

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 2025

**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 2025

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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 2025, 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).

Emphasis of a Matter

Without qualifying our conclusion, we draw attention to (Note 7) to the interim condensed financial information.

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 2025, 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 2025, 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

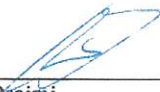
Kuwait: 17 July 2025

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 2025

	Notes	30 June 2025 KD	31 December 2024 (Audited) KD	30 June 2024 KD
ASSETS				
Non-current assets				
Property and equipment		622,275	656,362	689,668
Investment properties	3	5,880,937	5,928,986	1,127,035
Investment in associates		-	-	140,595
Financial assets at fair value through other comprehensive income		735	735	735
		<u>6,503,947</u>	<u>6,586,083</u>	<u>1,958,033</u>
Current assets				
Inventories		5,128	7,633	7,281
Debtors and other debit balances		5,964,160	4,486,053	4,767,054
Financial assets at fair value through profit or loss		-	-	61,976
Cash and cash equivalents	5	1,876,346	1,388,773	3,239,355
		<u>7,845,634</u>	<u>5,882,459</u>	<u>8,075,666</u>
Assets classified as held for sale		-	128,001	-
Total assets		<u>14,349,581</u>	<u>12,596,543</u>	<u>10,033,699</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		991,648	991,648	934,279
Voluntary reserve		588,942	588,942	531,573
Other reserve		(429,003)	(429,003)	(429,003)
Fair value reserve		1,680	1,680	1,680
Foreign currencies translation adjustments		(529,070)	(551,077)	(528,002)
Retained earnings		1,126,664	406,582	155,773
Equity attributable to the shareholders of the Parent Company		<u>7,301,909</u>	<u>6,559,820</u>	<u>6,217,348</u>
Non-controlling interests		1,153	1,165	1,013
Total equity		<u>7,303,062</u>	<u>6,560,985</u>	<u>6,218,361</u>
Liabilities				
Non-current liabilities				
Provision for end of service indemnity		466,994	468,520	450,510
		<u>466,994</u>	<u>468,520</u>	<u>450,510</u>
Current liabilities				
Islamic financing payables	7	3,937,500	2,737,500	1,200,000
Creditors and other credit balances		2,642,025	2,829,538	2,164,828
		<u>6,579,525</u>	<u>5,567,038</u>	<u>3,364,828</u>
Total liabilities		<u>7,046,519</u>	<u>6,035,558</u>	<u>3,815,338</u>
Total equity and liabilities		<u>14,349,581</u>	<u>12,596,543</u>	<u>10,033,699</u>

The accompanying notes on pages 7 to 16 form an integral part of this interim condensed consolidated financial information.


Ghazi Jamal Al-Osaimi
Vice 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 2025

	Notes	For the three months period ended 30 June		For the six months period ended 30 June	
		2025	2024	2025	2024
		KD	KD	KD	KD
Income					
Revenue from contracts with customers		764,252	726,161	1,553,347	1,525,662
Management fees		251,578	207,618	760,399	518,305
Rental income		326,817	309,110	652,649	805,183
		<u>1,342,647</u>	<u>1,242,889</u>	<u>2,966,395</u>	<u>2,849,150</u>
Cost of sales		(945,891)	(858,878)	(1,874,039)	(1,917,572)
Gross profit		<u>396,756</u>	<u>384,011</u>	<u>1,092,356</u>	<u>931,578</u>
Gain on sale of property and equipment		210	550	210	8,350
Net investment loss		-	(1,360)	-	(2,133)
Other income	8	57,549	37,391	115,347	84,740
		<u>454,515</u>	<u>420,592</u>	<u>1,207,913</u>	<u>1,022,535</u>
Expenses					
General and administrative expenses		(195,276)	(163,595)	(330,957)	(312,791)
Provision for expected credit losses		(14,193)	-	(21,347)	(21,316)
Net foreign currencies exchange differences		(2,734)	(1,922)	(2,915)	(40,161)
Finance costs		(57,779)	-	(101,252)	-
		<u>(269,982)</u>	<u>(165,517)</u>	<u>(456,471)</u>	<u>(374,268)</u>
Profit for the period before deductions		<u>184,533</u>	<u>255,075</u>	<u>751,442</u>	<u>648,267</u>
Kuwait Foundation for the Advancement of Sciences		(1,446)	(2,295)	(3,043)	(5,835)
National Labor Support Tax		(4,656)	(6,433)	(19,284)	(16,502)
Zakat		(1,998)	(2,573)	(8,028)	(6,601)
Income tax on overseas operations		(466)	(350)	(1,017)	(960)
Profit for the period		<u>175,967</u>	<u>243,424</u>	<u>720,070</u>	<u>618,369</u>
Attributable to:					
The Parent Company's Shareholders		175,993	243,320	720,082	618,157
Non-controlling interests		(26)	104	(12)	212
		<u>175,967</u>	<u>243,424</u>	<u>720,070</u>	<u>618,369</u>
Basic and diluted earnings per share attributable to the Shareholders of the Parent Company (fils)	9	<u>3.12</u>	<u>4.31</u>	<u>12.76</u>	<u>10.95</u>

