

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



**Interim Condensed Consolidated Financial Information
and
Independent Auditors' Review Report
for the nine months period ended 30 September 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 September 2024 and the related interim condensed consolidated statement of income, interim condensed consolidated statement of comprehensive income for the three month and nine month periods then ended, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine 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

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


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Kuwait
7 November 2024

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 September 2024

		Kuwaiti Dinars			
		30 September 2024	31 December 2023	30 September 2023	
Notes		(Unaudited)	(Audited)	(Unaudited)	
ASSETS					
Non-current assets					
	Property and equipment	4	141,875,177	145,142,971	146,808,032
	Investment properties	5	1,043,935,139	895,775,100	860,346,381
	Investments in associates	6	54,430,618	53,256,704	48,288,543
	Advance payments and prepayments	7	64,073,704	53,705,184	57,778,870
	Right of use assets	8	25,472,902	19,562,860	21,683,014
	Investment securities		1,852,458	1,910,251	1,925,198
			<u>1,331,639,998</u>	<u>1,169,353,070</u>	<u>1,136,830,038</u>
Current assets					
	Receivable from associates	14	440,691	1,074,012	356,400
	Accounts receivable and other assets		28,077,358	23,753,677	12,797,042
	Cash and bank balances	9	146,845,372	163,877,003	74,322,150
			<u>175,363,421</u>	<u>188,704,692</u>	<u>87,475,592</u>
	TOTAL ASSETS		<u>1,507,003,419</u>	<u>1,358,057,762</u>	<u>1,224,305,630</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 reserve		42,442	-	73,820
	Foreign currency translation reserve		3,591,145	4,577,837	8,480,056
	Fair value reserve		(1,376,661)	(1,338,876)	(1,325,289)
	Other reserves		(2,028,657)	(2,028,657)	(972,684)
	Retained earnings		341,387,276	318,474,596	314,789,873
	Equity attributable to the equity holders of the				
	Parent Company		649,977,990	620,150,238	607,744,646
	Non-controlling interest		83,262,558	80,698,985	80,261,587
	Total equity		<u>733,240,548</u>	<u>700,849,223</u>	<u>688,006,233</u>
Non-current liabilities					
	Provision for staff indemnity		6,155,686	4,054,863	3,919,298
	Finance from banks	11	566,469,950	507,864,377	393,322,351
	Lease liabilities	10	13,090,650	9,011,328	8,879,361
	Other non-current liabilities		48,982,492	37,746,886	38,201,152
			<u>634,698,778</u>	<u>558,677,454</u>	<u>444,322,162</u>
Current liabilities					
	Finance from banks	11	81,802,250	40,328,629	37,288,903
	Lease liabilities	10	8,691,283	8,789,840	8,782,619
	Trade and other payables		48,570,560	49,412,616	45,905,713
			<u>139,064,093</u>	<u>98,531,085</u>	<u>91,977,235</u>
	Total liabilities		<u>773,762,871</u>	<u>657,208,539</u>	<u>536,299,397</u>
	TOTAL EQUITY AND LIABILITIES		<u>1,507,003,419</u>	<u>1,358,057,762</u>	<u>1,224,305,630</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 September 2024

