

Kuwait Hotels Company K.S.C.P. and its subsidiaries
State of Kuwait

Interim Condensed Consolidated Financial Information (Unaudited)
and Independent Auditor's Review Report
For the six months period ended 30 June 2024

Kuwait Hotels Company K.S.C.P. and its subsidiaries
State of Kuwait

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

Independent Auditor's Review Report on Interim Condensed Consolidated Financial Information

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kuwait Hotels Company K.S.C.P. (the "Parent Company") and its subsidiaries (together referred to as the "Group") as at 30 June 2024, and the interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the six months period then ended. The Parent Company's management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". 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 the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim condensed consolidated 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).

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 accounts 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, and its Executive Regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Article of Association, as amended, have occurred during the six months period ended 30 June 2024, that might have had a material effect on the Parent Company's financial position or its business.

Furthermore, based on our review to the best of our knowledge and belief, we have not become aware of any material violations of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations, as amended, have occurred during the six months period ended 30 June 2024, that might have had a material effect on the Parent Company's financial position or its business results.



**Qais M. Al Nisf
License No. 38 "A"
BDO Al Nisf & Partners**

Kuwait: 5 August 2024


Kuwait Hotels Company K.S.C.P. and its subsidiaries
State of Kuwait

Interim Condensed Consolidated Statement of Financial Position (Unaudited)

As at 30 June 2024

		30 June	31 December	30 June
		2024	2023	2023
	Notes	KD	(Audited) KD	KD
ASSETS				
Non-current assets				
Property and equipment		689,668	717,952	776,027
Investment properties		1,127,035	1,175,083	1,223,132
Investment in associates		140,595	140,595	205,534
Financial assets at fair value through other comprehensive income		735	735	735
		<u>1,958,033</u>	<u>2,034,365</u>	<u>2,205,428</u>
Current assets				
Inventories		7,281	3,068	5,751
Debtors and other debit balances		4,767,054	4,418,759	1,592,366
Due from a related party	3	-	-	8,421
Financial assets at fair value through profit or loss		61,976	-	-
Cash and cash equivalents	4	<u>3,239,355</u>	<u>1,904,825</u>	<u>3,350,822</u>
		<u>8,075,666</u>	<u>6,326,652</u>	<u>4,957,360</u>
Total assets		<u>10,033,699</u>	<u>8,361,017</u>	<u>7,162,788</u>
EQUITY AND LIABILITIES				
Equity				
Share capital		5,775,000	5,775,000	5,775,000
Treasury shares	5	(223,952)	(223,952)	(223,952)
Statutory reserve		934,279	934,279	839,017
Voluntary reserve		531,573	531,573	436,311
Other reserve		(429,003)	(429,003)	(513,600)
Fair value reserve		1,680	(64,364)	(64,364)
Foreign currencies translation adjustments		(528,002)	(457,432)	(442,183)
Retained earnings / (Accumulated losses)		155,773	(437,799)	(497,770)
Equity attributable to the shareholders of the Parent Company		<u>6,217,348</u>	<u>5,628,302</u>	<u>5,308,459</u>
Non-controlling interests		1,013	801	562
Total equity		<u>6,218,361</u>	<u>5,629,103</u>	<u>5,309,021</u>
Liabilities				
Non-current liabilities				
Provision for end of service indemnity		450,510	450,017	437,741
		<u>450,510</u>	<u>450,017</u>	<u>437,741</u>
Current liabilities				
Murabaha payable	6	1,200,000	-	-
Creditors and other credit balances		2,164,828	2,281,897	1,416,026
		<u>3,364,828</u>	<u>2,281,897</u>	<u>1,416,026</u>
Total liabilities		<u>3,815,338</u>	<u>2,731,914</u>	<u>1,853,767</u>
Total equity and liabilities		<u>10,033,699</u>	<u>8,361,017</u>	<u>7,162,788</u>

The accompanying notes on pages 7 to 17 form an integral part of this interim condensed consolidated financial information.


