



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 nine months ended 30 September 2024



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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 September 2024, and the related interim condensed consolidated statements of income, interim condensed consolidated statement of comprehensive income for the three-month and nine-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 nine 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.

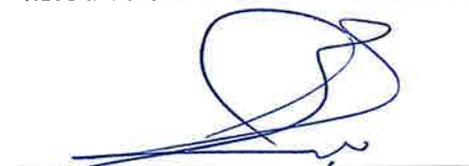
Conclusion

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

We further report that, during the course of our review, 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 nine months period ended 30 September 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.

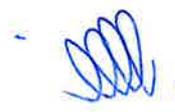
Kuwait, 12 November 2024

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

(All amounts are in Kuwaiti Dinar)

	Notes	30 September 2024 (unaudited)	31 December 2023 (audited)	30 September 2023 (unaudited)
Assets				
Non-current assets				
Property, plant and equipment		20,897,968	21,396,481	21,650,652
Investment property	5	369,509,777	369,092,089	370,800,465
Investments in associates	6	45,560,784	41,493,557	41,909,724
Investment at FVOCI	3	57,796,008	57,732,604	58,209,149
		<u>493,764,537</u>	<u>489,714,731</u>	<u>492,569,990</u>
Current assets				
Land and properties held for trading	7	16,816,623	16,909,520	17,043,417
Investments at fair value through profit or loss	3	48,222,389	41,676,356	35,778,399
Receivables and other debit balances	8	8,830,635	9,950,822	9,683,249
Cash and cash equivalents	9	7,762,776	3,250,036	5,393,779
		<u>81,632,423</u>	<u>71,786,734</u>	<u>67,898,844</u>
Total assets		<u>575,396,960</u>	<u>561,501,465</u>	<u>560,468,834</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	10	(7,122,269)	(8,539,935)	(7,371,408)
Statutory reserve		42,685,964	42,685,964	41,177,521
Voluntary reserve		29,296,785	29,296,785	29,296,785
Other reserve	11	1,546,990	1,259,759	2,483,451
Retained earnings		43,166,563	41,276,940	37,357,461
Total equity attributable to the shareholders of the Parent Company		<u>294,952,392</u>	<u>291,357,872</u>	<u>288,322,169</u>
Non-controlling interests		24,467,043	24,159,803	24,611,834
Total equity		<u>319,419,435</u>	<u>315,517,675</u>	<u>312,934,003</u>
Liabilities				
Non-current liabilities				
Employees' end of service indemnity		1,211,440	1,267,111	1,215,753
Lease liabilities	5	2,134,016	2,227,965	2,255,950
Financing from financial institutions	12	230,965,992	212,556,212	216,079,940
		<u>234,311,448</u>	<u>216,051,288</u>	<u>219,551,643</u>
Current liabilities				
Payables and other credit balances	13	12,144,847	13,222,146	14,673,814
Financing from financial institutions	12	9,521,230	16,710,356	13,309,374
		<u>21,666,077</u>	<u>29,932,502</u>	<u>27,983,188</u>
Total liabilities		<u>255,977,525</u>	<u>245,983,790</u>	<u>247,534,831</u>
Total equity and liabilities		<u>575,396,960</u>	<u>561,501,465</u>	<u>560,468,834</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 nine months period ended 30 September 2024
(Unaudited)**

(All amounts are in Kuwaiti Dinar)

	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2024	2023	2024	2023
Revenue					
Rental income from investment properties and revenue from hotel operations	14	7,384,587	7,239,207	22,882,751	22,274,545
Gain on sale of land and properties held for trading		-	-	92,994	-
Operating expenses		(2,301,405)	(2,081,134)	(6,829,240)	(6,509,324)
Net income from operating activities	14	5,083,182	5,158,073	16,146,505	15,765,221
Share of profit from associates	6	1,561,134	1,527,921	5,596,533	3,392,616
Net gain on investments	15	1,549,376	839,118	5,705,074	3,542,112
Other income		139,091	46,636	240,628	142,099
Total net income		<u>8,332,783</u>	<u>7,571,748</u>	<u>27,688,740</u>	<u>22,842,048</u>
Expenses and other charges					
Administrative expenses and other charges		741,447	788,986	2,576,449	2,743,343
(Reversal) / Provisions		(457,012)	212,923	(113,223)	608,121
Finance cost		3,432,126	2,828,159	9,498,762	8,257,925
Total expenses		<u>3,716,561</u>	<u>3,830,068</u>	<u>11,961,988</u>	<u>11,609,389</u>
Net profit for the period before deductions		4,616,222	3,741,680	15,726,752	11,232,659
Kuwait Foundation for the Advancement of Sciences (KFAS)		(5,848)	(22,499)	(66,417)	(38,126)
National Labour Support Tax (NLST)		(67,122)	(73,043)	(335,673)	(253,954)
Zakat Expense		(6,793)	(27,203)	(82,703)	(53,340)
Net profit for the period		<u>4,536,459</u>	<u>3,618,935</u>	<u>15,241,959</u>	<u>10,887,239</u>
Distributed as follows:					
Shareholders of the Parent Company		3,689,331	3,016,706	13,261,512	8,987,391
Non-controlling interests		847,128	602,229	1,980,447	1,899,848
		<u>4,536,459</u>	<u>3,618,935</u>	<u>15,241,959</u>	<u>10,887,239</u>
Basic earnings per share for Parent Company's shareholders (fils)	16	<u>2.08</u>	<u>1.70</u>	<u>7.44</u>	<u>5.05</u>