		Kuwaiti Dinars			
		Three-months period ended 30 September		Nine-months period ended 30 September	
Notes		2024	2023	2024	2023
REVENUE					
	Revenue from investment properties	28,647,673	27,247,212	86,258,289	81,467,392
	Revenue from hotel operations	3,745,172	3,587,279	12,232,589	11,217,007
		32,392,845	30,834,491	98,490,878	92,684,399
COST OF REVENUE					
	Investment properties' expenses	(6,125,479)	(5,933,606)	(18,394,405)	(16,470,236)
	Depreciation on investment properties	(2,834,419)	(2,818,375)	(8,503,258)	(8,487,246)
	Hotel operation expenses	(2,851,647)	(2,456,436)	(8,799,493)	(7,975,073)
	Depreciation on hotel properties	(1,087,566)	(1,075,435)	(3,256,126)	(3,216,621)
		(12,899,111)	(12,283,852)	(38,953,282)	(36,149,176)
	GROSS PROFIT	19,493,734	18,550,639	59,537,596	56,535,223
	General and administrative expenses	(1,650,169)	(1,616,752)	(5,297,994)	(4,558,013)
	Finance costs	(3,058,585)	(2,462,860)	(10,388,908)	(7,348,262)
	Other income	2,162,028	1,960,349	6,963,929	4,673,219
	Share of results from associates	344,739	122,985	635,940	433,486
	Profit before deductions	17,291,747	16,554,361	51,450,563	49,735,653
	Contribution to KFAS	(176,566)	(166,259)	(518,023)	(500,371)
	Contribution to NLST	(449,859)	(424,806)	(1,355,358)	(1,269,717)
	Contribution to Zakat	(179,943)	(169,922)	(542,143)	(507,887)
	Profit for the period	16,485,379	15,793,374	49,035,039	47,457,678
	Attributable to:				
	Equity holders of the Parent Company	16,573,969	15,869,407	49,230,767	47,612,581
	Non-controlling interests	(88,590)	(76,033)	(195,728)	(154,903)
		16,485,379	15,793,374	49,035,039	47,457,678
	Basic earnings per share attributable to the equity holders of parent company	11.88 fils	11.38 fils	35.29 fils	34.13 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 September 2024

	Kuwaiti Dinars			
	Three-months period ended 30 September		Nine-months period ended 30 September	
	2024	2023	2024	2023
Profit for the period	16,485,379	15,793,374	49,035,039	47,457,678
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")	-	14,799	(37,785)	16,310
<i>Items that are or may be reclassified subsequently to interim condensed consolidated statement of income:</i>				
Exchange differences on translating foreign operations	(1,144,701)	2,132,153	(1,189,232)	2,778,758
Other comprehensive (loss)/ income for the period	(1,144,701)	2,146,952	(1,227,017)	2,795,068
Total comprehensive income for the period	15,340,678	17,940,326	47,808,022	50,252,746
Attributable to:				
Equity holders of the Parent Company	15,621,548	17,621,159	48,206,290	49,860,449
Non-controlling interest	(280,870)	319,167	(398,268)	392,297
	15,340,678	17,940,326	47,808,022	50,252,746

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 September 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	-	-	-	-	-	-	-	-	-	49,230,767	49,230,767	(195,728)	49,035,039
Other comprehensive loss for the period	-	-	-	-	-	-	(986,692)	(37,785)	-	-	(1,024,477)	(202,540)	(1,227,017)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(986,692)	(37,785)	-	49,230,767	48,206,290	(398,268)	47,808,022
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 (Note 5)	-	-	-	-	-	-	-	-	-	-	-	2,961,841	2,961,841
Purchase of treasury shares	-	-	-	-	(319,340)	-	-	-	-	-	(319,340)	-	(319,340)
Sale of treasury shares	-	-	-	-	319,340	42,442	-	-	-	-	361,782	-	361,782
As at 30 September 2024	139,515,566	16,505,381	76,170,749	76,170,749	-	42,442	3,591,145	(1,376,661)	(2,028,657)	341,387,276	649,977,990	83,262,558	733,240,548
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	-	-	-	-	-	-	-	-	-	47,612,581	47,612,581	(154,903)	47,457,678
Other comprehensive income for the period	-	-	-	-	-	-	2,231,558	16,310	-	-	2,247,868	547,200	2,795,068
Total comprehensive income for the period	-	-	-	-	-	-	2,231,558	16,310	-	47,612,581	49,860,449	392,297	50,252,746
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 (Note 5)	-	-	-	-	-	-	-	-	-	-	-	1,240,639	1,240,639
Purchase of treasury shares	-	-	-	-	(355,862)	-	-	-	-	-	(355,862)	-	(355,862)
Sale of treasury shares	-	-	-	-	355,862	63,042	-	-	-	-	418,904	-	418,904
As at 30 September 2023	131,618,459	16,505,381	69,287,515	69,287,515	-	73,820	8,480,056	(1,325,289)	(972,684)	314,789,873	607,744,646	80,261,587	688,006,233