Talal Sultan Ali Al-Shehab
Chairman

Kuwait Hotels Company K.S.C.P. and its subsidiaries
State of Kuwait

Interim Condensed Consolidated Statement of Profit or Loss (Unaudited)
For the six months period ended 30 June 2024

	Notes	For the three months period ended 30 June		For the six months period ended 30 June	
		2024	2023	2024	2023
		KD	KD	KD	KD
Income					
Revenue from contracts with customers		726,161	808,467	1,525,662	1,629,356
Management fees		207,618	222,859	518,305	429,896
Rental income		309,110	296,389	805,183	592,560
		<u>1,242,889</u>	<u>1,327,715</u>	<u>2,849,150</u>	<u>2,651,812</u>
Cost of sales		(858,878)	(879,712)	(1,917,572)	(1,706,802)
Gross profit		<u>384,011</u>	<u>448,003</u>	<u>931,578</u>	<u>945,010</u>
Group's share of results from associates		-	(615)	-	(10,608)
Gain on sale of property and equipment		550	5,726	8,350	8,511
Net investment loss		(1,360)	-	(2,133)	-
Other income	7	37,391	56,175	84,740	94,184
		<u>420,592</u>	<u>509,289</u>	<u>1,022,535</u>	<u>1,037,097</u>
Expenses					
General and administrative expenses		(163,595)	(153,058)	(312,791)	(295,179)
Provision for expected credit losses		-	(97,190)	(21,316)	(113,140)
Net foreign currencies exchange differences		(1,922)	(5,600)	(40,161)	(29,989)
		<u>(165,517)</u>	<u>(255,848)</u>	<u>(374,268)</u>	<u>(438,308)</u>
Profit for the period before deductions		<u>255,075</u>	<u>253,441</u>	<u>648,267</u>	<u>598,789</u>
Kuwait Foundation for the Advancement of Sciences		(2,295)	(2,281)	(5,835)	(5,389)
National Labor Support Tax		(6,433)	(7,128)	(16,502)	(14,776)
Zakat		(2,573)	(3,212)	(6,601)	(6,271)
Income tax on overseas operations		(350)	(1,164)	(960)	(4,030)
Net profit for the period		<u>243,424</u>	<u>239,656</u>	<u>618,369</u>	<u>568,323</u>
Attributable to:					
The Parent Company's Shareholders		243,320	239,546	618,157	568,111
Non-controlling interests		104	110	212	212
		<u>243,424</u>	<u>239,656</u>	<u>618,369</u>	<u>568,323</u>
Basic and diluted earnings per share attributable to the Shareholders of the Parent Company (fils)					
	8	<u>4.31</u>	<u>4.24</u>	<u>10.95</u>	<u>10.07</u>

The accompanying notes on pages 7 to 17 form an integral part of this interim condensed consolidated financial information.

Kuwait Hotels Company K.S.C.P. and its subsidiaries
State of Kuwait

Interim Condensed Consolidated Statement of Profit or loss and Other Comprehensive Income
(Unaudited)

For the six months period ended 30 June 2024

	For the three months period ended 30 June		For the six months period ended 30 June	
	2024	2023	2024	2023
	KD	KD	KD	KD
Net profit for the period	243,424	239,656	618,369	568,323
Other comprehensive income / (loss) items <i>Items that may be reclassified subsequently to the interim condensed consolidated statement of profit or loss:</i>				
Foreign currencies translation adjustments	5,118	(1,743)	(70,570)	(25,675)
<i>Items that will not be reclassified subsequently to the interim condensed consolidated statement of profit or loss:</i>				
Changes in fair value of financial assets at fair value through other comprehensive income	41,459	791	41,459	(2,746)
Other comprehensive income / (loss) for the period	46,577	(952)	(29,111)	(28,421)
Total comprehensive income for the period	290,001	238,704	589,258	539,902
Attributable to:				
The parent Company's shareholder	289,897	238,594	589,046	539,690
Non-controlling interests	104	110	212	212
	290,001	238,704	589,258	539,902

The accompanying notes on pages 7 to 17 form an integral part of this interim condensed consolidated financial information.

