517,530,227</u>
TOTAL EQUITY AND LIABILITIES		<u>1,458,110,782</u>	<u>1,358,057,762</u>	<u>1,187,145,736</u>


 Mohammad Abdulaziz Alshaya
 Chairman

The accompanying notes 1 to 19 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 30 June 2024

		Kuwaiti Dinars			
		Three-months period ended 30 June		Six-months period ended 30 June	
Notes		2024	2023	2024	2023
REVENUE					
	Revenue from investment properties	28,679,959	27,168,166	57,610,616	54,220,180
	Revenue from hotel operations	4,311,731	3,595,932	8,487,417	7,629,728
		32,991,690	30,764,098	66,098,033	61,849,908
COST OF REVENUE					
	Investment properties' expenses	(5,668,064)	(5,496,758)	(12,268,926)	(10,536,630)
	Depreciation on investment properties	(2,834,289)	(2,834,441)	(5,668,839)	(5,668,871)
	Hotel operation expenses	(3,084,480)	(2,662,449)	(5,947,846)	(5,518,637)
	Depreciation on hotel properties	(1,092,178)	(1,074,243)	(2,168,560)	(2,141,186)
		(12,679,011)	(12,067,891)	(26,054,171)	(23,865,324)
GROSS PROFIT					
		20,312,679	18,696,207	40,043,862	37,984,584
	General and administrative expenses	(1,683,885)	(1,682,545)	(3,647,825)	(2,941,261)
	Finance costs	(3,618,157)	(2,599,159)	(7,330,323)	(4,885,402)
	Other income	1,947,949	1,960,503	4,801,901	2,712,870
	Share of results from associates	130,214	230,285	291,201	310,501
	Profit before deductions	17,088,800	16,605,291	34,158,816	33,181,292
	Contribution to KFAS	(169,201)	(167,244)	(341,457)	(334,112)
	Contribution to NLST	(431,656)	(419,981)	(905,499)	(844,911)
	Contribution to Zakat	(172,663)	(167,993)	(362,200)	(337,965)
	Profit for the period	16,315,280	15,850,073	32,549,660	31,664,304
Attributable to:					
	Equity holders of the Parent Company	16,395,526	15,881,160	32,656,798	31,743,174
	Non-controlling interests	(80,246)	(31,087)	(107,138)	(78,870)
		16,315,280	15,850,073	32,549,660	31,664,304
Basic earnings per share attributable to the equity holders of parent company					
		11.75 fils	11.39 fils	23.41 fils	22.76 fils

The accompanying notes 1 to 19 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 30 June 2024

	Kuwaiti Dinars			
	Three-months period ended 30 June		Six-months period ended 30 June	
	2024	2023	2024	2023
Profit for the period	16,315,280	15,850,073	32,549,660	31,664,304
Other comprehensive items:				
<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")	(37,785)	-	(37,785)	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	28,801	295,753	(44,531)	646,605
Other comprehensive (loss)/income for the period	(8,984)	295,753	(82,316)	648,116
Total comprehensive income for the period	16,306,296	16,145,826	32,467,344	32,312,420
Attributable to:				
Equity holders of the Parent Company	16,462,542	16,075,834	32,584,742	32,239,290
Non-controlling interest	(156,246)	69,992	(117,398)	73,130
	16,306,296	16,145,826	32,467,344	32,312,420

The accompanying notes 1 to 19 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 (UNAUDITED)