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 September 2024

	Notes	Kuwaiti Dinars	
		Nine months period ended	
		30 September	
		2024	2023
Operating activities			
Profit before contribution to KFAS, NLST and Zakat		51,450,563	49,735,653
Adjustments for:			
Depreciation	4&5	12,583,151	12,380,883
Depreciation of rights of use assets	8	6,323,545	5,704,619
Provision for staff indemnity		2,118,651	721,416
Net investment (gain)/ loss		(4,086)	12,457
Share of results from associates	6	(635,940)	(433,486)
Finance costs		10,388,908	7,348,262
		<u>82,224,792</u>	<u>75,469,804</u>
<i>Movements in working capital:</i>			
Receivables from associates		633,321	(148,325)
Accounts receivable and other assets and prepayments		(15,338,524)	172,948
Trade and other payables		(18,297,782)	(2,632,360)
Other non-current liabilities		(106,348)	(4,720,439)
Cash generated from operations		<u>49,115,459</u>	<u>68,141,628</u>
Payment of staff indemnity		(98,116)	(279,542)
Payment of KFAS, NLST and Zakat		(3,110,727)	(2,919,921)
Net cash flow from operating activities		<u>45,906,616</u>	<u>64,942,165</u>
Investing activities			
Additions to property and equipment	4	(822,863)	(897,726)
Additions to investment properties and advances paid		(106,691,044)	(83,496,566)
Addition to investment in associates	6	(968,960)	(4,524,860)
Proceeds from sale of investment securities		24,094	-
Dividend received from an associate		274,474	-
Movement in term deposit in excess of three months	9	14,776,772	(27,968,765)
Net cash flow used in investing activities		<u>(93,407,527)</u>	<u>(116,887,917)</u>
Financing activities			
Finance from banks obtained		123,547,185	85,653,780
Finance from banks repaid		(22,030,500)	(45,132,659)
Repayment of principal on lease liabilities		(8,684,382)	(8,831,638)
Repayment of interest on lease liabilities		(411,104)	(494,708)
Dividend paid	15	(18,420,980)	(17,259,904)
Finance costs paid		(26,603,717)	(18,614,468)
Prepayment of bank fees		(4,747,261)	-
Purchase of treasury shares		(319,340)	(355,862)
Proceeds from sale of treasury shares		361,782	418,904
Funding from non-controlling interest	5	2,961,841	1,240,639
Net cash from/ (used in) financing activities		<u>45,653,524</u>	<u>(3,375,916)</u>
Net decrease in cash and bank balances		<u>(1,847,387)</u>	<u>(55,321,668)</u>
Effect of foreign currency translation		(407,472)	1,955,541
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	<u>10,447,739</u>	<u>16,607,385</u>

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 September 2024 were authorised for issue by the Board of Directors on 7 November 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 nine months ended 30 September 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.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the period ended 30 September 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	-	-	798,637	24,226	822,863
Foreign currency translation	(2,085)	(1,247)	(17,243)	(1,088)	(21,663)
At 30 September 2024	5,646,458	139,549,630	19,298,393	1,348,676	165,843,157
Accumulated depreciation					
At 31 December 2023	-	8,366,875	10,686,078	846,033	19,898,986
Charge for the period	-	2,221,176	1,741,337	117,380	4,079,893
Foreign currency translation	-	(405)	(8,534)	(1,960)	(10,899)
At 30 September 2024	-	10,587,646	12,418,881	961,453	23,967,980
Carrying amount					
At 30 September 2024	5,646,458	128,961,984	6,879,512	387,223	141,875,177
At 31 December 2023	5,648,543	131,184,002	7,830,921	479,505	145,142,971

Depreciation charge amounting to KD 3,256,126 (31 December 2023: KD 5,295,104 and 30 September 2023: KD 3,216,621) 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 September 2024