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

Interim Consolidated Statement of Changes in Equity (Unaudited)

For the six months period ended 30 June 2024

	Share capital KD	Treasury shares KD	Statutory reserve KD	Voluntary reserve KD	Other reserve KD	Fair value reserve KD	Foreign currencies translation adjustments KD	(Accumulated losses) / retained earnings KD	Equity attributable to Shareholders of the Parent Company KD	Non-controlling interests KD	Total equity KD
Balance as at 1 January 2023	5,775,000	(223,952)	839,017	435,311	(513,600)	(133,535)	(416,508)	(993,964)	4,768,769	350	4,769,119
Net profit for the period	-	-	-	-	-	-	-	568,111	568,111	212	568,323
Other comprehensive loss for the period	-	-	-	-	-	(2,746)	(25,675)	-	(28,421)	-	(28,421)
Total comprehensive (loss) / income for the period	-	-	-	-	-	(2,746)	(25,675)	568,111	539,690	212	539,902
Impact of disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	71,917	-	(71,917)	-	-	-
Balance as at 30 June 2023	<u>5,775,000</u>	<u>(223,952)</u>	<u>839,017</u>	<u>435,311</u>	<u>(513,600)</u>	<u>(64,364)</u>	<u>(442,183)</u>	<u>(497,770)</u>	<u>5,308,459</u>	<u>562</u>	<u>5,309,021</u>
Balance as at 1 January 2024	5,775,000	(223,952)	934,279	531,573	(429,003)	(64,364)	(457,432)	(437,799)	5,628,302	801	5,629,103
Net profit for the period	-	-	-	-	-	-	-	618,157	618,157	212	618,369
Other comprehensive income / (loss) for the period	-	-	-	-	-	41,459	(70,570)	-	(29,111)	-	(29,111)
Total comprehensive income / (loss) for the period	-	-	-	-	-	41,459	(70,570)	618,157	589,046	212	589,258
Impact of disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	24,585	-	(24,585)	-	-	-
Balance as at 30 June 2024	<u>5,775,000</u>	<u>(223,952)</u>	<u>934,279</u>	<u>531,573</u>	<u>(429,003)</u>	<u>1,680</u>	<u>(528,002)</u>	<u>155,773</u>	<u>6,217,348</u>	<u>1,013</u>	<u>6,218,361</u>

The accompanying notes on pages 7 to 17 form an integral part of this interim condensed consolidated financial information.

Kuwait Hotels Company K.S.C.P. and its subsidiaries
State of Kuwait

Interim Condensed Consolidated Statement of Cash Flows (Unaudited)

For the six months period ended 30 June 2024

	Notes	For the six months period ended 30 June	
		2024	2023
		KD	KD
Cash flows from operating activities			
Net profit for the period before deductions		648,267	598,789
<i>Adjustments for:</i>			
Provision for expected credit losses		21,316	113,140
Net foreign currencies exchange differences		40,161	29,989
Group's share of results from associates		-	10,608
Depreciation		83,804	101,414
Gain on sale of property and equipment		(8,350)	(8,511)
Net investment loss		2,133	-
Interest income	7	(22,207)	(37,618)
Provision for end of service indemnity		49,663	42,992
		<u>814,787</u>	<u>850,803</u>
Change in operating assets and liabilities			
Inventories		(4,213)	(1,125)
Debtors and other debit balances		(409,772)	23,225
Due from a related party		-	(79)
Creditors and other credit balances		(146,967)	(278,217)
<i>Cash generated from operations</i>		<u>253,835</u>	<u>594,607</u>
End of service indemnity paid		(49,170)	(81,610)
KFAS paid		-	(6,734)
NLST paid		-	(17,229)
Zakat paid		-	(248)
Net cash flows generated from operating activities		<u>204,665</u>	<u>488,786</u>
Cash flows from investing activities			
Paid for purchase of property and equipment		(7,472)	(1,883)
Proceeds from sale property and equipment		8,350	17,858
Paid for purchase of financial assets at fair value through profit or loss		(118,595)	-
Proceeds from sale of financial assets at fair value through profit or loss		54,380	-
Proceeds from sale of financial assets at fair value through other comprehensive income		41,459	35,999
Dividend income received		106	-
Interest income received		22,207	37,618
Net cash flows generated from investing activities		<u>435</u>	<u>89,592</u>
Cash flows from financing activities			
Proceeds from Murabaha payable		1,200,000	-
Net cash flows generated from financing activities		<u>1,200,000</u>	<u>-</u>
Net increase in cash and cash equivalents		1,405,100	578,378
Effect of foreign currencies translation adjustments		(70,570)	(25,946)
Cash and cash equivalents at the beginning of the period		1,904,825	2,798,390
Cash and cash equivalents at the end of the period	4	<u>3,239,355</u>	<u>3,350,822</u>