For the period ended 30 June 2024

	Kuwaiti Dinars												
	Equity attributable to equity holders of the Parent Company												
	Share capital	Share premium	Statutory reserve	Optional reserve	Treasury shares	Treasury shares reserve	Foreign currency translation reserve	Fair value reserve	Other reserve	Retained earnings	Sub total	Non-controlling interest	Total Equity
As at 1 January 2024 (Audited)	131,618,459	16,505,381	76,170,749	76,170,749	-	-	4,577,837	(1,338,876)	(2,028,657)	318,474,596	620,150,238	80,698,985	700,849,223
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	32,656,798	32,656,798	(107,138)	32,549,660
Other comprehensive loss for the period	-	-	-	-	-	-	(34,271)	(37,785)	-	-	(72,056)	(10,260)	(82,316)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(34,271)	(37,785)	-	32,656,798	32,584,742	(117,398)	32,467,344
Dividends for 2023 (Note 15)	-	-	-	-	-	-	-	-	-	(18,420,980)	(18,420,980)	-	(18,420,980)
Issue of bonus shares (Note 15)	7,897,107	-	-	-	-	-	-	-	-	(7,897,107)	-	-	-
Movement in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	1,832,070	1,832,070
Purchase of treasury shares	-	-	-	-	(319,340)	-	-	-	-	-	(319,340)	-	(319,340)
Sale of treasury shares	-	-	-	-	83,856	1,509	-	-	-	-	85,365	-	85,365
As at 30 June 2024	139,515,566	16,505,381	76,170,749	76,170,749	(235,484)	1,509	4,543,566	(1,376,661)	(2,028,657)	324,813,307	634,080,025	82,413,657	716,493,682
As at 1 January 2023 (Audited)	124,168,358	16,505,381	69,287,515	69,287,515	-	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	-	-	-	-	-	-	-	-	-	31,743,174	31,743,174	(78,870)	31,664,304
Other comprehensive income for the period	-	-	-	-	-	-	494,605	1,511	-	-	496,116	152,000	648,116
Total comprehensive income for the period	-	-	-	-	-	-	494,605	1,511	-	31,743,174	32,239,290	73,130	32,312,420
Dividends for 2022 (Note 15)	-	-	-	-	-	-	-	-	-	(17,379,955)	(17,379,955)	-	(17,379,955)
Issue of bonus shares (Note 15)	7,450,101	-	-	-	-	-	-	-	-	(7,450,101)	-	-	-
Movement in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	1,118,028	1,118,028
Purchase of treasury shares	-	-	-	-	(355,862)	-	-	-	-	-	(355,862)	-	(355,862)
Sale of treasury shares	-	-	-	-	81,980	9,137	-	-	-	-	91,117	-	91,117
As at 30 June 2023	131,618,459	16,505,381	69,287,515	69,287,515	(273,882)	19,915	6,743,103	(1,340,088)	(972,684)	298,920,466	589,795,700	79,819,809	669,615,509

The accompanying notes 1 to 19 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 30 June 2024

	Notes	Kuwaiti Dinars	
		Six months period ended	
		30 June	
		2024	2023
Operating activities			
Profit before contribution to KFAS, NLST and Zakat		34,158,816	33,181,292
Adjustments for:			
Depreciation	4&5	8,347,164	8,265,370
Depreciation of rights of use assets	8	4,252,986	3,596,720
Provision for staff indemnity		1,915,423	490,559
Net investment (gain) loss		(4,086)	11,077
Share of results from associates	6	(291,201)	(310,501)
Finance costs		7,330,323	4,885,402
		55,709,425	50,119,919
<i>Movements in working capital:</i>			
Receivables from associates		698,273	(750,379)
Accounts receivable and other assets and prepayments		(4,653,552)	(237,774)
Trade and other payables		(14,670,023)	8,036,049
Other non-current liabilities		48,693	(1,857,625)
Cash generated from operations		37,132,816	55,310,190
Payment of staff indemnity		(55,438)	(263,049)
Payment of KFAS, NLST and Zakat		(3,110,727)	(2,855,483)
Net cash flow from operating activities		33,966,651	52,191,658
Investing activities			
Additions to property and equipment	4	(698,671)	(528,345)
Additions to investment properties and advances paid		(72,782,288)	(62,431,851)
Additional investment in associate	6	(956,350)	(3,096,773)
Proceeds from sale of investment securities		24,094	-
Dividend received from an associate		275,327	-
Movement in term deposit in excess of three months	9	26,170,415	5,679,098
Net cash flow used in investing activities		(47,967,473)	(60,377,871)
Financing activities			
Finance from banks obtained		102,854,688	61,687,127
Finance from banks repaid		(18,267,200)	(33,365,989)
Repayment of principal on lease liabilities		(8,666,381)	(8,774,758)
Repayment of interest on lease liabilities		(307,882)	(290,977)
Dividend paid	15	(18,420,980)	(17,259,904)
Prepayment of bank fees		(4,747,261)	-
Finance costs paid		(15,290,424)	(11,897,749)
Purchase of treasury shares		(319,340)	(355,862)
Proceeds from sale of treasury shares		85,365	91,117
Funding from non-controlling interest		1,832,070	1,118,028
Net cash from/(used in) financing activities		38,752,655	(9,048,967)
Net increase (decrease) in cash and bank balances		24,751,833	(17,235,180)
Effect of foreign currency translation		(400,823)	580,512
Cash and bank balances at beginning of the period		12,702,598	69,973,512
Cash and bank balances at end of the period	9	37,053,608	53,318,844

The accompanying notes 1 to 19 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 30 June 2024 were authorised for issue by the Board of Directors on 12 August 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.