4. 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	-	125,785	706,716	65,225	897,726	
Reassessment of paid WIP Cost	-	(525,780)	-	-	(525,780)	
Disposals	-	-	-	(1,885)	(1,885)	
Foreign currency translation	2,817	1,685	(26,542)	11,081	(10,959)	
At 30 September 2023	5,650,890	139,656,973	17,977,918	1,121,795	164,407,576	
Accumulated depreciation						
At 31 December 2022	-	4,427,634	8,601,800	677,365	13,706,799	
Charge for the period	-	2,205,096	1,557,313	131,228	3,893,637	
Disposals	-	-	-	(1,885)	(1,885)	
Foreign currency translation	-	470	(8,516)	9,039	993	
At 30 September 2023	-	6,633,200	10,150,597	815,747	17,599,544	
Carrying amount						
At 30 September 2023	5,650,890	133,023,773	7,827,321	306,048	146,808,032	

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the period ended 30 September 2024

5. INVESTMENT PROPERTIES

	Kuwaiti Dinars		
	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
Cost			
At beginning of the period/year	1,011,503,760	867,734,520	867,734,520
Additions	159,703,833	143,675,240	102,895,982
Foreign currency translation reserve	(3,040,536)	94,000	2,594,076
	1,168,167,057	1,011,503,760	973,224,578
Accumulated depreciation			
At beginning of the period/year	(115,728,660)	(104,390,951)	(104,390,951)
Charge for the period/year	(8,503,258)	(11,337,709)	(8,487,246)
	(124,231,918)	(115,728,660)	(112,878,197)
Carrying amount	1,043,935,139	895,775,100	860,346,381
Annual depreciation rates	2% - 3.33%	2% - 3.33%	2% - 3.33%

Investment properties comprise of the following:

	Kuwaiti Dinars		
	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
Kuwait			
Completed properties	465,612,199	474,067,327	476,917,788
Properties under development	1,046,304	902,376	447,963
Owned land	7,815,724	7,815,724	7,815,724
	474,474,227	482,785,427	485,181,475
KSA			
Properties under development	410,009,913	257,509,109	218,543,834
Owned land*	154,467,469	155,480,564	156,621,072
	564,477,382	412,989,673	375,164,906
Bahrain			
Owned land	4,983,530	-	-
	4,983,530	-	-
	1,043,935,139	895,775,100	860,346,381

The additions represent cost amounting to KD 154,516,076 (31 December 2023: KD 142,772,864 and 30 September 2023: KD 102,448,018) incurred on the development of property projects in "Kingdom of Saudi Arabia". This includes borrowing costs of KD 22,458,445 (31 December 2023: KD 15,713,169 and 30 September 2023: KD 11,760,914) capitalized during the period at a capitalization rate of 5.84% to 6.16% (31 December 2023: 3.79% to 5.56%, 30 September 2023: 3.79% to 5.18%). No depreciation has been charged as the property is still under development.

The additions include transactions of KD 2,961,841 (31 December 2023: KD 957,424, 30 September 2023: KD 1,240,639) 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 expires on September 2025 and is expected to be renewed in the normal course.

As on 30 September 2024, the Group has not identified any significant impact on the carrying values of its investment properties.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the period ended 30 September 2024

* Owned land in KSA amounting to KD 154,467,469 (31 December 2023: KD 110,509,877 and 30 September 2023: KD 111,320,463) has been pledged with banks (Note 11)

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 September 2024, there were no transfers between the levels.

6. INVESTMENT IN ASSOCIATES

	Kuwaiti Dinars		
	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
Opening balance	53,256,704	43,300,716	43,300,716
Additions	968,960	9,851,259	4,524,860
Share of results from the associates	635,940	237,306	433,486
Dividend income received	(274,474)	-	-
Foreign currency translation	(156,512)	(132,577)	29,481
Closing balance	54,430,618	53,256,704	48,288,543

7. ADVANCE PAYMENT AND PREPAYMENTS

	Kuwaiti Dinars		
	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
Advance payment to contractors	52,484,997	47,091,412	50,451,192
Prepayments	9,165,109	5,531,604	6,110,607
Other advances	2,423,598	1,082,168	1,217,071
	64,073,704	53,705,184	57,778,870

8. RIGHT OF USE ASSETS

	Kuwaiti Dinars		
	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
Opening balance	19,562,860	19,552,487	19,552,487
Additions *	12,256,439	7,814,230	7,814,195
Disposal / Derecognize	(7,832)	(13,799)	(13,799)
Charge for the period/ year	(6,335,058)	(7,820,532)	(5,704,619)
Foreign currency translation	(3,507)	30,474	34,750
Closing balance	25,472,902	19,562,860	21,683,014

During the current 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 17) in favor of the Touristic Enterprise Company and advance payment of KD 1,278,000 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. 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the period ended 30 September 2024

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.