The accompanying notes on pages 7 to 17 form an integral part of this interim condensed consolidated financial information.

Kuwait Hotels Company K.S.C.P. and its subsidiaries
State of Kuwait

Notes to the Interim Condensed Consolidated Financial Information (Unaudited)

For the six months period ended 30 June 2024

1. INCORPORATION AND ACTIVITIES

Kuwait Hotels Company K.S.C.P (the "Parent Company") was incorporated on 25 June 1962 in Kuwait as a Kuwaiti Shareholding Closed Company, which was amended by several amendments, the latest amendment recorded in the Commercial Registry under No. 15057 dated 29 April 2024.

The Parent Company is listed on the Boursa Kuwait on 29 September 1984.

In accordance with the Group's Shareholders' Extraordinary General Assembly Meeting held on 28 March 2024 (Note 10), it was approved to change the Article No. (3) of the Memorandum of Incorporation and the Memorandum of Association to add new activity as follows "Public Facilities Management". This has been registered in the Company Registry No. 15057 dated 29 April 2024.

The main activities for which the Parent Company is incorporated are:

- Hotel management and operation
- Management and operation of hotel apartments
- Resorts
- Buying and selling resorts
- Buying and selling land and real estate
- Managing and renting owned or rented properties
- Managing and development land and properties
- Hotels
- Restaurants
- Restaurants management
- Food services management
- Food supplies
- Catering
- General cleaning services for buildings
- Public facilities management

The Parent Company is a subsidiary of Petrobrit Kuwait General Trading & Contracting Company W.L.L. (The "Ultimate Parent Company") by 34.20%.

The Parent Company may carry on the above-mentioned activities inside State of Kuwait or abroad on its own or as an agent for other parties. The Parent Company may have an interest or in any way associate itself with other entities engaged in similar activities or that may assist the Parent Company in achieving its objectives in State of Kuwait or abroad. The Parent Company may establish, participate in, acquire these institutions, or have them affiliated to it.

The interim condensed consolidated financial information for the six months period ended 30 June 2024 includes the interim condensed financial information of the Parent Company and its subsidiaries (together referred to as "the Group") (Note 2.2).

The Parent Company's registered address is: P.O. Box 833 - Safat 13009, State of Kuwait.

This interim condensed consolidated financial information for the six months period ended 30 June 2024 were authorised for issue by the Board of Directors of the Parent Company on 5 August 2024.

2. BASIS OF PREPARATION

This interim condensed consolidated financial information is presented in Kuwaiti Dinars (KD), which is also the functional and presentation currency of the Parent Company.

The interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”. The interim condensed consolidated financial information does not include all of the information and notes required for complete annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”) and should be read in conjunction with the Group’s last annual consolidated financial statements for the financial 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.

2.1 Changes in significant accounting policies

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial information of the Group.

Amendments to IAS 7 and IFRS 7- Supplier Finance Arrangements

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk. The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments.

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

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

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

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

2. BASIS OF PREPARATION (CONTINUED)

2.1 Changes in significant accounting policies (Continued)

New standards, interpretations and amendments adopted by the Group (Continued)

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

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

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

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

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

2.2 Basis of consolidation

This interim condensed consolidated financial information for the six months period ended 30 June 2024 includes the Parent Company and its subsidiaries.

