



**Commercial Real Estate Company K.P.S.C.
and its subsidiaries
State of Kuwait**

**Interim Condensed Consolidated Financial Information (Unaudited)
And the review report for the six months ended 30 June 2024**



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State of Kuwait

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Commercial Real Estate Company K.S.C.P
State of Kuwait

Auditor's report on review of interim condensed consolidated financial information to the board of directors

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Commercial Real Estate Company K.S.C.P. (the "Parent Company") and its subsidiaries (together referred to as "the Group") as at 30 June 2024, and the related interim condensed consolidated statements of income, interim condensed consolidated statement of comprehensive income for the three-month and six-month periods then ended and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six month 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 No. (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

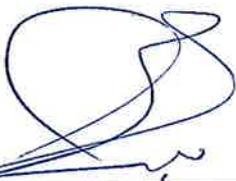
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard No. (34) "Interim Financial Reporting".

Report on Other Legal and Regulatory Requirements

Based on our review, the interim condensed consolidated financial information is in agreement with the books of 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, the executive regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the Six-months period ended 30 June 2024 that might have had a material effect on the business of the parent company or on its financial position.

We further report that, during the course of our review, we have not become aware of any material violations of the provisions of Law No. 7 of 2010, concerning establishment of Capital Markets Authority "CMA" and organization of security activity and its executive regulations, as amended, during the six months period ended 30 June 2024 that might have a material effect on the business of the Parent Company or on its financial position.



Bader A. Al-Wazzan

Licence No. 62 A

Deloitte & Touche - Al-Wazzan & Co.

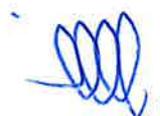
Kuwait, 14 August 2024

**Interim Condensed Consolidated Statement of Financial Position as at 30 June 2024
(Unaudited)**

(All amounts are in Kuwaiti Dinar)

	Notes	30 June 2024 (unaudited)	31 December 2023 (audited)	30 June 2023 (unaudited)
Assets				
Non-current assets				
Property, plant and equipment		20,963,865	21,396,481	21,587,982
Investment property	5	369,346,145	369,092,089	370,785,764
Investments in associates	6	44,261,568	41,493,557	40,053,408
Investment at FVOCI	3	57,790,772	57,732,604	57,541,740
		<u>492,362,350</u>	<u>489,714,731</u>	<u>489,968,894</u>
Current assets				
Land and properties held for trading		16,754,459	16,909,520	17,039,458
Investments at fair value through profit or loss	3	43,662,706	41,676,356	35,628,388
Receivables and other debit balances	7	13,318,712	9,950,822	6,846,944
Cash and cash equivalents	8	7,313,048	3,250,036	4,187,296
		<u>81,048,925</u>	<u>71,786,734</u>	<u>63,702,086</u>
Total assets		<u>573,411,275</u>	<u>561,501,465</u>	<u>553,670,980</u>
Equity and liabilities				
Equity attributable to the shareholders of the Parent Company				
Share capital		184,069,975	184,069,975	184,069,975
Share premium		1,308,384	1,308,384	1,308,384
Treasury shares	9	(6,564,563)	(8,539,935)	(6,295,670)
Statutory reserve		42,685,964	42,685,964	41,177,521
Voluntary reserve		29,296,785	29,296,785	29,296,785
Other reserve	10	1,525,419	1,259,759	2,599,435
Retained earnings		39,467,003	41,276,940	34,332,492
Total equity attributable to the shareholders of the Parent Company		<u>291,788,967</u>	<u>291,357,872</u>	<u>286,488,922</u>
Non-controlling interests		23,868,977	24,159,803	24,083,770
Total equity		<u>315,657,944</u>	<u>315,517,675</u>	<u>310,572,692</u>
Liabilities				
Non-current liabilities				
Employees' end of service indemnity		1,311,204	1,267,111	1,167,170
Lease liabilities	5	2,171,331	2,227,965	2,283,303
Financing from financial institutions	11	207,828,934	212,556,212	211,300,704
		<u>211,311,469</u>	<u>216,051,288</u>	<u>214,751,177</u>
Current liabilities				
Payables and other credit balances	12	12,692,569	13,222,146	15,097,134
Financing from financial institutions	11	33,749,293	16,710,356	13,249,977
		<u>46,441,862</u>	<u>29,932,502</u>	<u>28,347,111</u>
Total liabilities		<u>257,753,331</u>	<u>245,983,790</u>	<u>243,098,288</u>
Total equity and liabilities		<u>573,411,275</u>	<u>561,501,465</u>	<u>553,670,980</u>

The accompanying notes form an integral part of this interim condensed consolidated financial information.



