

**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 nine months period ended 30 September 2024**

**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 nine months period ended 30 September 2024

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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 September 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 nine 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 nine months period ended 30 September 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 nine months period ended 30 September 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: 31 October 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 September 2024

		30 September 2024	31 December 2023 (Audited)	30 September 2023
	Notes	KD	KD	KD
ASSETS				
Non-current assets				
Property and equipment		673,482	717,952	746,659
Investment properties	3	5,953,010	1,175,083	1,199,107
Investment in associates		133,784	140,595	152,717
Financial assets at fair value through other comprehensive income		735	735	735
		<u>6,761,011</u>	<u>2,034,365</u>	<u>2,099,218</u>
Current assets				
Inventories		7,346	3,068	4,978
Debtors and other debit balances		4,186,464	4,418,759	1,807,974
Cash and cash equivalents	5	2,560,896	1,904,825	4,106,211
		<u>6,754,706</u>	<u>6,326,652</u>	<u>5,919,163</u>
Total assets		<u>13,515,717</u>	<u>8,361,017</u>	<u>8,018,381</u>
EQUITY AND LIABILITIES				
Equity				
Share capital		5,775,000	5,775,000	5,775,000
Treasury shares	6	(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)	(429,003)
Fair value reserve		1,680	(64,364)	(64,364)
Foreign currencies translation adjustments		(542,570)	(457,432)	(441,691)
Retained earnings / (Accumulated losses)		340,624	(437,799)	(292,805)
Equity attributable to the shareholders of the Parent Company		<u>6,387,631</u>	<u>5,628,302</u>	<u>5,598,513</u>
Non-controlling interests		1,107	801	643
Total equity		<u>6,388,738</u>	<u>5,629,103</u>	<u>5,599,156</u>
Liabilities				
Non-current liabilities				
Provision for end of service indemnity		461,209	450,017	436,954
		<u>461,209</u>	<u>450,017</u>	<u>436,954</u>
Current liabilities				
Islamic financing payables	7	3,937,500	-	-
Creditors and other credit balances		2,728,270	2,281,897	1,982,271
		<u>6,665,770</u>	<u>2,281,897</u>	<u>1,982,271</u>
Total liabilities		<u>7,126,979</u>	<u>2,731,914</u>	<u>2,419,225</u>
Total equity and liabilities		<u>13,515,717</u>	<u>8,361,017</u>	<u>8,018,381</u>

The accompanying notes on pages 7 to 19 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 nine months period ended 30 September 2024