The interim condensed financial information of the subsidiaries is consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Any intra-group balances and transactions, and any realised gains, losses, expenses, income and balances arising from intra-group transactions, are eliminated in preparing these interim condensed consolidated financial information.

Kuwait Hotels Company K.S.C.P. and its subsidiaries
State of Kuwait

Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
For the six months period ended 30 June 2024

2. BASIS OF PREPARATION (CONTINUED)

2.2 Basis of consolidation (Continued)

The interim condensed consolidated financial information / consolidated financial statements of Kuwait Hotels Company K.S.C.P. and its subsidiaries as follows:

Name of subsidiary	Country of incorporation	Principal activities	Ownership (%)		
			30 June 2024	31 December 2023 (Audited)	30 June 2023
Directly held:					
Kuwait Catering Company K.S.C. (Closed) ("KCC")	Kuwait	Catering services	99.54%	99.54%	99.54%
Safat Catering Services Company K.S.C. (Closed) ("SCC") *	Kuwait	Catering services and manpower supply	99%	99%	99%
Safir International Hotel Management Company E.C. ("SIHM") *	Kingdom of Bahrain	Hotel management	99.9%	99.9%	99.9%
Safir International Hotel and Resort Management L.L.C ("SIHRM Dubai")	United Arab Emirates	Hotel contract management	100%	100%	100%
Four Corners (S.P.C.)	Kuwait	Hotel management and investment property	100%	100%	-
Indirectly held:					
Safir Support Services Company K.S.C. (Closed) (Indirectly held through KCC) *	Kuwait	Manpower supply Pastry and bakery manufacturing and trading	99.7%	99.7%	99.7%
Ramo Trading Company W.L.L. (Indirectly held through SCC) *	Kuwait		-	-	99.9%

* The effective ownership interest of the Group in the subsidiaries is 100%. Certain shares / units attributable to certain subsidiaries have been registered under the names of other parties who hold these shares / units on behalf of and for the benefit of the Group. They have been assigned based on official power of attorneys and written representations in favour of the Group.

The interim condensed consolidated financial information of the subsidiaries was consolidated through interim condensed consolidated financial information prepared by the management as at 30 June 2024.

2.3 Associates

Set out below are the associates of the Group:

Name of associate	Country of incorporation	Principal activities	Ownership (%)		
			30 June 2024	31 December 2023 (Audited)	30 June 2023
Abu Nawas for Tourism and Services	Tunisia	Travel and tourism related services.	50%	50%	50%
Caf Café Company W.L.L.	Kuwait	Catering services	50%	50%	50%

Kuwait Hotels Company K.S.C.P. and its subsidiaries
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Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
For the six months period ended 30 June 2024

3. RELATED PARTIES' DISCLOSURES

Related parties represent major Shareholders, directors and senior management personnel of the Group, and Companies controlled, or significantly influenced by such parties. The pricing policies and conditions for these transactions are approved by the Group's management. The significant related parties' balances and transactions are as follows:

Balance included in the interim condensed consolidated statement of financial position / consolidated statement of financial position.

	<u>30 June 2024</u>	<u>31 December 2023 (Audited)</u>	<u>30 June 2023</u>
	KD	KD	KD
Due from a related party	-	-	8,421
Debtors and other debit balances- advance payment to purchase investment *	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>
	<u>3,000,000</u>	<u>3,000,000</u>	<u>8,421</u>

* This balance represents amount paid by the Group during the prior year ended 31 December 2023, against its purchase of 99% ownership in Mrasi AL-Dabaia Real Estate Company W.L.L. from Al-Riyada Finance & Investment Company K.S.C (Closed).