Abdul Fatah M.R. Marafie
Chairman

Adwan M. Al-Adwani
Vice Chairman

**Interim Condensed Consolidated Statement of Income for the six months period ended 30 June 2024
(Unaudited)**

(All amounts are in Kuwaiti Dinar)

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2024	2023	2024	2023
Revenue					
Rental income from investment properties and revenue from hotel operations	13	7,842,752	7,553,963	15,498,164	15,035,338
Gain on sale of land and properties held for trading		-	-	92,994	-
Operating expenses		(2,350,592)	(2,209,568)	(4,527,835)	(4,428,190)
Net income from operating activities	13	5,492,160	5,344,395	11,063,323	10,607,148
Share of profit from associates	6	1,706,191	1,486,545	4,035,399	1,864,695
Net gain on investments	14	3,410,518	2,030,802	4,155,698	2,702,994
Other income		63,091	71,484	101,537	95,463
Total net income		10,671,960	8,933,226	19,355,957	15,270,300
Expenses and other charges					
Administrative expenses and other charges		882,476	1,091,671	1,835,002	1,954,357
Provision for ECL		15,945	395,198	343,789	395,198
Finance cost		3,105,470	2,747,518	6,066,636	5,429,766
Total expenses		4,003,891	4,234,387	8,245,427	7,779,321
Net profit for the period before deductions		6,668,069	4,698,839	11,110,530	7,490,979
Kuwait Foundation for the Advancement of Sciences (KFAS)		(34,549)	(4,311)	(60,569)	(15,627)
National Labour Support Tax (NLST)		(151,652)	(110,803)	(268,551)	(180,911)
Zakat Expense		(43,383)	(22,540)	(75,910)	(26,137)
Net profit for the period		6,438,485	4,561,185	10,705,500	7,268,304
Distributed as follows:					
Shareholders of the Parent Company		5,840,787	3,811,787	9,572,181	5,970,685
Non-controlling interests		597,698	749,398	1,133,319	1,297,619
		6,438,485	4,561,185	10,705,500	7,268,304
Basic earnings per share for Parent Company's shareholders (fils)	15	3.28	2.17	5.36	3.42

The accompanying notes form an integral part of this interim condensed consolidated financial information.

**Interim Condensed Consolidated Statement of Comprehensive Income for the six months period ended 30 June 2024
(Unaudited)**

(All amounts are in Kuwaiti Dinar)

	For the three months ended 30 June		For the six months ended 30 June	
	2024	2023	2024	2023
Net profit for the period	6,438,485	4,561,185	10,705,500	7,268,304
Other comprehensive income items:				
<i>Items that may not be reclassified subsequently to the consolidated statement of income:</i>				
Group's share in associates' reserves	1,230,757	261,141	979,045	(36,595)
Change in fair value reserve	(1,457,146)	(1,835,627)	(1,807,066)	(1,868,543)
	<u>(226,389)</u>	<u>(1,574,486)</u>	<u>(828,021)</u>	<u>(1,905,138)</u>
<i>Items that may be reclassified subsequently to the consolidated statement of income:</i>				
Foreign currency translation reserve	(59,584)	(59,743)	(90,806)	(467)
Total other comprehensive loss	<u>(285,973)</u>	<u>(1,634,229)</u>	<u>(918,827)</u>	<u>(1,905,605)</u>
Total comprehensive income for the period	<u>6,152,512</u>	<u>2,926,956</u>	<u>9,786,673</u>	<u>5,362,699</u>
Distributed as follows:				
Shareholders of the Parent Company	5,604,603	2,161,697	8,668,225	4,048,295
Non-controlling interests	547,909	765,259	1,118,448	1,314,404
Total comprehensive income for the period	<u>6,152,512</u>	<u>2,926,956</u>	<u>9,786,673</u>	<u>5,362,699</u>

The accompanying notes form an integral part of this interim condensed consolidated financial information.