	Notes	For the three months period ended 30 September		For the nine months period ended 30 September	
		2024	2023	2024	2023
		KD	KD	KD	KD
Continuing operations					
Income					
Revenue from contracts with customers		791,194	805,681	2,316,856	2,435,037
Management fees		265,434	278,153	783,739	708,049
Rental income		311,602	296,587	1,116,785	889,147
		<u>1,368,230</u>	<u>1,380,421</u>	<u>4,217,380</u>	<u>4,032,233</u>
Cost of sales		(960,127)	(929,260)	(2,877,699)	(2,636,062)
Gross profit		<u>408,103</u>	<u>451,161</u>	<u>1,339,681</u>	<u>1,396,171</u>
Group's share of results from associates		(6,811)	(1,241)	(6,811)	(212)
Gain on sale of property and equipment		1,600	-	9,950	8,400
Net investment income		12,039	-	9,906	-
Other income	8	32,040	58,214	116,780	149,126
		<u>446,971</u>	<u>508,134</u>	<u>1,469,506</u>	<u>1,553,485</u>
Expenses					
General and administrative expenses		(183,593)	(149,988)	(496,384)	(440,362)
Reversal / (provision) for expected credit losses		-	36,080	(21,316)	1,966
Provision for a legal case		-	(70,079)	-	(70,079)
Net foreign currencies exchange differences		(2,556)	(49,014)	(42,717)	(79,003)
Finance costs		(65,606)	-	(65,606)	-
		<u>(251,755)</u>	<u>(233,001)</u>	<u>(626,023)</u>	<u>(587,478)</u>
Profit for the period before deductions		<u>195,216</u>	<u>275,133</u>	<u>843,483</u>	<u>966,007</u>
Kuwait Foundation for the Advancement of Sciences		(1,818)	(2,783)	(7,653)	(8,172)
National Labor Support Tax		(5,318)	(8,580)	(21,820)	(23,356)
Zakat		(2,127)	(7,910)	(8,728)	(14,181)
Income tax on overseas operations		(1,008)	(370)	(1,968)	(4,400)
Profit for the period from continuing operations		<u>184,945</u>	<u>255,490</u>	<u>803,314</u>	<u>915,898</u>
Discontinued operation					
Profit / (loss) for the period from discontinued operation		-	34,153	-	(57,932)
Profit for the period		<u>184,945</u>	<u>289,643</u>	<u>803,314</u>	<u>857,966</u>
Attributable to:					
The Parent Company's Shareholders		184,851	289,562	803,008	857,673
Non-controlling interests		94	81	306	293
		<u>184,945</u>	<u>289,643</u>	<u>803,314</u>	<u>857,966</u>
Basic and diluted earnings per share from the continuing operations attributable to the Shareholders of the Parent Company					
	10	<u>3.28</u>	<u>4.53</u>	<u>14.23</u>	<u>16.22</u>
Basic and diluted earnings / (loss) per share from the discontinued operation attributable to the Shareholders of the Parent Company					
	10	<u>-</u>	<u>0.60</u>	<u>-</u>	<u>(1.03)</u>
Basic and diluted earnings per share attributable to the Shareholders of the Parent Company (fils)					
	10	<u>3.28</u>	<u>5.13</u>	<u>14.23</u>	<u>15.20</u>

The accompanying notes on pages 7 to 19 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 nine months period ended 30 September 2024

	For the three months period ended 30 September		For the nine months period ended 30 September	
	2024	2023	2024	2023
	KD	KD	KD	KD
Net profit for the period	184,945	289,643	803,314	857,966
Other comprehensive (loss) / income items				
<i>Items that may be reclassified subsequently to the interim condensed consolidated statement of profit or loss:</i>				
Foreign currencies translation adjustments	(14,568)	492	(85,138)	(25,183)
<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	(2,746)
Other comprehensive (loss) / income for the period	<u>(14,568)</u>	<u>492</u>	<u>(43,679)</u>	<u>(27,929)</u>
Total comprehensive income for the period	<u>170,377</u>	<u>290,135</u>	<u>759,635</u>	<u>830,037</u>
Attributable to:				
The parent Company's shareholder	170,283	290,054	759,329	829,744
Non-controlling interests	94	81	306	293
	<u>170,377</u>	<u>290,135</u>	<u>759,635</u>	<u>830,037</u>
Attributable to:				
Continuing operations	170,377	255,982	759,635	887,969
Discontinued operation	-	34,153	-	(57,932)
	<u>170,377</u>	<u>290,135</u>	<u>759,635</u>	<u>830,037</u>

The accompanying notes on pages 7 to 19 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 Changes in Equity (Unaudited)
For the nine months period ended 30 September 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		Total equity KD
									Shareholders of the Parent Company KD	Non-controlling interests KD	
Balance as at 1 January 2023	5,775,000	(223,952)	839,017	436,311	(513,600)	(133,535)	(416,508)	(993,964)	4,768,769	350	4,769,119
Net profit for the period	-	-	-	-	-	-	-	857,673	857,673	293	857,966
Other comprehensive loss for the period	-	-	-	-	-	(2,746)	(25,183)	-	(27,929)	-	(27,929)
Total comprehensive (loss) / income for the period	-	-	-	-	-	(2,746)	(25,183)	857,673	829,744	293	830,037
Impact of disposal of a subsidiary (Note 9)	-	-	-	-	84,597	-	-	(84,597)	-	-	-
Impact of disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	71,917	(441,691)	(71,917)	-	-	-
Balance as at 30 September 2023	5,775,000	(223,952)	839,017	436,311	(429,003)	(64,364)	(441,691)	(292,805)	5,598,513	643	5,599,156
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	-	-	-	-	-	-	-	803,008	803,008	306	803,314
Other comprehensive income / (loss) for the period	-	-	-	-	-	41,459	(85,138)	-	(43,679)	-	(43,679)
Total comprehensive income / (loss) for the period	-	-	-	-	-	41,459	(85,138)	803,008	759,329	306	759,635
Impact of disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	24,585	(542,570)	(24,585)	-	-	-
Balance as at 30 September 2024	5,775,000	(223,952)	934,279	531,573	(429,003)	1,680	(542,570)	340,624	6,387,631	1,107	6,388,738