Transactions included in the interim condensed consolidated statement of profit or loss:

	<u>Under common control</u>	<u>For the three months period ended 30 June</u>		<u>For the six months period ended 30 June</u>	
		<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
		KD	KD	KD	KD
Rental income	-	-	5,508	-	11,016
Administrative expenses	9,000	4,500	-	9,000	-
Other income	-	-	4,050	-	8,100

Key management personnel:

	<u>For the three months period ended 30 June</u>		<u>For the six months period ended 30 June</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	KD	KD	KD	KD
Salaries and short-term benefits	26,716	22,851	53,432	45,702
End of service benefits	2,293	1,428	4,586	2,856
	<u>29,003</u>	<u>24,279</u>	<u>58,018</u>	<u>48,558</u>

Kuwait Hotels Company K.S.C.P. and its subsidiaries
State of Kuwait

Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
For the six months period ended 30 June 2024

4. CASH AND CASH EQUIVALENTS

	<u>30 June 2024</u>	<u>31 December 2023 (Audited)</u>	<u>30 June 2023</u>
	KD	KD	KD
Bank balances and cash on hand	3,249,039	1,053,674	1,350,822
Cash at investment portfolio	316	-	-
Short term deposits*	-	851,151	2,000,000
Provision for expected credit losses	(10,000)	-	-
	<u>3,239,355</u>	<u>1,904,825</u>	<u>3,350,822</u>

* The effective interest rate of short-term deposit is Nil (31 December 2023: 4.4% and 30 June 2023: from 4.5% to 4.85%) per annum. These deposits have an average maturity of 90 days from the placement date.

5. TREASURY SHARES

	<u>30 June 2024</u>	<u>31 December 2023 (Audited)</u>	<u>30 June 2023</u>
Number of shares (share)	1,316,700	1,316,700	1,316,700
Percentage to paid up shares (%)	2.33%	2.33%	2.33%
Market value (KD)	204,089	225,155	298,891
Cost (KD)	223,952	223,952	223,952

6. MURABAHA PAYABLE

	<u>30 June 2024</u>	<u>31 December 2023 (Audited)</u>	<u>30 June 2023</u>
	KD	KD	KD
Total amount	1,228,201	-	-
Less: deferred profit	(28,201)	-	-
	<u>1,200,000</u>	<u>-</u>	<u>-</u>

On 2 June 2024, Murabaha payable by an amount of KD 1,200,000 is granted by a local bank at profit rate of 1.625% per annum above Central Bank of Kuwait discount rate.

7. OTHER INCOME

	<u>For the three months period ended 30 June</u>		<u>For the six months period ended 30 June</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	KD	KD	KD	KD
Cleaning and maintenance services	26,019	21,822	52,981	43,644
Chalet transfer charges	-	2,000	2,000	4,000
Interest income	9,021	23,741	22,207	37,618
Miscellaneous income	2,351	8,612	7,552	8,922
	<u>37,391</u>	<u>56,175</u>	<u>84,740</u>	<u>94,184</u>

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8. BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY

Basic and diluted earnings per share is computed by dividing the net profit for the period attributable to Shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the period (excluding treasury shares). There are no potential dilutive ordinary shares.

The information necessary to calculate basic and diluted earnings per share based on the weighted average number of shares outstanding during the period is as follows:

	For the three months period ended 30 June		For the six months period ended 30 June	
	2024	2023	2024	2023
Net profit for the period attributable to the Shareholders of the Parent Company (“KD”)	243,320	239,546	618,157	568,111
Number of the Parent Company’s outstanding shares (share)	57,750,000	57,750,000	57,750,000	57,750,000
Less: weighted average number of the Parent Company’s treasury shares (share)	(1,316,700)	(1,316,700)	(1,316,700)	(1,316,700)
Weighted average number of the Parent Company’s outstanding shares (share)	56,433,300	56,433,300	56,433,300	56,433,300
Basic and diluted earnings per share attributable to the Shareholders of the Parent Company (fils)	4.31	4.24	10.95	10.07

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9. SEGMENT REPORTING

The Group is organised into functional divisions to manage its various lines of business. The Group operates in the State of Kuwait, and other countries. For the purposes of segment reporting, the Group's management has grouped its activities into the following business segments:

- Hotel Management: Owning, operating and managing of hotels and chalets and managing investment property.
- Catering and manpower supply services: Providing catering and manpower supply services to governmental.