**Interim Condensed Consolidated Statement of Changes in Equity for the six months period ended 30 June 2024
(Unaudited)**

(All amounts are in Kuwaiti Dinar)

	Equity attributable to the shareholders of the Parent Company									
	Share capital	Share premium	Treasury shares	Statutory reserve	Voluntary reserve	Other reserves (note 10)	Retained earnings	Total equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
Balance as at 1 January 2023	184,069,975	1,308,384	(9,554,851)	41,177,521	29,296,785	5,069,973	38,296,270	289,664,057	23,435,358	313,099,415
Net profit for the period	-	-	-	-	-	-	5,970,685	5,970,685	1,297,619	7,268,304
Total comprehensive income for the period	-	-	-	-	-	-	-	(1,922,390)	16,785	(1,905,605)
Sale of investment at FVTOCI	-	-	-	-	-	-	242,400	242,400	-	242,400
Sale of investment at FVTOCI – associate	-	-	-	-	-	-	(24,456)	(24,456)	-	(24,456)
Acquisition of additional shares in a subsidiary	-	-	-	-	-	-	30,646	30,646	(53,176)	(22,530)
Cash dividends	-	-	-	-	-	-	(5,204,819)	(5,204,819)	-	(5,204,819)
In-kind distributions of treasury shares	-	-	5,526,382	-	-	(548,148)	(4,978,234)	-	-	-
Cash dividends to non controlling subsidiaries	-	-	-	-	-	-	-	-	(612,816)	(612,816)
Purchase of treasury shares	-	-	(2,267,201)	-	-	-	-	(2,267,201)	-	(2,267,201)
Balance as at 30 June 2023	184,069,975	1,308,384	(6,295,670)	41,177,521	29,296,785	2,599,435	34,332,492	286,488,922	24,083,770	310,572,692
Balance as at 1 January 2024	184,069,975	1,308,384	(8,539,935)	42,685,964	29,296,785	1,259,759	41,276,940	291,357,872	24,159,803	315,517,675
Net profit for the period	-	-	-	-	-	-	9,572,181	9,572,181	1,133,319	10,705,500
Total comprehensive income for the period	-	-	-	-	-	(903,956)	-	(903,956)	(14,871)	(918,827)
Acquisition of additional shares in a subsidiary	-	-	-	-	-	-	458,069	458,069	(778,171)	(320,102)
Cash dividends	-	-	-	-	-	-	(7,028,332)	(7,028,332)	-	(7,028,332)
In-kind distributions of treasury shares	-	-	3,791,038	-	-	1,020,817	(4,811,855)	-	-	-
Cash dividends to non controlling subsidiaries	-	-	-	-	-	-	-	-	(631,103)	(631,103)
Purchase of treasury shares	-	-	(2,594,916)	-	-	-	-	(2,594,916)	-	(2,594,916)
Sale of treasury shares	-	-	779,250	-	-	148,799	-	928,049	-	928,049
Balance as at 30 June 2024	184,069,975	1,308,384	(6,564,563)	42,685,964	29,296,785	1,525,419	39,467,003	291,788,967	23,868,977	315,657,944

The accompanying notes form an integral part of this interim condensed consolidated financial information.

**Interim Condensed Consolidated Statement of Cash Flows for the six months period ended 30 June 2024
(Unaudited)**

(All amounts are in Kuwaiti Dinar)