The accompanying notes on pages 7 to 19 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 nine months period ended 30 September 2024

	Notes	For the nine months period ended 30 September	
		2024	2023
		KD	KD
Cash flows from operating activities			
Profit for the period before deductions		843,483	966,007
Loss for the period from discontinued operation		-	(57,932)
<i>Adjustments for:</i>			
Group's share of results from associates		6,811	212
Gain on sale of property and equipment		(9,950)	(8,400)
Net investment income		(9,906)	-
Interest income	8	(22,207)	(63,479)
Depreciation		122,551	155,433
Provision / (reversal) for expected credit losses		21,316	(1,966)
Provision for a legal case		-	70,079
Net foreign currencies exchange differences		42,717	79,003
Finance costs		65,606	-
Gain from disposal of a subsidiary	9	-	(55,189)
Provision for end of service indemnity		80,955	64,715
		<u>1,141,376</u>	<u>1,148,483</u>
Change in operating assets and liabilities			
Paid for purchase of an investment property		(2,112,500)	-
Inventories		(4,278)	(352)
Debtors and other debit balances		168,262	(281,209)
Due from a related party		-	87,368
Creditors and other credit balances		427,217	291,185
Due to related parties		-	8,424
<i>Cash (used in) / generated from operations</i>		<u>(379,923)</u>	<u>1,253,899</u>
End of service indemnity paid		(69,763)	(104,120)
KFAS paid		-	(6,734)
NLST paid		(21,013)	(17,229)
Zakat paid		-	(248)
Net cash flows (used in) / generated from operating activities		<u>(470,699)</u>	<u>1,125,568</u>
Cash flows from investing activities			
Paid for purchase of property and equipment		(9,578)	(2,387)
Proceeds from sale property and equipment		13,520	17,524
Dividends received from investment in associate		-	60,000
Paid for purchase of financial assets at fair value through profit or loss		(145,703)	-
Proceeds from sale of financial assets at fair value through profit or loss		155,444	-
Proceeds from sale of financial assets at fair value through other comprehensive income		41,459	35,999
Proceeds from disposal of a subsidiary		-	30,000
Dividend income received		165	-
Interest income received		22,207	63,479
Net cash flows generated from investing activities		<u>77,514</u>	<u>204,615</u>
Cash flows from financing activities			
Proceeds from Murabaha payable		1,200,000	-
Finance costs paid		(65,606)	-
Net cash flows generated from financing activities		<u>1,134,394</u>	<u>-</u>
Net increase in cash and cash equivalents		<u>741,209</u>	<u>1,330,183</u>
Cash and cash equivalents balances disposed off		-	(121)
Effect of foreign currencies translation adjustments		(85,138)	(22,241)
Cash and cash equivalents at the beginning of the period		<u>1,904,825</u>	<u>2,798,390</u>
Cash and cash equivalents at the end of the period	5	<u><u>2,560,896</u></u>	<u><u>4,106,211</u></u>
Material non-cash transactions:			
Investment properties	3	(2,737,500)	-
Islamic financing payables - Ijara	7	2,737,500	-

The accompanying notes on pages 7 to 19 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 nine months period ended 30 September 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 12), 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 nine months period ended 30 September 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 nine months period ended 30 September 2024 were authorised for issue by the Board of Directors of the Parent Company on 31 October 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.

Notes to the Interim Condensed Consolidated Financial Information (Unaudited)

For the nine months period ended 30 September 2024

2. BASIS OF PREPARATION (CONTINUED)

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.

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.