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

Interim Condensed Consolidated Statement of Comprehensive Income for the nine months period ended 30 September 2024
(Unaudited)

(All amounts are in Kuwaiti Dinar)

	For the three months ended 30 September		For the nine months ended 30 September	
	2024	2023	2024	2023
Net profit for the period	4,536,459	3,618,935	15,241,959	10,887,239
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	(112,316)	149,643	866,729	113,048
Change in fair value reserve	(18,439)	(343,014)	(1,825,505)	(2,211,557)
	<u>(130,755)</u>	<u>(193,371)</u>	<u>(958,776)</u>	<u>(2,098,509)</u>
<i>Items that may be reclassified subsequently to the consolidated statement of income:</i>				
Foreign currency translation reserve	(15,630)	18,914	(106,436)	18,447
Total other comprehensive loss	<u>(146,385)</u>	<u>(174,457)</u>	<u>(1,065,212)</u>	<u>(2,080,062)</u>
Total comprehensive income for the period	<u>4,390,074</u>	<u>3,444,478</u>	<u>14,176,747</u>	<u>8,807,177</u>
Distributed as follows:				
Shareholders of the Parent Company	3,579,679	2,900,722	12,247,904	6,949,017
Non-controlling interests	810,395	543,756	1,928,843	1,858,160
Total comprehensive income for the period	<u>4,390,074</u>	<u>3,444,478</u>	<u>14,176,747</u>	<u>8,807,177</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 nine months period ended 30 September 2024
(Unaudited)**

(All amounts are in Kuwaiti Dinar)

	Equity attributable to the shareholders of the Parent Company							Total equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
	Share premium	Treasury shares	Statutory reserve	Voluntary reserve	Other reserves (note 1.1)	Retained earnings	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	-	-	-	-	-	-	8,987,391	8,987,391	1,899,848	10,887,239
Total comprehensive income for the period	-	-	-	-	-	-	-	(2,038,374)	(41,688)	(2,080,062)
Sale of investment at FVTOCI	-	-	-	-	-	-	-	242,400	-	242,400
Sale of investment at FVTOCI – associate	-	-	-	-	-	-	(24,456)	(24,456)	-	(24,456)
Acquisition of additional shares in a subsidiary	-	-	-	-	-	-	38,909	38,909	(68,868)	(29,959)
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	-	-	(3,342,939)	-	-	-	-	(3,342,939)	-	(3,342,939)
Balance as at 30 September 2023	184,069,975	1,308,384	(7,371,408)	41,177,521	29,296,785	2,483,451	37,357,461	288,322,169	24,611,834	312,934,003
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	-	-	-	-	-	-	13,261,512	13,261,512	1,980,447	15,241,959
Total comprehensive income for the period	-	-	-	-	-	(1,013,607)	-	(1,013,607)	(51,604)	(1,065,211)
Acquisition of additional shares in a subsidiary	-	-	-	-	-	-	458,069	458,069	(778,171)	(320,102)
Cash dividend	-	-	-	-	-	-	(7,028,332)	(7,028,332)	-	(7,028,332)
Sale of investment at FVTOCI	-	-	-	-	-	(30,692)	10,229	(20,463)	-	(20,463)
In-kind distributions of treasury shares	-	-	3,791,038	-	-	1,020,817	(4,811,855)	-	-	-
Cash dividends to non controlling subsidiaries	-	-	-	-	-	-	-	-	(843,432)	(843,432)
Purchase of treasury shares	-	-	(3,657,540)	-	-	-	-	(3,657,540)	-	(3,657,540)
Sale of treasury shares	-	-	1,284,168	-	-	310,714	-	1,594,882	-	1,594,882
Balance as at 30 September 2024	184,069,975	1,308,384	(7,122,269)	42,685,964	29,296,785	1,546,990	43,166,563	294,952,392	24,467,043	319,419,435