* During the period, a subsidiary of the Group has met the conditions as per the *Build Operate Transfer ("BOT")* contract defined in the Public Private Partnership agreement with Public Authority for Housing Welfare, Kuwait. The conditions subsequent to this agreement initiates the financial conditions and compensation clause to the authority, accordingly the Group has recognized the accounting towards the leasehold rights.

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 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
Cash in hand	80,049	68,419	97,919
Current and call account with banks	8,920,506	10,963,670	14,460,121
Deposits with original maturities up to three months	1,447,184	1,670,509	2,049,345
Cash and bank balances in the interim condensed consolidated statement of cash flows	10,447,739	12,702,598	16,607,385
Deposits with original maturities after three months	136,397,633	151,174,405	57,714,765
	146,845,372	163,877,003	74,322,150

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 September 2024 were 4.23 % to 6.30 % (31 December 2023: 4.05% to 6.30%, 30 September 2023: 4.05% to 6.25%) per annum.

10. LEASE LIABILITIES

	Kuwaiti Dinars		
	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
Current	8,691,283	8,789,840	8,782,619
Non-current	13,090,650	9,011,328	8,879,361
	21,781,933	17,801,168	17,661,980

11. FINANCE FROM BANKS

	Kuwaiti Dinars		
	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
Current			
Murabaha and islamic finance	61,345,697	37,288,903	37,288,903
Bank overdraft facilities	20,456,553	3,039,726	-
	81,802,250	40,328,629	37,288,903
Non-Current			
Murabaha and islamic finance	566,469,950	507,864,377	393,322,351
	566,469,950	507,864,377	393,322,351
	648,272,200	548,193,006	430,611,254

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the period ended 30 September 2024

11. FINANCE FROM BANKS (CONTINUED)

	Kuwaiti Dinars		
	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
Finance from Banks in KWD	379,990,959	377,007,888	286,095,944
Finance from Banks in SAR equivalent to KWD	268,281,241	171,185,118	144,515,310
	648,272,200	548,193,006	430,611,254

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

	Kuwaiti Dinars		
	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
Owned land in KSA (Note 4)	154,467,469	110,509,877	111,320,463

The pledged land has a project being constructed with a carrying value of KD 410,041,135 (31 December 2023: KD 257,509,109 and 30 September 2023: KD 111,320,463) 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.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the period ended 30 September 2024

12. SEGMENT REPORTING (CONTINUED)

Segment reporting information for the nine months period ended 30 September is as follows:

	Kuwaiti Dinars													
	Construction and real estate investment				Hotel operations				Unallocated		Total			
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023		
	Nine-months period ended 30 September													
Segment revenue	86,894,229	81,900,878	12,232,589	11,217,007	6,963,929	3,797,899	106,090,747	96,915,784						
Segment expenses	(40,696,857)	(34,569,062)	(12,055,619)	(11,773,176)	(4,303,232)	(3,115,868)	(57,055,708)	(49,458,106)						
Segment results	46,197,372	47,331,816	176,970	(556,169)	2,660,697	682,031	49,035,039	47,457,678						
Segment assets	1,357,905,859	1,070,812,233	140,457,821	144,817,246	8,639,739	8,676,151	1,507,003,419	1,224,305,630						
Segment liabilities	767,152,841	528,298,128	4,745,228	6,405,484	1,864,802	1,595,785	773,762,871	536,299,397						
	Nine-months period ended 30 September													
	Kuwait				Saudi Arabia				Others				Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Segment revenue	104,608,734	95,277,401	29,678	-	1,452,335	1,638,383	106,090,747	96,915,784						
Segment expenses	(55,692,333)	(48,337,866)	(1,073,766)	(395,393)	(289,609)	(724,847)	(57,055,708)	(49,458,106)						
Segment results	48,916,401	46,939,535	(1,044,088)	(395,393)	1,162,726	913,536	49,035,039	47,457,678						
	Kuwait				Saudi Arabia				Others				Total	
30 September 2024 (Unaudited)	873,193,260	781,869,276	601,969,853	446,649,330	413,750,411	36,016,302	35,175,446	28,685,943	1,507,003,419	1,355,018,036	1,224,305,630	1,224,305,630		
31 December 2023 (Audited)	873,193,260	781,869,276	601,969,853	446,649,330	413,750,411	36,016,302	35,175,446	28,685,943	1,507,003,419	1,355,018,036	1,224,305,630	1,224,305,630		
Segment assets	869,017,264	873,193,260	601,969,853	446,649,330	413,750,411	36,016,302	35,175,446	28,685,943	1,507,003,419	1,355,018,036	1,224,305,630	1,224,305,630		
Segment liabilities	403,867,906	404,253,636	367,874,272	251,159,640	193,793,781	2,020,693	1,795,263	1,781,573	773,762,871	657,208,539	536,299,397	536,299,397		