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

Notes to the Interim Condensed Consolidated Financial Information (Unaudited)

For the nine months period ended 30 September 2024

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 (continued)

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 nine months period ended 30 September 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.

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 September 2024	31 December 2023 (Audited)	30 September 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%	-

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

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

2. BASIS OF PREPARATION (CONTINUED)

2.2 Basis of consolidation (Continued)

Name of subsidiary	Country of incorporation	Principal activities	Ownership (%)		
			30 September 2024	31 December 2023 (Audited)	30 September 2023
Indirectly held:					
Safir Support Services Company K.S.C. (Closed) (Indirectly held through KCC) *	Kuwait	Manpower supply	99.7%	99.7%	99.7%
Ramo Trading Company W.L.L. (Indirectly held through SCC) * & **	Kuwait	Pastry and bakery manufacturing and trading	-	-	-

* 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.

** During the previous period ended 30 September 2023, the Group had disposed its 100% ownership in Ramo Trading Company W.L.L. (Note 9).

*** During the previous period ended 30 September 2023, the Parent Company has incorporated a fully owned subsidiary "Four Corners S.P.C."

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

2.3 Associates

Set out below are the associates of the Group:

Name of associate	Country of incorporation	Principal activities	Ownership (%)		
			30 September 2024	31 December 2023 (Audited)	30 September 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%

* During the previous period ended 30 September 2023, the Group had disposed its 100% ownership in subsidiary 'Ramo Trading Company W.L.L. who owns 50% in Milk Box Caterin Company W.L.L. (Note 9).

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3. INVESTMENT PROPERTIES

	Buildings on leasehold Land	Land	30 September 2024	(Audited) 31 December 2023	30 September 2023
	KD	KD	KD	KD	KD
Cost					
Balance as at the beginning of the period / year / period	2,415,438	-	2,415,438	2,414,430	2,414,430
Additions*	-	4,850,000	4,850,000	1,008	-
Balance as at the end of the period / year / period	<u>2,415,438</u>	<u>4,850,000</u>	<u>7,265,438</u>	<u>2,415,438</u>	<u>2,414,430</u>
Accumulated depreciation					
Balance as at the beginning of the period / year / period	1,240,355	-	1,240,355	1,144,258	1,144,258
Charge for the period / year/period	72,073	-	72,073	96,097	71,065
Balance as at the end of the period / year / period	<u>1,312,428</u>	<u>-</u>	<u>1,312,428</u>	<u>1,240,355</u>	<u>1,215,323</u>
Net book value					
Balance as at the end of the period / year / period	<u>1,103,010</u>	<u>4,850,000</u>	<u>5,953,010</u>	<u>1,175,083</u>	<u>1,199,107</u>

* During the current period ended 30 September 2024, the Group has purchased an investment property in Khaitan area with an amount of KD 4,850,000 against an Ijara payable granted by a local Islamic Financial Institution by an amount of KD 2,737,500 (Note 7).

4. 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.

	30 September 2024	31 December 2023 (Audited)	30 September 2023
	KD	KD	KD
Debtors and other debit balances- advance payment to purchase investment *	3,000,000	3,000,000	-
	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</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).

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4. RELATED PARTIES' DISCLOSURES (CONTINUED)

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

	Under common control KD	For the three months period ended 30 September		For the nine months period ended 30 September	
		2024	2023	2024	2023
		KD	KD	KD	KD
Rental income	-	-	3,672	-	14,688
Administrative expenses	13,500	4,500	-	13,500	-
Other income	-	-	2,700	-	10,800

Key management personnel:

	For the three months period ended 30 September		For the nine months period ended 30 September	
	2024	2023	2024	2023
	KD	KD	KD	KD
Salaries and short-term benefits	26,717	22,851	80,149	68,553
End of service benefits	2,294	1,428	6,880	4,284
	<u>29,011</u>	<u>24,279</u>	<u>87,029</u>	<u>72,837</u>

5. CASH AND CASH EQUIVALENTS

	30 September	31 December	30 September
	2024	2023	2023
	KD	(Audited) KD	KD
Bank balances and cash on hand	2,508,349	1,053,674	1,276,211
Cash at investment portfolio	62,547	-	-
Short term deposits*	-	851,151	2,830,000
Provision for expected credit losses	(10,000)	-	-
	<u>2,560,896</u>	<u>1,904,825</u>	<u>4,106,211</u>

* The effective interest rate of short-term deposit is Nil (31 December 2023: 4.4% and 30 September 2023: from 4.125% to 4.25%) per annum. These deposits have an average maturity of 90 days from the placement date.