The accompanying notes on pages 7 to 16 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 2025

	For the three months period ended 30 June		For the six months period ended 30 June	
	2025	2024	2025	2024
	KD	KD	KD	KD
Net profit for the period	175,967	243,424	720,070	618,369
Other comprehensive income / (loss) item <i>Item that may be reclassified subsequently to the interim condensed consolidated statement of profit or loss:</i>				
Foreign currencies translation adjustments	13,944	5,118	22,007	(70,570)
<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	-	41,459
Other comprehensive income / (loss) for the period	13,944	46,577	22,007	(29,111)
Total comprehensive income for the period	189,911	290,001	742,077	589,258
Attributable to:				
The Parent Company's Shareholders	189,937	289,897	742,089	589,046
Non-controlling interests	(26)	104	(12)	212
	189,911	290,001	742,077	589,258

The accompanying notes on pages 7 to 16 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 six months period ended 30 June 2025

	Share capital	Treasury shares	Statutory reserve	Voluntary reserve	Other reserve	Fair value reserve	Foreign currencies translation adjustments	(Accumulated losses) / retained earnings	Equity attributable to Shareholders of the Parent Company	Non-controlling interests	Total equity
	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD
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 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	5,775,000	(223,952)	934,279	531,573	(429,003)	1,680	(528,002)	155,773	6,217,348	1,013	6,218,361
Balance as at 1 January 2025	5,775,000	(223,952)	991,648	588,942	(429,003)	1,680	(551,077)	406,582	6,559,820	1,165	6,560,985
Net profit / (loss) for the period	-	-	-	-	-	-	-	720,082	720,082	(12)	720,070
Other comprehensive income for the period	-	-	-	-	-	-	22,007	-	22,007	-	22,007
Total comprehensive income / (loss) for the period	-	-	-	-	-	-	22,007	720,082	742,089	(12)	742,077
Balance as at 30 June 2025	5,775,000	(223,952)	991,648	588,942	(429,003)	1,680	(529,070)	1,126,664	7,301,909	1,153	7,303,062