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 six months ended 30 June 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.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

MABANE COMPANY K.P.S.C. AND SUBSIDIARIES
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the period ended 30 June 2024

4. PROPERTY AND EQUIPMENT

	Kuwaiti Dinars				
	Land	Buildings	Fixture and office equipment	Tools and motor vehicles	Total
Cost					
At 31 December 2023	5,648,543	139,550,877	18,516,999	1,325,538	165,041,957
Additions	-	-	674,445	24,226	698,671
Foreign currency translation	(106)	(63)	(885)	(56)	(1,110)
At 30 June 2024	5,648,437	139,550,814	19,190,559	1,349,708	165,739,518
Accumulated depreciation					
At 31 December 2023	-	8,366,875	10,686,078	846,033	19,898,986
Charge for the period	-	1,452,226	1,148,648	77,451	2,678,325
Foreign currency translation	-	(20)	(568)	(178)	(766)
At 30 June 2024	-	9,819,081	11,834,158	923,306	22,576,545
Carrying amount					
At 30 June 2024	5,648,437	129,731,733	7,356,401	426,402	143,162,973
At 31 December 2023	5,648,543	131,184,002	7,830,921	479,505	145,142,971

Depreciation charge amounting to KD 2,168,560 (30 June 2023: KD 2,141,186) has been allocated to cost of revenue for the hotels, and the remaining has been charged to general and administrative expenses.

MABANEE COMPANY K.P.S.C. AND SUBSIDIARIES
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the period ended 30 June 2024

4. PROPERTY AND EQUIPMENT (CONTINUED)

Kuwaiti Dinars					
	Land	Buildings	Fixture and office equipment	Tools and motor vehicles	Total
Cost					
At 31 December 2022	5,648,073	140,055,283	17,297,744	1,047,374	164,048,474
Additions	-	125,785	367,505	35,055	528,345
Reassessment of paid WIP Cost	-	(525,780)	-	-	(525,780)
Foreign currency translation	37,924	468	11,461	1,100	50,953
At 30 June 2023	5,685,997	139,655,756	17,676,710	1,083,529	164,101,992
Accumulated depreciation					
At 31 December 2022	-	4,427,634	8,601,800	677,365	13,706,799
Charge for the period	-	1,470,821	1,089,542	36,136	2,596,499
Foreign currency translation	-	109	1,229	490	1,828
At 30 June 2023	-	5,898,564	9,692,571	713,991	16,305,126
Carrying amount					
At 30 June 2023	5,685,997	133,757,192	7,984,139	369,538	147,796,866

MABANEE COMPANY K.P.S.C. AND SUBSIDIARIES
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the period ended 30 June 2024

5. INVESTMENT PROPERTIES

	Kuwaiti Dinars		
	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Cost			
At beginning of the period/year	1,011,503,760	867,734,520	867,734,520
Additions	107,067,935	143,675,240	56,339,291
Foreign currency translation reserve	(205,641)	94,000	497,487
	1,118,366,054	1,011,503,760	924,571,298
Accumulated depreciation			
At beginning of the period/year	(115,728,660)	(104,390,951)	(104,390,951)
Charge for the period/year	(5,668,839)	(11,337,709)	(5,668,871)
	(121,397,499)	(115,728,660)	(110,059,822)
Carrying amount	996,968,555	895,775,100	814,511,476
Annual depreciation rates	2% - 3.33%	2% - 3.33%	2% - 3.33%

Investment properties comprise of the following:

	Kuwaiti Dinars		
	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Kuwait			
Completed properties	468,398,488	474,067,327	479,736,164
Properties under development	979,584	902,376	400,564
Owned land	7,815,724	7,815,724	7,815,724
	477,193,796	482,785,427	487,952,452
KSA			
Properties under development	359,330,916	257,509,109	170,926,401
Owned land	155,429,244	155,480,564	155,632,623
	514,760,160	412,989,673	326,559,024
Others			
Owned land	5,014,599	-	-
	5,014,599	-	-
	996,968,555	895,775,100	814,511,476

The additions represent cost amounting to KD 101,946,899 (31 December 2023: KD 142,772,864 and 30 June 2023: KD 55,938,726) incurred on the development of property projects in "Kingdom of Saudi Arabia". This includes borrowing costs of KD 14,203,737 (31 December 2023: KD 15,713,169 and 30 June 2023: KD 7,303,324) capitalized during the period at a capitalization rate of 5.84% to 6.05% (31 December 2023: 3.79% to 5.67%, 30 June 2023: 3.12% to 4.57%). No depreciation has been charged as the property is still under development.

The additions include transactions of KD 1,832,070 (31 December 2023: KD 957,424, 30 June 2023: KD 1,118,028 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 30 June 2024, the Group has not identified any significant impact on the carrying values of its investment properties.

* Owned land in KSA amounting to KD 155,429,244 (31 December 2023: KD 110,509,877 and 31 March 2023: KD 110,438,275) has been pledged with banks (Note 11)

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5. INVESTMENT PROPERTIES (CONTINUED)

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 30 June 2024, there were no transfers between the levels.

6. INVESTMENT IN ASSOCIATES

	Kuwaiti Dinars		
	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Opening balance	53,256,704	43,300,716	43,300,716
Increase in investment	956,350	9,851,259	3,096,773
Share of results from the associates	291,201	237,306	310,501
Dividend income received	(275,327)	-	-
Foreign currency translation	(7,796)	(132,577)	(102,716)
Closing balance	54,221,132	53,256,704	46,605,274

7. ADVANCE PAYMENT AND PREPAYMENTS

	Kuwaiti Dinars		
	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Advance payment to contractors	44,401,912	47,091,412	53,655,639
Prepayments	9,053,795	5,531,604	6,811,515
Other advances	2,401,159	1,082,168	1,280,164
Closing balance	55,856,866	53,705,184	61,747,318

8. RIGHT OF USE ASSETS

	Kuwaiti Dinars		
	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Opening balance	19,562,860	19,552,487	19,552,487
Additions	-	7,814,230	7,798,384
Disposal / Derecognize	(7,855)	(13,799)	-
Charge for the period/ year	(4,252,986)	(7,820,532)	(3,596,720)
Foreign currency translation	134	30,474	30,909
Closing balance	15,302,153	19,562,860	23,785,060

During the reporting period, the Parent Company was awarded a tender from the Touristic Enterprise Company to operate and manage a seafront resort located in Kuwait for a period of 17 years. To facilitate the execution of this contract, the Parent Company issued a letter of guarantee amounting to KD 3,834,000(Note 18) in favor of the Touristic Enterprise Company and advance payment of KD1,278,000 was made, which has been recognized within trade and other receivables until the contract is completed and the actual date for operating the resort is determined.

Subsequent to the reporting period, on 4 July 2024, the Parent Company signed the contract with the Touristic Enterprise Company. However, as of the reporting date, the actual date for the Parent Company to take possession of the assets subject to the contract and begin operations has not been determined.

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8. RIGHT OF USE ASSETS (CONTINUED)

According to the contract with the Touristic Enterprise Company, the lease term will commence from the date when the site preparations are complete within the stipulated period of 16 months from handover to the Parent Company or the operation's start date, whichever is earlier. The Parent Company is currently engaged in handover procedures with the Touristic Enterprise Company and the current operator of the resort.

Other financial effects and accounting matters related to the right of use of the contract and lease liability will be recognized in the subsequent financial period when the handover process is complete.

9. CASH AND BANK BALANCES

Cash and bank balances included in the interim condensed consolidated statement of cash flows include the following amounts:

	Kuwaiti Dinars		
	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Cash in hand	70,148	68,419	120,362
Current and call account with banks	11,966,089	10,963,670	14,090,933
Deposits with original maturities up to three months	25,017,371	1,670,509	39,107,549
Cash and bank balances in the interim condensed consolidated statement of cash flows	37,053,608	12,702,598	53,318,844
Deposits with original maturities after three months	125,003,990	151,174,405	24,066,902
	162,057,598	163,877,003	77,385,746

Deposits are placed with local and regional commercial banks in Kuwaiti Dinars and Saudi Riyals. The effective interest rates on these deposits as at 30 June 2024 were 4.55% to 6.30% (31 December 2023: 4.05% to 6.30%, 30 June 2023: 4.05% to 6.00%) per annum.