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

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

(All amounts are in Kuwaiti Dinar)

	Notes	For the nine months period ended 30 September	
		2024	2023
Operating activities:			
Net profit for the period		15,241,959	10,887,239
Adjustments for:			
Depreciation of property, plant and equipment		906,435	893,297
Gain on sale of lands and properties held for trading (Reversal) / Provisions and impairment		(92,994)	-
		(113,223)	608,121
Share of profit from investment in associate companies		(5,596,533)	(3,392,616)
Net gain on investments	15	(5,705,074)	(3,542,112)
Finance cost		9,498,762	8,257,925
Employees' end of service indemnity provided during the period		136,813	173,399
Operating cash flow before changes in the working capital		14,276,145	13,885,253
Payment for purchase of land and properties held for trading		(94,780)	(37,280)
Proceeds from sale of Land and properties held for trading		280,671	-
Receivables and other debit balances		(620,985)	530,787
Payables and other credit balances		(1,122,014)	(1,240,038)
Employees' end of service indemnity paid during the period		(192,484)	(52,645)
Net cash generated from operating activities		12,526,553	13,086,077
Investing activities:			
Payment for purchase of investment property		(417,688)	(126,807)
Payment for purchase of property, plant and equipment		(407,922)	(550,076)
Advance payment for purchase investments		(2,609,657)	(4,245,725)
Payment to acquire shares in associate	6	(2,011,204)	(167,691)
Payment to acquire investment at fair value through profit or loss		(390,400)	(1,970,521)
Proceeds on capital reduction in associate	6	1,248,388	-
Proceed on sale of investment at fair value through profit or loss		1,279,950	366,277
Payment to acquire investment at FVTOCI		(2,211,705)	(3,183,196)
Proceeds on sale of Investment at FVTOCI		302,330	238,344
Payment to acquire shares in subsidiary		(320,102)	(29,958)
Dividend and accrued dividends received from associates	6	3,052,415	2,508,198
Dividend received from investment		2,733,546	2,841,560
Deposits with financial institution	9	(403,000)	(1,139,600)
Net cash (used in) investing activities		(155,049)	(5,459,195)
FINANCING ACTIVITIES:			
Proceeds from financing from third party		23,720,000	19,034,471
Repayment of financing from third party		(12,499,346)	(10,180,531)
Finance charges paid		(9,418,772)	(8,279,280)
Dividend paid		(7,070,877)	(5,254,845)
Payment for buy-back of treasury shares		(3,657,540)	(3,342,939)
Proceeds from sale of treasury shares		1,594,882	-
Lease liability payment		(86,679)	(86,679)
Dividend paid for non-controlling interest in subsidiaries		(843,432)	(612,816)
Net cash used in financing activities		(8,261,764)	(8,722,619)
Net change in cash and cash equivalents		4,109,740	(1,095,737)
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	9	7,359,776	4,254,179

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

Notes to the Interim Condensed Consolidated Financial Information for the nine months period ended 30 September 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 September 2024	31 December 2023 (audited)	30 September 2023
Al Mutajara Real Estate Company K.S.C.C.	Real estate	Kuwait	79.08%	77.9%	77.88%
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%

During the period, the general assembly meeting of the Parent Company shareholders was held on 29 April 2024 to approve the consolidated financial statements for the year ended 31 December 2023.

This interim condensed consolidated financial information was authorized for issue by Parent Company's Board of Director's on 12 November 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 nine-month period ended 30 September 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 nine months period ended 30 September 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 three: 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 September 2024 (unaudited)	31 December 2023 (audited)	30 September 2023 (unaudited)				
Financial assets							
Investments at fair value - other comprehensive income							
Quoted shares	881,654	868,728	755,416	Level 1	Last bid price	N/A	N/A
Private equity	53,644,618	53,447,839	54,057,345	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	3,269,736	3,416,037	3,396,388	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	996,255	985,820	1,000,163	Level 1	Last bid price	N/A	N/A
Private equity	47,226,134	40,690,536	34,778,236	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 nine months period ended 30 September 2024
(Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