The accompanying notes on pages 7 to 16 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	
		2025	2024
		KD	KD
Cash flows from operating activities			
Profit for the period before deductions		751,442	648,267
<i>Adjustments for:</i>			
Gain on sale of property and equipment		(210)	(8,350)
Net investment loss		-	2,133
Interest income	8	-	(22,207)
Depreciation		82,136	83,804
Provision for expected credit losses		21,347	21,316
Net foreign currencies exchange differences		2,915	40,161
Finance costs		101,252	-
Provision for end of service indemnity		45,063	49,663
		<u>1,003,945</u>	<u>814,787</u>
Change in operating assets and liabilities			
Inventories		2,505	(4,213)
Debtors and other debit balances		(1,502,369)	(409,772)
Creditors and other credit balances		(376,776)	(146,967)
<i>Cash (used in) / from operations</i>		<u>(872,695)</u>	<u>253,835</u>
End of service indemnity paid		(46,589)	(49,170)
Net cash flows (used in) / from operating activities		<u>(919,284)</u>	<u>204,665</u>
Cash flows from investing activities			
Paid for purchase of property and equipment		-	(7,472)
Proceeds from sale property and equipment		210	8,350
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
Proceeds from disposal of an investment in an associate		128,001	-
Dividend income received		-	106
Interest income received		-	22,207
Net cash flows from investing activities		<u>128,211</u>	<u>435</u>
Cash flows from financing activities			
Proceeds from Murabaha payable		1,200,000	1,200,000
Net movement in restricted cash balance		607,550	-
Finance costs paid		62,851	-
Dividends paid		(6,212)	-
Net cash flows from financing activities		<u>1,864,189</u>	<u>1,200,000</u>
Net increase in cash and cash equivalents		1,073,116	1,405,100
Effect of foreign currencies translation adjustments		22,007	(70,570)
Cash and cash equivalents at the beginning of the period		781,223	1,904,825
Cash and cash equivalents at the end of the period	5	<u>1,876,346</u>	<u>3,239,355</u>

The accompanying notes on pages 7 to 16 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 2025

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, 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 62.76% owned by Al Masar Leasing and Investment K.S.C. (Closed) (Client Portfolios).

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 2025 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 2025 were authorised for issue by the Board of Directors of the Parent Company on 17 July 2025.

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.

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 Accounting Standards, and should be read in conjunction with the Group's last annual consolidated financial statements for the financial year ended 31 December 2024. 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 material 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 financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025 but they do not have a material effect on the Group's interim condensed consolidated financial information. These amendments are as follows:

Amendments to IAS 21 (Lack of Exchangeability)

On 15 August 2023, the IASB issued Lack of Exchangeability which amended IAS 21 "The Effects of Changes in Foreign Exchange Rates (the Amendments)". The Amendments arose as a result of a submission received by the IFRS Interpretations Committee about the determination of the exchange rate when there is a long-term lack of exchangeability. IAS 21, prior to the Amendments, did not include explicit requirements for the determination of the exchange rate when a currency is not exchangeable into another currency, which led to diversity in practice.

The Committee recommended that the IASB develop narrow scope amendments to IAS 21 to address this issue. After further deliberations, the IASB issued an exposure draft of the proposed amendments to IAS 21 in April 2021 and the final amendments were issued in August 2023.

The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

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 2025 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 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 2025

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 2025	31 December 2024 (Audited)	30 June 2024
Directly held:					
Kuwait Catering Company K.S.C. (Closed) ("KCC")	Kuwait	Manpower supply	99.54%	99.54%	99.54%
Safat Catering Services Company K.S.C. (Closed) ("SCC") *	Kuwait	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 Hotel management and investment property	100%	100%	100%
Four Corners (S.P.C.) Safir International Company for Public Facilities Management and General Building Cleaning Services S.P.C **	Kuwait	Manpower supply	100%	100%	-
Safir International Company for Facilities Security Services S.P.C **	Kuwait	Manpower supply	100%	100%	-
Indirectly held:					
Safir Support Services Company K.S.C. (Closed) (Indirectly held through KCC) *	Kuwait	Manpower supply	99.7%	99.7%	99.7%

* 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 year ended 31 December 2024, the Parent Company has incorporated fully owned subsidiaries "Safir International Company for Public Facilities Management and General Building Cleaning Services S.P.C" and "Safir International Company for Facilities Security Services 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 June 2025.

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 2025

2. BASIS OF PREPARATION (CONTINUED)

2.3 Associates

Set out below are the associates of the Group:

Name of associate	Country of incorporation	Principal activities	Ownership (%)		
			30 June 2025	31 December 2024 (Audited)	30 June 2024
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%

* During the prior year ended 31 December 2024, the Partners Extra Ordinary Meeting of Caf Café Company W.L.L. ("the associate") approved to liquidate the associate. As a result, the carrying amount of the investment in an associate as at 31 December 2024 amounting of KD 128,001 were classified as current asset held for sale and are presented separately in the consolidated statement of financial position. During the current period ended 30 June 2025, the Group had disposed its ownership in the associate.