	Notes	For the six months period ended 30 June	
		2024	2023
Operating activities:			
Net profit for the period		10,705,500	7,268,304
Adjustments for:			
Gain on sale of lands and properties held for trading		(92,994)	-
Depreciation of property, plant and equipment		599,294	584,170
Provisions and impairment		343,789	395,198
Share of profit from investment in associate companies		(4,035,399)	(1,864,695)
Net gain on investments	14	(4,155,698)	(2,702,994)
Finance cost		6,066,636	5,429,766
Employees' end of service indemnity provided during the period		83,279	110,306
Operating cash flow before changes in the working capital		9,514,407	9,220,055
Payment for purchase of land and properties held for trading		(32,616)	(33,321)
Proceeds from sale of Land and properties held for trading		280,671	-
Receivables and other debit balances		(934,979)	65,291
Payables and other credit balances		(515,684)	(682,984)
Employees' end of service indemnity paid during the period		(39,186)	(38,135)
Net cash generated from operating activities		8,272,613	8,530,906
Investing activities:			
Payment for purchase of investment property		(254,056)	(112,106)
Payment for purchase of property, plant and equipment		(166,678)	(178,279)
Advance payment for purchase investments		(2,781,314)	(64,468)
Payment to acquire shares in associate	6	(1,237,669)	(7,853)
Proceeds on capital reduction in associate		1,248,388	-
Payment to acquire investment at fair value through profit or loss		(390,341)	(1,870,559)
Proceed on sale of investment at fair value through profit or loss		1,279,950	366,277
Payment to acquire investment at FVTOCI		(2,156,259)	(2,054,178)
Proceeds on sale of Investment at FVTOCI		291,025	119,749
Payment to acquire shares in subsidiary		(320,102)	(22,530)
Dividend and accrued dividends received from associates	6	2,144,908	2,358,198
Dividend received from investmen		1,284,353	1,535,963
Net cash (used in) / genrated from investing activities		(1,057,795)	70,214
FINANCING ACTIVITIES:			
Proceeds from financing from third party		20,170,000	11,600,000
Repayment of financing from third party		(7,858,341)	(7,584,693)
Finance charges paid		(6,110,440)	(5,611,542)
Dividend paid		(6,997,269)	(5,229,702)
Payment for buy-back of treasury shares		(2,594,916)	(2,267,201)
Proceeds from sale of treasury shares		928,049	-
Lease liability payment		(57,786)	(57,786)
Dividred paid for non-controlling intrest in subsidries		(631,103)	(612,816)
Net cash used in financing activities		(3,151,806)	(9,763,740)
Net change in cash and cash equivalents		4,063,012	(1,162,620)
Cash and cash equivalents at the beginning of the period		3,250,036	5,349,916
Cash and cash equivalents at the end of the period	8	7,313,048	4,187,296

The accompanying notes form an integral part of this interim condensed consolidated financial information.

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

(All amounts are in Kuwaiti Dinar unless otherwise stated)

1. Overview of the Group

The Commercial Real Estate Company (K.P.S.C) ("the Parent Company") was incorporated as a Kuwaiti Shareholding Closed Company under Articles of Association No. 104/ M/ Vol.1 on 4 February 1968 under Commercial register No. 11329 and re-enrolled on 21 December 1981 under No. 239 in accordance with provision of the Commercial Companies Law. The main objectives of the Company are performing various real estate, agricultural, industrial and commercial activities, carrying out contracting, road and building constructions including sale, purchase and lease of land and real estate properties and construction of buildings, utilize the company's surpluses through investment portfolios managed by specialized companies and financial institutions. The Company may have interests or participate in any suitable way with entities that engage in similar business activities or that may help the Company achieve its objectives inside Kuwait and abroad. The Company may also purchase such entities or affiliate them, or as stated in Company's Articles of Association, article No. 5 and Memorandum of Association, article No. 4. The Company's management shall carry out all its objectives for which it has been established in accordance with the Noble Islamic Sharia principles.

The head office of the Company is located at Jaber Al-Mubarak Street, Commercial Real Estate Company's Building, Sharq, P.O. Box. 4119 Safat, 13042 Kuwait.

The Company has been registered in the Kuwait Stock Exchange on 21 December 2004.

The consolidated interim financial information includes the interim financial information of the Parent Company, its subsidiaries and branches (together referred to as "the Group").

Name of subsidiaries	Activity	Country of incorporation	Shareholding percent		
			30 June 2024	31 December 2023 (audited)	30 June 2023
Al Mutajara Real Estate Company K.S.C.C.	Real estate	Kuwait	79.08%	77.9%	77.85 %
Commercial Real Estate Development Company	Real estate	Bahrain	100%	100%	100 %
Commercial Real Estate Development Company	Real estate	Morocco	100%	100%	100 %
Al-Salmiya Group K.S.C. (Closed)	Real estate	Kuwait	81.90%	81.90%	81.90 %

This interim condensed consolidated financial information was authorized for issue by Parent Company's Board of Director's on 14 August 2024.

2. Basis of preparation

This interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard (IAS) 34: Interim Financial Reporting. The interim condensed consolidated financial information does not contain all information and disclosures required for complete financial statements prepared in accordance with the International Financial Reporting Standards and should be read in conjunction with the annual financial statements for the year ended 31 December 2023. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the six-month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the year ending 31 December 2024.