6. TREASURY SHARES

	30 September	31 December	30 September
	2024	2023	2023
		(Audited)	
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)	225,156	225,155	260,706
Cost (KD)	223,952	223,952	223,952

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7. ISLAMIC FINANCING PAYABLES

	30 September 2024		
	Murabaha	Ijara	Total
	KD	KD	KD
Total amount	1,210,541	2,860,350	4,070,891
Less: deferred profit	(10,541)	(122,850)	(133,391)
	<u>1,200,000</u>	<u>2,737,500</u>	<u>3,937,500</u>

On 2 June 2024, Murabaha payable by an amount of KD 1,200,000 is granted by a local Islamic Financial Institution at profit rate of 1.625% per annum above Central Bank of Kuwait discount rate and it is due within one year as at 30 September 2024.

During the current period ended 30 September 2024, an Ijara payable is granted by a local Islamic Financial Institution to finance the purchase of an investment property in Khaitan with an amount of KD 2,737,500 (Note 3) and are repayable on quarterly instalments over one year. The effective profit rate of this borrowing is 2% per annum above Central Bank of Kuwait discount rate.

The fair value of Islamic financing payables approximates its carrying value as at the date of the interim condensed consolidated financial information and is due within one year as at 30 September 2024.

Ijara balance is secured by an investment property amounting KD 4,850,000 (Note 3).

8. OTHER INCOME

	For the three months		For the nine months	
	period ended		period ended	
	30 September		30 September	
	2024	2023	2024	2023
	KD	KD	KD	KD
Cleaning and maintenance services	27,271	21,821	80,252	65,466
Chalet's ownership transfer charges	2,500	8,000	4,500	12,000
Interest income	-	25,861	22,207	63,479
Miscellaneous income	2,269	2,532	9,821	8,181
	<u>32,040</u>	<u>58,214</u>	<u>116,780</u>	<u>149,126</u>

9. DISCONTINUED OPERATION

During the previous period ended 30 September 2023, the Management of Safat Catering Services Company K.S.C.C (a subsidiary for the Group by ownership of 100%) had sold its 100% equity interest in its subsidiary "Ramo Trading Company W.L.L" ("subsidiary") to other party of non-related parties and resulted in a gain from disposal of a subsidiary of KD 55,189 which has been recognised in the interim condensed consolidated statement of profit or loss as part of the discontinued operation results. In addition, other reserves amounting to KD 84,597 that was recognised previously in year 2011 when the Parent Company acquired the remaining 49% from non-controlling interests is written off against the accumulated losses. The legal process was finalised on 16 August 2023, accordingly, control over the subsidiary company is passed to the acquirer.

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9. DISCONTINUED OPERATION (CONTINUED)

Analysis of assets and liabilities related to the subsidiary which control is lost on:

	As at 16 August 2023 (Disposal date)
	KD
Assets	
Property and equipment	101
Accounts receivable and other debit balances	95,892
Banks balances and cash	121
	<u>96,114</u>
Liabilities	
Accounts payable and other credit balances	92,879
Due to a related party	8,424
	<u>101,303</u>
Net deficit	<u>(5,189)</u>
The ownership of the Shareholders of Parent Company in the subsidiary disposed -100%	<u>5,189</u>
Net investment disposed	5,189
Total consideration *	<u>50,000</u>
Gain from disposal of a subsidiary	<u>55,189</u>
* Net consideration received includes the followings:	
Consideration received in cash and cash equivalents	30,000
Note receivable included in debtors and other debit balances	20,000
	<u>50,000</u>
Net cash flows on disposal of a subsidiary	
Consideration received in cash and cash equivalents	30,000
Consideration represents in note receivable included in debtors and other debit balances	20,000
Less: Cash and cash equivalents balances disposed off	(121)
	<u>49,879</u>

The following is discontinued operation related to the subsidiary recognised in the interim condensed consolidated statement of profit or loss till the disposal date. The comparative information of the interim condensed consolidated statement of profit or loss relating to the discontinued operation has been re-presented to include this operation classified as discontinued operation in the current period.