3. INVESTMENT PROPERTIES

	Buildings on leasehold	Land	30 June	(Audited)	30 June
	Land		2025	31 December 2024	2024
	KD	KD	KD	KD	KD
Cost					
Balance as at the beginning of the period / year / period	2,415,438	4,850,000	7,265,438	2,415,438	2,415,438
Additions*	-	-	-	4,850,000	-
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>7,265,438</u>	<u>2,415,438</u>
Accumulated depreciation					
Balance as at the beginning of the period / year / period	1,336,452	-	1,336,452	1,240,355	1,240,355
Charge for the period / year / period	48,049	-	48,049	96,097	48,048
Balance as at the end of the period / year / period	<u>1,384,501</u>	<u>-</u>	<u>1,384,501</u>	<u>1,336,452</u>	<u>1,288,403</u>
Net book value					
Balance as at the end of the period / year / period	<u>1,030,937</u>	<u>4,850,000</u>	<u>5,880,937</u>	<u>5,928,986</u>	<u>1,127,035</u>

* During the prior financial year ended 31 December 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).

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 2025

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:

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

	<u>Under common control</u>	<u>Shareholder</u>	<u>30 June 2025</u>	<u>31 December 2024 (Audited)</u>	<u>30 June 2024</u>
	KD	KD	KD	KD	KD
Debtors and other debit balances- advance payment to purchase investment *	-	3,250,000	3,250,000	3,250,000	3,000,000
Debtors and other debit balances – other debit balances	<u>6,992</u>	<u>-</u>	<u>6,992</u>	<u>49,197</u>	<u>-</u>
	<u>6,992</u>	<u>3,250,000</u>	<u>3,256,992</u>	<u>3,299,197</u>	<u>3,000,000</u>
Creditors and other credit balances	<u>9,000</u>	<u>-</u>	<u>9,000</u>	<u>18,000</u>	<u>9,000</u>

* During the year ended 31 December 2023, the Group had paid an amount of KD 3,000,000 against the acquisition of 99% ownership in Marasi AL-Dabaia Real Estate Company W.L.L. from Al-Riyada Finance and Investment Company K.S.C (Closed). During the prior year ended 31 December 2024, the Group had paid additional amount of KD 250,000 as per the signed contract. The control is not transferred to the Group till the reporting date.

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>	
	KD	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	KD	KD	KD	KD	KD
Administrative expenses	9,000	4,500	4,500	9,000	9,000

Key management personnel:

	<u>For the three months period ended 30 June</u>		<u>For the six months period ended 30 June</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	KD	KD	KD	KD
Salaries and short-term benefits	40,180	26,716	80,360	53,432
End of service benefits	<u>3,529</u>	<u>2,293</u>	<u>7,058</u>	<u>4,586</u>
	<u>43,709</u>	<u>29,009</u>	<u>87,418</u>	<u>58,018</u>

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5. CASH AND CASH EQUIVALENTS

	30 June 2025	31 December 2024 (Audited)	30 June 2024
	KD	KD	KD
Bank balances and cash on hand	1,892,524	1,404,951	3,249,039
Cash at investment portfolio	-	-	316
Provision for expected credit losses	<u>(16,178)</u>	<u>(16,178)</u>	<u>(10,000)</u>
	<u>1,876,346</u>	<u>1,388,773</u>	<u>3,239,355</u>

For the interim condensed consolidated / consolidated statement of cash flows purposes, cash and cash equivalents during the period / year / period is as follows:

	30 June 2025	31 December 2024 (Audited)	30 June 2024
	KD	KD	KD
Bank balances and cash on hand	1,892,524	1,404,951	3,249,039
Cash at investment portfolio	-	-	316
Provision for expected credit losses	<u>(16,178)</u>	<u>(16,178)</u>	<u>(10,000)</u>
	<u>1,876,346</u>	<u>1,388,773</u>	<u>3,239,355</u>
Less:			
Restricted cash balance	<u>-</u>	<u>(607,550)</u>	<u>-</u>
Cash and cash equivalents as per cash flows statement	<u>1,876,346</u>	<u>781,223</u>	<u>3,239,355</u>