	For the six months period ended 30 June 2024		
	Hotel management	Catering and manpower supply services	Total
	KD	KD	KD
Segment revenues	1,404,848	1,537,392	2,942,240
Segment results	263,252	355,117	618,369
Total assets	516,878	9,516,821	10,033,699
Total liabilities	213,909	3,601,429	3,815,338

	For the year ended 31 December 2023		
	Hotel management	Catering and manpower supply services	Total
	KD	KD	KD
Total assets	7,470,112	890,905	8,361,017
Total liabilities	2,326,777	405,137	2,731,914

	For the six months period ended 30 June 2023		
	Hotel management	Catering and manpower supply services	Total
	KD	KD	KD
Segment revenues	1,115,637	1,638,870	2,754,507
Segment results	239,145	329,178	568,323
Total assets	5,835,238	1,327,550	7,162,788
Total liabilities	1,291,368	562,399	1,853,767

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10. GENERAL ASSEMBLY

The Annual General Assembly Meeting of the Parent Company's Shareholders held on 28 March 2024 approved the consolidated financial statements for the year ended 31 December 2023 and approved not to distribute dividends to Shareholders, and not to pay remuneration to the Board of Directors for the year ended 31 December 2023.

In accordance with the Parent Company's Shareholders' Extraordinary General Assembly Meeting held on 28 March 2024, it was approved to change the Article No. (3) of the Memorandum of Incorporation and the Memorandum of Association to add new activity as follows "Public Facilities Management". This has been registered in the Company Registry No. 15057 dated 29 April 2024.

11. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (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.

As at 30 June 2024, the fair values of financial instruments approximate their carrying amounts. The management of the Group has assessed that fair value of financial assets and liabilities approximate their carrying amounts.

The level within which the financial assets are classified is determined based on the lowest level of significant input to the fair value measurement.

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11. FAIR VALUE MEASUREMENT (CONTINUED)

The financial assets measured at fair value in the interim condensed consolidated statement of financial position / consolidated statement of financial position are grouped into the fair value hierarchy as follows:

	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
	KD	KD	KD
30 June 2024			
Financial assets			
<i>Financial assets at fair value through other comprehensive income</i>			
Local unquoted securities	-	735	735
	<u>-</u>	<u>735</u>	<u>735</u>
 <i>Financial assets at fair value through profit or loss</i>			
Foreign quoted securities	61,976	-	61,976
	<u>61,976</u>	<u>-</u>	<u>61,976</u>
	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
	KD	KD	KD
31 December 2023 (Audited)			
Financial assets			
<i>Financial assets at fair value through other comprehensive income</i>			
Local unquoted securities	-	735	735
	<u>-</u>	<u>735</u>	<u>735</u>
	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
	KD	KD	KD
30 June 2023			
Financial assets			
<i>Financial assets at fair value through other comprehensive income</i>			
Local unquoted securities	-	735	735
	<u>-</u>	<u>735</u>	<u>735</u>

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Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
For the six months period ended 30 June 2024

11. FAIR VALUE MEASUREMENT (CONTINUED)

Reconciliation of Level 3 fair value measurements:

	Financial assets at fair value through other comprehensive income
	KD
30 June 2024	
As at 1 January 2024	735
Change in fair value	41,459
Disposal	(41,459)
30 June 2024	<u>735</u>
31 December 2023 (Audited)	
As at 1 January 2023	735
31 December 2023 (Audited)	<u>735</u>
30 June 2023	
As at 1 January 2023	735
30 June 2023	<u>735</u>

The Parent Company's management believes that no significant changes have occurred in the fair value of the investment properties during the six months period ended 30 June 2024. All investment properties are considered level 3 in the fair value hierarchy.

During the period / year / period, there were no transfers between level 1, level 2 and level 3.

12. COMPARATIVE FIGURES

Certain comparative figures for the interim condensed consolidated statement of profit or loss have been reclassified to conform to the current period's presentation. Such reclassification did not affect previously reported profit or equity and accordingly a third statement of consolidated financial position is not presented.

13. SUBSEQUENT EVENT

Subsequent to the interim condensed consolidated financial information for the period ended 30 June 2024, the Group has acquired an investment property located at Khitan area by an amount of KD 4,850,000 that will be financed through Ijara contract with a local bank by an amount of KD 2,737,500.