10. LEASE LIABILITIES

	Kuwaiti Dinars		
	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Current	8,556,654	8,789,840	8,802,416
Non-current	862,367	9,011,328	8,706,739
	9,419,021	17,801,168	17,509,155

11. FINANCE FROM BANKS

	Kuwaiti Dinars		
	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Current			
Murabaha and islamic finance	61,461,834	37,288,903	36,087,104
Bank overdraft facilities	33,124,231	3,039,726	4,254,649
Loans	-	-	8,000,000
	94,586,065	40,328,629	48,341,753
Non-Current			
Murabaha and islamic finance	538,127,553	507,864,377	369,096,516
	538,127,553	507,864,377	369,096,516
	632,713,618	548,193,006	417,438,269

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11. FINANCE FROM BANKS (CONTINUED)

	Kuwaiti Dinars		
	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Finance from Banks in KWD	398,742,538	377,007,888	293,867,263
Finance from Banks in SAR equivalent to KWD	233,971,080	171,185,118	123,571,006
	632,713,618	548,193,006	417,438,269

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

	Kuwaiti Dinars		
	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Owned land in KSA (Note 4)	155,429,244	110,509,877	110,617,955

The pledged land has a project being constructed with a carrying value of KD 359,330,916 (31 December 2023: KD 257,509,109 and 30 June 2023: KD 170,926,401) as of reporting date.

12. 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 hospitality services.

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12. SEGMENT REPORTING (CONTINUED)

Segment reporting information for the six months period ended 30 June is as follows:

		Kuwaiti Dinars					
		Six-months period ended 30 June					
	Construction and real estate investment		Hotel operations		Unallocated		Total
	2024	2023	2024	2023	2024	2023	
Segment revenue	57,901,817	54,057,870	8,487,417	7,629,728	4,801,901	2,365,686	71,191,135
Segment expenses	(27,708,449)	(22,318,809)	(8,116,406)	(8,055,899)	(2,816,620)	(2,014,272)	(38,641,475)
Segment results	30,193,368	31,739,061	371,011	(426,171)	1,985,281	351,414	32,549,660
Segment assets	1,307,430,442	1,027,602,888	142,116,604	150,948,340	8,563,736	8,594,508	1,458,110,782
Segment liabilities	735,606,979	504,975,127	4,203,395	10,921,687	1,806,726	1,633,413	741,617,100
Six-months period ended 30 June							
	Kuwait		Saudi Arabia		Others		Total
	2024	2023	2024	2023	2024	2023	2024
Segment revenue	70,243,921	63,073,665	29,770	-	917,444	979,619	71,191,135
Segment expenses	(37,799,011)	(31,679,442)	(584,389)	(202,284)	(258,075)	(507,254)	(38,641,475)
Segment results	32,444,910	31,394,223	(554,619)	(202,284)	659,369	472,365	32,549,660
Six-months period ended 30 June							
	Kuwait		Saudi Arabia		Others		Total
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024
Segment assets	873,106,987	876,232,986	789,441,648	549,160,034	446,649,330	371,493,827	35,843,761
Segment liabilities	414,758,615	404,253,636	354,799,168	324,998,654	251,159,640	160,920,295	1,859,831
	873,106,987	876,232,986	789,441,648	549,160,034	446,649,330	371,493,827	35,843,761
	414,758,615	404,253,636	354,799,168	324,998,654	251,159,640	160,920,295	1,859,831
	1,187,145,736	1,187,145,736	1,187,145,736	1,187,145,736	1,187,145,736	1,187,145,736	1,187,145,736
	64,053,284	64,053,284	64,053,284	64,053,284	64,053,284	64,053,284	64,053,284
	(32,388,980)	(32,388,980)	(32,388,980)	(32,388,980)	(32,388,980)	(32,388,980)	(32,388,980)
	31,664,304	31,664,304	31,664,304	31,664,304	31,664,304	31,664,304	31,664,304
	1,458,110,782	1,458,110,782	1,458,110,782	1,458,110,782	1,458,110,782	1,458,110,782	1,458,110,782
	741,617,100	741,617,100	741,617,100	741,617,100	741,617,100	741,617,100	741,617,100
	1,187,145,736	1,187,145,736	1,187,145,736	1,187,145,736	1,187,145,736	1,187,145,736	1,187,145,736