2.1 Significant accounting policies

The accounting policies used in preparing the interim condensed consolidated financial information are similar to those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2023 except for the effect of application of new and revised International Financial Reporting Standards (IFRS) as follows:

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

(All amounts are in Kuwaiti Dinar unless otherwise stated)

2.1.1 Application of new and revised International Financial Reporting Standards (IFRS)

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

3. Fair value estimation

The fair values of financial assets and financial liabilities are determined as follows:

- Level one: Quoted prices in active markets for identical assets or liabilities.
- Level two: Quoted prices in an active market for similar instruments. Quoted prices for identical assets or liabilities in market that is not active. Inputs other than quoted prices that are observable for assets and liabilities.
- Level six: valuation techniques that are not based on observable market data.

The table below gives information about how the fair values of the significant financial assets and liabilities are determined:

	Fair value as at			Fair value hierarchy	Valuation methods and key inputs	Significant unobservable inputs	Relation of unobservable inputs to fair value
	30 June 2024	31 December 2023	30 June 2023				
Financial assets	(unaudited)	(audited)	(unaudited)				
Investments at fair value - other comprehensive income							
Quoted shares	785,633	868,728	440,659	Level 1	Last bid price	N/A	N/A
Private equity	53,636,425	53,447,839	53,726,234	Level 3	Income approach/ market multiple model	Cash flow, discount rate, growth rate	Higher estimated cash flows and lower discount rates, results in higher fair value
Investment funds	3,368,714	3,416,037	3,374,847	Level 3	Income approach/ market multiple model	Adjusted NAV	Higher estimated cash flows and lower discount rates, results in higher fair value
Investments at fair value – statement of income:							
Quoted shares	1,029,058	985,820	1,005,080	Level 1	Last bid price	N/A	N/A
Private equity	42,633,648	40,690,536	34,623,308	Level 3	Income approach/ market multiple model	Cash flow, discount rate, growth rate	Higher estimated cash flows and lower discount rates, results in higher fair value

The fair value of financial assets and financial liabilities in level 3 have been determined using the common valuation techniques such as a discount cash flow, growth rate and adjusted fair value.

4. Estimates

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

In preparing this interim condensed consolidated financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended.

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

(All amounts are in Kuwaiti Dinar unless otherwise stated)

5. Investment properties

	30 June 2024 (unaudited)	31 December 2023 (audited)	30 June 2023 (unaudited)
Balance at beginning of the period/ year	369,092,089	370,673,658	370,673,658
Additions	254,056	229,584	112,106
Change in fair value	-	(1,811,153)	-
Balance at end of the period/year	<u>369,346,145</u>	<u>369,092,089</u>	<u>370,785,764</u>

Investments properties include the fair value of right of use Boulevard project that expires in year 2036. The balance of lease liabilities distributed as follows:

	30 June 2024 (unaudited)	31 December 2023 (audited)	30 June 2023 (unaudited)
Lease liabilities (non-current)			
Amounts due after 12 months	<u>2,171,331</u>	<u>2,227,965</u>	<u>2,283,303</u>
Lease liabilities (current)			
Amounts due within 12 months	<u>114,448</u>	<u>111,915</u>	<u>109,461</u>
	<u>2,285,779</u>	<u>2,339,880</u>	<u>2,392,764</u>

Operating leases, in which the Group is the lessor, relate to investment property owned by the Group with lease terms of between one to five years. All operating lease contracts contain extension options for the lessees' event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

6. Investments in associates

	30 June 2024 (unaudited)	31 December 2023 (audited)	30 June 2023 (unaudited)
Balance as at the beginning of the period/year	41,493,557	40,750,576	40,750,576
Additions during the period/ year *	1,237,669	171,147	7,853
Capital reduction in an associate	(1,248,388)	-	-
Group's share in a associates results	4,035,399	2,714,993	1,864,695
Group's share in a associates reserves	979,045	86,141	(36,595)
Losses of sale investments at FVTOCI at the associates	-	(41,760)	(24,456)
Translation of foreign currencies	(90,806)	66,343	(467)
Reversal of Impairment in associate	-	254,315	-
Cash dividends	(2,144,908)	(2,508,198)	(2,508,198)
	<u>44,261,568</u>	<u>41,493,557</u>	<u>40,053,408</u>

* Additions during the year represent the purchase of additional shares in the current associates' companies.