	For the period ended 16 August 2023 (Disposal date)
	KD
Revenue	4,397
Expenses	(117,518)
Net loss for the period	<u>(113,121)</u>
Net loss for the period from discontinued operation	<u>(113,121)</u>

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9. DISCONTINUED OPERATION (CONTINUED)

The interim condensed consolidated other comprehensive income does not include any balances or transactions related to the discontinued operation.

The interim condensed consolidated statement of cash flows includes the following amounts relating to the subsidiary's operations till the disposal date. The comparative information of the interim condensed consolidated statement of cash flows relating to the discontinued operation has been re-presented to include this operation classified as discontinued operation in the current period.

	For the period ended 16 August 2023 (Disposal date)
	<u>KD</u>
Net cash flows generating from operating activities	5,189
	<u>5,189</u>

The Management presented the loss from discontinued operation as follows:

	For the nine month period ended 30 September 2023
	<u>KD</u>
Share of the results from a subsidiary	(113,121)
Gain from disposal of a subsidiary	55,189
Loss from discontinued operation	<u>(57,932)</u>

10. 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.

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10. BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY (CONTINUED)

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 September		For the nine months period ended 30 September	
	2024	2023	2024	2023
Profit for the period from continuing operations attributable to the Shareholders of the Parent Company ("KD")	184,851	255,409	803,008	915,605
Profit / (loss) for the period from discontinued operation attributable to the Shareholders of the Parent Company ("KD")	-	34,153	-	(57,932)
Profit for the period attributable to the Shareholders of the Parent Company ("KD")	184,851	289,562	803,008	857,673
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 from continuing operation attributable to the Shareholders of the Parent Company ("fils")	3.28	4.53	14.23	16.22
Basic and diluted earnings / (loss) per share from discontinuing operation attributable to Shareholders of the Parent Company ("fils")	-	0.60	-	(1.03)
Basic and diluted earnings per share attributable to the Shareholders of the Parent Company ("fils")	3.28	5.13	14.23	15.20

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11. 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 nine months period ended 30 September 2024		
	Hotel management	Catering and manpower supply services	Total
	KD	KD	KD
Segment revenues	2,023,160	2,330,856	4,354,016
Segment results	298,165	505,149	803,314
Total assets	1,010,215	12,505,502	13,515,717
Total liabilities	233,683	6,893,296	7,126,979

	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 nine months period ended 30 September 2023		
	Hotel management	Catering and manpower supply services	Total
	KD	KD	KD
Segment revenues	1,746,545	2,443,214	4,189,759
Segment results:			
Continuing operations	307,625	608,273	915,898
Discontinued operations			(57,932)
Net profit for the period			857,966
Total assets	635,084	7,383,297	8,018,381
Total liabilities	114,629	2,304,596	2,419,225

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12. 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.

13. 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 September 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.

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 3</u>	<u>Total</u>
	KD	KD
30 September 2024		
<i>Financial assets</i>		
<i>Financial assets at fair value through other comprehensive income</i>		
Local unquoted securities	735	735
	<u>735</u>	<u>735</u>

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13. FAIR VALUE MEASUREMENT (CONTINUED)

	<u>Level 3</u>	<u>Total</u>
	KD	KD
31 December 2023 (Audited)		
<i>Financial assets</i>		
<i>Financial assets at fair value through other comprehensive income</i>		
Local unquoted securities	735	735
	<u>735</u>	<u>735</u>

	<u>Level 3</u>	<u>Total</u>
	KD	KD
30 September 2023		
<i>Financial assets</i>		
<i>Financial assets at fair value through other comprehensive income</i>		
Local unquoted securities	735	735
	<u>735</u>	<u>735</u>

Reconciliation of Level 3 fair value measurements:

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

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

14. 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.