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13. 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			
	Three-months period ended 30 June		Six-months period ended 30 June	
	2024	2023	2024	2023
Profit for the period attributable to equity holders of the Parent Company	16,395,526	15,881,160	32,656,798	31,743,174
	Shares		Shares	
Weighted average number of outstanding shares during the period:				
Issued shares*	1,395,155,663	1,395,155,663	1,395,155,663	1,395,155,663
Weighted average treasury shares	(365,836)	(332,974)	(287,653)	(186,148)
Total	1,394,789,827	1,394,822,689	1,394,868,010	1,394,969,515
Basic earnings per share	11.75 fils	11.39 fils	23.41 fils	22.76 fils

* Earnings per share calculations for the prior period have been adjusted to account for the bonus shares paid in 2024 (Note 15).

14. 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		
	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
	Right of use assets ("ROU")		
Office premises	613,463	674,890	736,155
Accounts receivable and prepayments			
Lease and other receivables from lessees	487,689	720,691	2,508,975
Receivables from associate on demand "The amount receivable is interest free"	375,739	1,074,012	958,454

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14. RELATED PARTY DISCLOSURES (CONTINUED)

	Kuwaiti Dinars		
	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Lease liabilities	599,946	733,636	720,377
Assets			
Property and equipment/Capital work in progress	283,926	181,826	11,283
Trade and other payables			
Rent received in advance within one year	1,745,287	741,692	3,860,683

Transactions:

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

	Kuwaiti Dinars	
	Six months period ended 30 June	
	2024	2023
Revenue	8,705,880	8,853,047
Expenses	226,590	71,779
Management fee (included in revenue from investment properties)	670,390	622,177

Compensation of key management personnel:

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

	Kuwaiti Dinars	
	Six months period ended 30 June	
	2024	2023
Salaries and other short-term benefits	677,914	470,214
Termination benefits	1,060,825	54,992
	1,738,739	525,206

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.

15. ANNUAL GENERAL MEETING

The issued and fully paid up share capital of the Parent Company as at 30 June 2024 is KD 139,515,566 consisting of 1,395,155,663 shares of 100 fils each (31 December 2023: KD 131,618,459 consisting of 1,316,184,588 shares of 100 fils each) (30 June 2023: KD 131,618,459 consisting of 1,316,184,588 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 paid in 2024 amounted to KD 18,420,980 (2022: KD 17,379,955). The bonus shares issued in 2024 increased 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 7,897,107 (2022: KD 7,450,101).

15. 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 previous period with the increase in authorized capital.

16. TREASURY SHARES

	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Number of treasury shares	318,798	-	380,000
Percentage of share capital	0.023%	-	0.029%
Cost (Kuwaiti Dinars)	235,484	-	273,882
Market value (Kuwaiti Dinars)	265,559	-	319,580

The Parent Company is required to retain reserves and retained earnings equivalent to cost of treasury shares during this period they are held by the Parent Company, pursuant to the relevant instructions of the regulatory authorities.

17. COMMITMENTS AND CONTINGENT LIABILITIES

The Group's management has approved future capital expenditure amounting to KD 868,018,514 (31 December 2023: KD 793,571,745 and 30 June 2023: KD 334,393,162).

The Group has secured debt in place to finance the project expansions with the value of the debt undrawn as of June 30, 2024, amounting to KD 603,670,273 which is part of the debt plan in addition to the shareholder's funding.

As at 30 June 2024, the Group has given letters of credit, bank guarantees and corporate guarantee amounting to KD 87,085,636 (31 December 2023: KD 79,750,405 and 30 June 2023: KD 38,837,329).

18. 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 30 June 2024, there were no transfers between the levels.

19. ESTIMATES & JUDGEMENTS

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

In preparing this interim condensed consolidated financial information, the significant judgments 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 consolidated financial statements for the year end.