6. TREASURY SHARES

	30 June 2025	31 December 2024 (Audited)	30 June 2024
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)	316,008	229,106	204,089
Cost (KD)	223,952	223,952	223,952

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7. ISLAMIC FINANCING PAYABLES

	30 June 2025		
	Murabaha	Ijara	Total
	KD	KD	KD
Total amount	1,211,836	2,873,400	4,085,236
Less: deferred profit	(11,836)	(135,900)	(147,736)
	<u>1,200,000</u>	<u>2,737,500</u>	<u>3,937,500</u>
	31 December 2024 (Audited)		
	Murabaha	Ijara	Total
	KD	KD	KD
Total amount	-	2,805,450	2,805,450
Less: deferred profit	-	(67,950)	(67,950)
	<u>-</u>	<u>2,737,500</u>	<u>2,737,500</u>
	30 June 2024		
	Murabaha	Ijara	Total
	KD	KD	KD
Total amount	1,228,201	-	1,228,201
Less: deferred profit	(28,201)	-	(28,201)
	<u>1,200,000</u>	<u>-</u>	<u>1,200,000</u>

On 9 March 2025, Murabaha payable by an amount of KD 1,200,000 is granted by a local Islamic Financial Institution at profit rate of 5.72% and it is due within one year.

Ijara payable is granted by a local Islamic Financial Institution to finance the purchase of an investment property in Al Farwaniya Governance 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 Group is in the process of renewing the Ijara contract with the bank.

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.

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 June 2025.

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

8. OTHER INCOME

	For the three months		For the six months	
	period ended 30 June		period ended 30 June	
	2025	2024	2025	2024
	KD	KD	KD	KD
Cleaning and maintenance services	50,587	26,019	102,272	52,981
Chalet transfer charges	5,000	-	5,000	2,000
Interest income	-	9,021	-	22,207
Miscellaneous income	1,962	2,351	8,075	7,552
	<u>57,549</u>	<u>37,391</u>	<u>115,347</u>	<u>84,740</u>

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9. 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	
	2025	2024	2025	2024
Profit for the period attributable to the Shareholders of the Parent Company ("KD")	175,993	243,320	720,082	618,157
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 attributable to the Shareholders of the Parent Company ("fils")	3.12	4.31	12.76	10.95

10. 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.
- Manpower supply services: Providing manpower supply services to governmental and non-governmental.

	For the six months period ended 30 June 2025		
	Hotel management	Manpower supply services	Total
	KD	KD	KD
Segment revenues	1,520,655	1,561,297	3,081,952
Segment results	394,246	325,824	720,070
Total assets	947,309	13,402,272	14,349,581
Total liabilities	277,395	6,769,124	7,046,519

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10. SEGMENT REPORTING (CONTINUED)

	For the year ended 31 December 2024 (Audited)		
	Hotel management	Manpower supply services	Total
	KD	KD	KD
Total assets	11,912,324	684,219	12,596,543
Total liabilities	5,644,316	391,242	6,035,558
	For the six months period ended 30 June 2024		
	Hotel management	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

11. GENERAL ASSEMBLY

The Annual General Assembly Meeting of the Parent Company's Shareholders held on 27 March 2025 approved the consolidated financial statements for the year ended 31 December 2024 and approved not to distribute dividends to Shareholders, and not to pay remuneration to the Board of Directors for the year ended 31 December 2024.

12. 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 2025, 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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12. 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 3</u>	<u>Total</u>
	KD	KD
30 June 2025		
<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
31 December 2024 (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 June 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>

Reconciliation of Level 3 fair value measurements:

	<u>Financial assets at fair value through other comprehensive income</u>
	KD
30 June 2025	
As at 1 January 2025	735
30 June 2025	<u>735</u>
31 December 2024 (Audited)	
As at 1 January 2024	735
Change in fair value	41,459
Disposal	(41,459)
31 December 2024 (Audited)	<u>735</u>
30 June 2024	
As at 1 January 2024	735
Change in fair value	41,459
Disposal	(41,459)
30 June 2024	<u>735</u>

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