7. Receivables and other debit balances

	30 June 2024 (unaudited)	31 December 2023 (audited)	30 June 2023 (unaudited)
Trade receivables	5,161,334	5,230,971	5,395,777
Due from related parties (Note 16)	41	-	263,400
Provision for impairment	<u>(4,299,610)</u>	<u>(3,955,821)</u>	<u>(4,029,308)</u>
	<u>861,765</u>	<u>1,275,150</u>	<u>1,629,869</u>
Advance payments for acquisition of investments	7,229,039	4,513,975	332,718
Prepaid expenses	223,089	142,134	260,544
Refundable deposits	339,925	339,716	339,716
Advances to contractors and suppliers	381,032	361,209	570,555
Other debit balances	<u>4,522,136</u>	<u>3,556,912</u>	<u>3,951,816</u>
	<u>12,695,221</u>	<u>8,913,946</u>	<u>5,455,349</u>
Provisions	<u>(238,274)</u>	<u>(238,274)</u>	<u>(238,274)</u>
	<u>12,456,947</u>	<u>8,675,672</u>	<u>5,217,075</u>
	<u>13,318,712</u>	<u>9,950,822</u>	<u>6,846,944</u>

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

(All amounts are in Kuwaiti Dinar unless otherwise stated)

Movement in credit losses is as follows:

	30 June 2024 (unaudited)	31 December 2023 (audited)	30 June 2023 (unaudited)
Balance at beginning of the period/year	3,955,821	3,634,110	3,634,110
Provision created during the period/year	343,789	321,711	395,198
Balance at end of the period/year	<u>4,299,610</u>	<u>3,955,821</u>	<u>4,029,308</u>

8. Cash and cash equivalents

	30 June 2024 (unaudited)	31 December 2023 (audited)	30 June 2023 (unaudited)
Cash in hand	5,761	6,034	5,572
Cash at banks and financial institutions	4,516,387	2,105,802	1,665,724
Deposits with financial institution	2,790,900	1,138,200	2,516,000
Cash and cash equivalent for cash flow	<u>7,313,048</u>	<u>3,250,036</u>	<u>4,187,296</u>

9. Treasury shares

	30 June 2024 (unaudited)	31 December 2023 (audited)	30 June 2023 (unaudited)
Number of shares (No's)	64,059,003	86,339,082	64,364,178
Percentage of issued shares (%)	3.48	4.69	3.5
Market value	7,751,139	8,651,176	6,500,782
Cost	6,564,563	8,539,935	6,295,670

The Parent Company is committed to retain reserves, share premium and retained earnings equivalent to the treasury shares throughout the period, in which they are held by the Company, pursuant to the relevant instructions of the regulatory authorities.

10. Other reserves

	Change of fair value reserve	Group's share in associates' reserves	Translation of foreign currencies	Property, plant and equipment revaluation surplus	Treasury shares reserve/sale of treasury shares	Total
As at 1 January 2023	(3,116,745)	1,365,210	492,128	5,547,886	781,494	5,069,973
Total comprehensive income for the period	(1,878,870)	(43,053)	(467)	-	-	(1,922,390)
Treasury shares distribution	-	-	-	-	(548,148)	(548,148)
As at 30 June 2023	<u>(4,995,615)</u>	<u>1,322,157</u>	<u>491,661</u>	<u>5,547,886</u>	<u>233,346</u>	<u>2,599,435</u>
As at 1 January 2024	(6,526,101)	1,446,157	558,471	5,547,886	233,346	1,259,759
Total comprehensive income for the period	(1,762,153)	949,003	(90,806)	-	-	(903,956)
Sale of treasury shares	-	-	-	-	148,799	148,799
In kind Dividend	-	-	-	-	1,020,817	1,020,817
As at 30 June 2024	<u>(8,288,254)</u>	<u>2,395,160</u>	<u>467,665</u>	<u>5,547,886</u>	<u>1,402,962</u>	<u>1,525,419</u>

11. Financing from financial institutions

	30 June 2024 (unaudited)	31 December 2023 (audited)	30 June 2023 (unaudited)
Finance from financial institutions – current portion	33,749,293	16,710,356	13,249,977
Finance from financial institutions – non current portion	207,828,934	212,556,212	211,300,704
	<u>241,578,227</u>	<u>229,266,568</u>	<u>224,550,681</u>
Cost rate (%)	5.25-5.40	5.25-5.40	5.0-5.13

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

(All amounts are in Kuwaiti Dinar unless otherwise stated)

Finance granted by financial institutions is secured against mortgage of the following assets:

	30 June 2024	31 December 2023	30 June 2023
	(unaudited)	(audited)	(unaudited)
Property, plant and equipment	19,459,750	19,753,257	19,831,369
Investment property	287,852,210	287,662,960	284,332,368

12. Payables and other credit balances

	30 June 2024	31 December 2023	30 June 2023
	(unaudited)	(audited)	(unaudited)
Trade payables	748,843	703,173	693,973
Due to related parties (Note 16)	142,356	96,465	90,282
Retentions	1,013,926	932,014	920,187
Accrued expense	2,783,356	2,858,241	2,239,575
Revenues received in advance	725,948	787,954	552,548
Security deposits from tenants	3,267,441	3,372,421	3,637,771
Kuwait Foundation for the Advancement of Science (KFAS)	60,569	62,253	15,627
National Labour Support Tax (NLST)	268,551	389,583	180,911
Zakat payable	75,910	80,665	26,137
Dividends payable to shareholders	338,091	307,028	347,985
Other credit balances*	3,267,578	3,632,349	6,392,138
	<u>12,692,569</u>	<u>13,222,146</u>	<u>15,097,134</u>

* Other credit balances include lease liabilities of KD 114,448 due within 12 months.

13. Net income from operating activities

	For the three months ended 30 June		For the six months ended 30 June	
	2024	2023	2024	2023
Revenues				
Real estate rental income	6,741,714	6,598,823	13,412,459	13,208,253
Revenues from hotel operation	1,101,038	955,140	2,085,705	1,827,085
	<u>7,842,752</u>	<u>7,553,963</u>	<u>15,498,164</u>	<u>15,035,338</u>
Gain on sale of land and properties held for trading	-	-	92,994	-
	<u>7,842,752</u>	<u>7,553,963</u>	<u>15,591,158</u>	<u>15,035,338</u>
Expenses				
Operating expenses	(1,485,674)	(1,393,690)	(2,829,470)	(2,816,789)
Hotel and hospitality expenses	(864,918)	(815,878)	(1,698,365)	(1,611,401)
	<u>(2,350,592)</u>	<u>(2,209,568)</u>	<u>(4,527,835)</u>	<u>(4,428,190)</u>
Net income from operating activities	<u>5,492,160</u>	<u>5,344,395</u>	<u>11,063,323</u>	<u>10,607,148</u>

Hotel and hospitality expenses include an amount of KD 413,492 (KD 422,822 - 2023) which represents the current period depreciation of the hotel building and related equipment.

14. Net gain on investments

	For the three months ended 30 June		For the Six months ended 30 June	
	2024	2023	2024	2023
Investment at FVOCI				
Cash dividends	709,004	807,669	1,345,989	1,642,781
	<u>709,004</u>	<u>807,669</u>	<u>1,345,989</u>	<u>1,642,781</u>
Investments at fair value through profit or loss				
Change in fair value	2,389,706	686,651	2,497,901	485,635
Cash dividends	-	570,324	-	608,420
Gain on sale	311,808	(33,842)	311,808	(33,842)
	<u>2,701,514</u>	<u>1,223,133</u>	<u>2,809,709</u>	<u>1,060,213</u>
	<u>3,410,518</u>	<u>2,030,802</u>	<u>4,155,698</u>	<u>2,702,994</u>

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

(All amounts are in Kuwaiti Dinar unless otherwise stated)

15. Basic earnings per share for the Parent Company's shareholders

Basic earnings per share is computed by dividing the net profit attributable to the Parent Company's shareholders for the period by the weighted average number of outstanding ordinary shares less weighted average number of outstanding treasury shares during the period as follows:

	For the three months ended 30 June		For the Six months ended 30 June	
	2024	2023	2024	2023
Net profit for the period (KD)	5,840,787	3,811,787	9,572,181	5,970,685
Weighted average number of outstanding shares (share)	1,783,302,497	1,758,796,074	1,785,697,201	1,748,108,153
Basic earnings per shaers (fils)	3.28	2.17	5.36	3.42

Earnings per share for the current period and comparative period has been amended taking into consideration the effect of bonus share approved by the Assembly General Meeting which will be distributed in the subsequent period (note 19).