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the period ended 30 September 2024

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 (Note 15)

	Kuwaiti Dinars			
	Three-months period ended 30 September		Nine-months period ended 30 September	
	2024	2023	2024	2023
Profit for the period attributable to equity holders of the Parent Company	16,573,969	15,869,407	49,230,767	47,612,581
	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	(130,553)	(113,387)	(234,904)	(163,020)
Total	1,395,025,110	1,395,042,276	1,394,920,759	1,394,992,643
Basic earnings per share	11.88 fils	11.38 fils	35.29 fils	34.13 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 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
Right of use assets			
Office premises	582,790	674,890	705,482
Accounts receivable and prepayments			
Lease and other receivables from lessees	231,411	720,691	235,027
Receivables from associate on demand "The amount receivable is interest free".	440,691	1,074,012	356,400

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the period ended 30 September 2024

14. RELATED PARTY DISCLOSURES (CONTINUED)

	Kuwaiti Dinars		
	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
Lease liabilities	605,467	733,636	727,007
Assets			
Property and equipment/Capital work in progress	306,751	181,826	-
Trade and other payables			
Rent received in advance within one year	2,381,803	741,962	2,095,665

Transactions:

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

	Kuwaiti Dinars			
	Three months period ended 30 September		Nine months period ended 30 September	
	2024	2023	2024	2023
Revenue	3,806,456	4,603,019	12,512,336	13,456,066
Expenses	70,520	21,732	297,110	93,511
Management fee (included in revenue from investment properties)	384,970	194,340	1,055,360	816,517

Compensation of key management personnel:

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

	Kuwaiti Dinars			
	Three months period ended 30 September		Nine months period ended 30 September	
	2024	2023	2024	2023
Salaries and other short-term benefits	344,437	338,292	1,022,351	808,506
Termination benefits	102,848	37,960	1,163,673	92,952
	447,285	376,252	2,186,024	901,458

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 September 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 and 30 September 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).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
For the period ended 30 September 2024

15. ANNUAL GENERAL MEETING (CONTINUED)

In accordance with the resolution of the Extraordinary Assembly General meeting held on 9 March 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 period with the increase in authorized capital.

16. TREASURY SHARES

	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
Number of treasury shares	919	-	-
Percentage of share capital	0.00007%	-	-
Cost (Kuwaiti Dinars)	-	-	-
Market value (Kuwaiti Dinars)	769	-	-

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 812,557,694 (31 December 2023: KD 793,571,745 and 30 September 2023: KD 503,216,223).

The Group has secured debt in place to finance the project expansions with the value of the debt undrawn as of September 30, 2024, amounting to KD 564,325,409 and 30 September 2023: KD 415,647,823) which is part of the debt plan in addition to the shareholder's funding.

As at 30 September 2024, the Group has given letters of credit, bank guarantees and corporate guarantee amounting to KD 86,701,797 (31 December 2023: KD 79,626,765 and 30 September 2023: KD 38,943,821) in the ordinary course of business.

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.

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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 September 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.