5. Investment properties

	30 September 2024 (unaudited)	31 December 2023 (audited)	30 September 2023 (unaudited)
Balance at beginning of the period/ year	369,092,089	370,673,658	370,673,658
Additions	417,688	229,584	126,807
Change in fair value	-	(1,811,153)	-
Balance at end of the period/year	<u>369,509,777</u>	<u>369,092,089</u>	<u>370,800,465</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 September 2024 (unaudited)	31 December 2023 (audited)	30 September 2023 (unaudited)
Lease liabilities (non-current)			
Amounts due after 12 months	<u>2,134,016</u>	<u>2,227,965</u>	<u>2,255,950</u>
Lease liabilities (current)			
Amounts due within 12 months	<u>124,432</u>	<u>111,915</u>	<u>110,684</u>
	<u>2,258,448</u>	<u>2,339,880</u>	<u>2,366,634</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 September 2024 (unaudited)	31 December 2023 (audited)	30 September 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 *	2,011,204	171,147	167,691
Capital reduction in an associate **	(1,248,388)	-	-
Group's share in a associates results	5,596,533	2,714,993	3,392,616
Group's share in a associates reserves	866,729	86,141	113,048
Losses of sale investments at FVTOCI	-	(41,760)	(24,456)
Translation of foreign currencies	(106,436)	66,343	18,447
Reversal of Impairment in associate	-	254,315	-
Cash dividends	(3,052,415)	(2,508,198)	(2,508,198)
	<u>45,560,784</u>	<u>41,493,557</u>	<u>41,909,724</u>

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

** During the period and based on approval of Extraordinary General Assembly of Al Jahra Tourism Company "Associate", share capital of the Associate was reduced. Such reduction did not impact Group's shareholding percentage.

7. Lands and properties held for trading

Lands and properties held for trading includes lands in Kingdom of Bahrain amounted to KD 3,299,185 (KD 4,536,497 – 2023) registered in the name of a related party, and there is a concession in favor of the parent company.

8. Receivables and other debit balances

	30 September 2024 (unaudited)	31 December 2023 (audited)	30 September 2023 (unaudited)
Trade receivables	4,630,165	5,230,971	5,298,244
Due from related parties (Note 17)	41	-	272,400
Provision for impairment	<u>(3,990,865)</u>	<u>(3,955,821)</u>	<u>(4,242,231)</u>
	<u>639,341</u>	<u>1,275,150</u>	<u>1,328,413</u>
Advance payments for acquisition of investments	2,811,657	4,513,975	4,513,975
Prepaid expenses	164,270	142,134	158,730
Refundable deposits	340,000	339,716	339,716
Advances to contractors and suppliers	314,733	361,209	348,649
Other debit balances	<u>4,650,641</u>	<u>3,556,912</u>	<u>3,232,040</u>
	<u>8,281,301</u>	<u>8,913,946</u>	<u>8,593,110</u>
Provisions	<u>(90,007)</u>	<u>(238,274)</u>	<u>(238,274)</u>
	<u>8,191,294</u>	<u>8,675,672</u>	<u>8,354,836</u>
	<u>8,830,635</u>	<u>9,950,822</u>	<u>9,683,249</u>

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

(All amounts are in Kuwaiti Dinar unless otherwise stated)

Movement in credit losses is as follows:

	30 September 2024 (unaudited)	31 December 2023 (audited)	30 September 2023 (unaudited)
Balance at beginning of the period/year	3,955,821	3,634,110	3,634,110
Provision created during the period/year	35,044	321,711	608,121
Balance at end of the period/year	<u>3,990,865</u>	<u>3,955,821</u>	<u>4,242,231</u>

9. Cash and cash equivalents

	30 September 2024 (unaudited)	31 December 2023 (audited)	30 September 2023 (unaudited)
Cash in hand	5,880	6,034	6,081
Cash at banks and financial institutions	3,903,896	2,105,802	2,008,098
Deposits with financial institution	3,853,000	1,138,200	3,379,600
	<u>7,762,776</u>	<u>3,250,036</u>	<u>5,393,779</u>
Less: deposits with financial institution more than 3 months	(403,000)	-	(1,139,600)
Cash and cash equivalent for cash flow	<u>7,359,776</u>	<u>3,250,036</u>	<u>4,254,179</u>

10. Treasury shares

	30 September 2024 (unaudited)	31 December 2023 (audited)	30 September 2023 (unaudited)
Number of shares (No's)	66,876,997	86,339,082	74,790,376
Percentage of issued shares (%)	3.63	4.69	4.06
Market value	10,031,550	8,651,176	7,329,457
Cost	7,122,269	8,539,935	7,371,408

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.