16. Related parties transactions

Related parties comprise of the Group's shareholders who are members in the board of directors, key management personnel, and associates in which the company has representatives in their board. The transactions with related parties are subject to approval of the shareholders at the general assembly. Significant related party transactions and balances resulting therefrom were as follows:

Transaction	For the three months ended 30 June		For the Six months ended 30 June	
	2024	2023	2024	2023
Key management benefits	190,466	162,623	392,331	364,059
Operating revenue	19,936	18,848	39,743	38,039
Operating expenses and other charges	169,179	129,659	343,547	253,661
Profit from Sales of OCI Investments	-	242,400	-	242,400
Profit from Sales of Investments at fair value profit & loss	311,808	-	311,808	-
Property, plant and equipment	31,759	39,529	68,639	48,043
Payment for acquisition of Investments	-	-	-	64,468
		30 June 2024 (unaudited)	31 December 2023 (audited)	30 June 2023 (unaudited)

Balances

Receivables and other debit balances	41	-	263,400
Payables and other credit balances	142,356	96,465	90,282
Balances due to key management	687,278	659,092	571,062

Balances due from / to related parties are interest free and due upon request. All transactions with related parties are subject to approval by the shareholders' general assembly.

17. Capital commitments and contingent liabilities

	30 June 2024 (unaudited)	31 December 2023 (audited)	30 June 2023 (unaudited)
Capital commitments			
Uncalled capital – investments	1,569,354	925,007	1,170,164
Contract for projects and investment properties under development	2,856,155	3,747,574	1,967,253
	4,425,509	4,672,581	3,137,417
Contingent liabilities			
Letters of guarantee	4,241,152	4,241,152	3,860,488

Notes to the Interim Condensed Consolidated Financial Information for the three months period ended 31 March 2024 (Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

18. Segment information

The Group is organized into two major business segments; real estate and investment. Both segments results are reported to senior executive management. Further, Group's operating results, assets and liabilities are reported according to geographical areas in which it operates. Revenue, profits, assets and liabilities are measured according to the same accounting bases followed in preparation of interim condensed consolidated financial statements. Business segment analysis is in line with internal reports submitted to management is as follows:

Segment distribution:

	For the six months period ended 30 June 2024			For the six months period ended 30 June 2023		
	Real estate sector	Hotel	Investment sector	Real estate sector	Hotel	Investment sector
Revenue	13,505,453	2,085,705	8,191,097	13,208,253	1,827,085	4,567,689
Direct cost	(3,706,618)	(1,698,365)	(340,101)	(3,862,117)	(1,611,401)	(174,012)
Gross profit / (loss)	9,798,835	387,340	7,850,996	9,346,136	215,684	4,393,677
Unallocated costs			(7,331,671)			
Net profit for the period			10,705,500			(6,687,193)
						7,268,304

Geographic distribution:

A- Assets and liabilities

	Assets			Liabilities		
	30 June 2024	31 December 2023 (audited)	30 June 2023	30 June 2024	31 December 2023 (audited)	30 June 2023
State of Kuwait	420,905,187	415,213,129	419,026,267	254,664,734	242,725,055	237,470,302
Gulf countries	68,470,908	66,424,241	61,288,851	3,088,597	3,258,735	5,627,986
Other	84,035,180	79,864,095	73,355,862	-	-	-
	573,411,275	561,501,465	553,670,980	257,753,331	245,983,790	243,098,288

B- Statement of income

	For the six months period ended 30 June 2024			For the six months period ended 30 June 2023		
	State of Kuwait	Gulf countries	Other	State of Kuwait	Gulf countries	Other
Total income	13,556,607	3,494,489	2,304,861	12,888,361	965,022	1,416,917
Total expenses	(8,303,366)	(347,091)	-	(7,495,585)	(506,411)	-
Net profit	5,253,241	3,147,398	2,304,861	5,392,776	458,611	1,416,917
			10,705,500			7,268,304

**Notes to the Interim Condensed Consolidated Financial Information for the three months period ended 31 March 2024
(Unaudited)**

(All amounts are in Kuwaiti Dinar unless otherwise stated)

19. Dividends

On 29 April 2024 the annual general assembly meeting was held and approved the consolidated financial statements for the year ended 31 December 2023, and approved distribution of cash dividends to the shareholders on record as of the due date at 4% after deduction of treasury shares and 2% bonus share from treasury shares (2 treasury shares per every 100 shares), for the year ended 31 December 2023. (cash dividends 3% after deduction of treasury shares and 3% bonus share from treasury shares (3 treasury shares per every 100 shares) for 31 December 2022.