11. 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	(2,164,500)	107,679	18,447	-	-	(2,038,374)
Treasury shares distribution	-	-	-	-	(548,148)	(548,148)
As at 30 September 2023	<u>(5,281,245)</u>	<u>1,472,889</u>	<u>510,575</u>	<u>5,547,886</u>	<u>233,346</u>	<u>2,483,451</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	(1,746,057)	838,885	(106,436)	-	-	(1,013,608)
Sale of Investment at FVOCI	(30,692)	-	-	-	-	(30,692)
Sale of treasury shares	-	-	-	-	310,714	310,714
In kind Dividend	-	-	-	-	1,020,817	1,020,817
As at 30 September 2024	<u>(8,302,850)</u>	<u>2,285,042</u>	<u>452,035</u>	<u>5,547,886</u>	<u>1,564,877</u>	<u>1,546,990</u>

12. Financing from financial institutions

	30 September 2024 (unaudited)	31 December 2023 (audited)	30 September 2023 (unaudited)
Finance from financial institutions – current portion	9,521,230	16,710,356	13,309,374
Finance from financial institutions – non current portion	230,965,992	212,556,212	216,079,940
	<u>240,487,222</u>	<u>229,266,568</u>	<u>229,389,314</u>
Cost rate (%)	5.00-5.25	5.25-5.40	5.00-5.40

Notes to the Interim Condensed Consolidated Financial Information for the nine months period ended 30 September 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 September 2024	31 December 2023	30 September 2023
	(unaudited)	(audited)	(unaudited)
Property, plant and equipment	19,379,196	19,753,257	19,939,895
Investment property	281,116,485	287,662,960	284,332,368

13. Payables and other credit balances

	30 September 2024	31 December 2023	30 September 2023
	(unaudited)	(audited)	(unaudited)
Trade payables	659,107	703,173	647,020
Due to related parties (Note 17)	73,988	96,465	91,945
Retentions	1,055,455	932,014	920,187
Accrued expense	2,305,320	2,858,241	2,071,535
Revenues received in advance	804,423	787,954	651,577
Security deposits from tenants	3,271,261	3,372,421	3,651,221
Kuwait Foundation for the Advancement of Science (KFAS)	66,417	62,253	38,126
National Labour Support Tax (NLST)	335,673	389,583	253,954
Zakat payable	82,703	80,665	53,340
Dividends payable to shareholders	264,483	307,028	322,842
Other credit balances*	3,226,017	3,632,349	5,972,067
	<u>12,144,847</u>	<u>13,222,146</u>	<u>14,673,814</u>

* Other credit balances include lease liabilities of KD 124,432 due within 12 months.

14. Net income from operating activities

	For the three months ended 30 September		For the nine months ended 30 September	
	2024	2023	2024	2023
Revenues				
Real estate rental income	6,680,568	6,603,617	20,093,027	19,811,870
Revenues from hotel operation	704,019	635,590	2,789,724	2,462,675
	<u>7,384,587</u>	<u>7,239,207</u>	<u>22,882,751</u>	<u>22,274,545</u>
Gain on sale of land and properties held for trading	-	-	92,994	-
	<u>7,384,587</u>	<u>7,239,207</u>	<u>22,975,745</u>	<u>22,274,545</u>
Expenses				
Operating expenses	(1,556,011)	(1,376,737)	(4,385,481)	(4,193,526)
Hotel and hospitality expenses	(745,394)	(704,397)	(2,443,759)	(2,315,798)
Net income from operating activities	<u>(2,301,405)</u>	<u>(2,081,134)</u>	<u>(6,829,240)</u>	<u>(6,509,324)</u>
	<u>5,083,182</u>	<u>5,158,073</u>	<u>16,146,505</u>	<u>15,765,221</u>

Hotel and hospitality expenses include an amount of KD 625,385 (KD 640,481 - 2023) which represents the current period depreciation of the hotel building and related equipment.

15. Net gain on investments

	For the three months ended 30 September		For the Nine months ended 30 September	
	2024	2023	2024	2023
Investment at FVOCI				
Cash dividends	653,153	789,069	1,999,142	2,431,850
	<u>653,153</u>	<u>789,069</u>	<u>1,999,142</u>	<u>2,431,850</u>
Investments at fair value through profit or loss				
Change in fair value	313,899	50,049	2,811,800	535,684
Cash dividends	582,324	-	582,324	608,420
Gain /(loss) on sale	-	-	311,808	(33,842)
	<u>896,223</u>	<u>50,049</u>	<u>3,705,932</u>	<u>1,110,262</u>
	<u>1,549,376</u>	<u>839,118</u>	<u>5,705,074</u>	<u>3,542,112</u>

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

(All amounts are in Kuwaiti Dinar unless otherwise stated)

16. 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 September		For the Nine months ended 30 September	
	2024	2023	2024	2023
Net profit for the period (KD)	3,689,331	3,016,706	13,261,512	8,987,391
Weighted average number of outstanding shares (share)	1,774,892,460	1,771,119,614	1,782,069,628	1,780,194,431
Basic earnings per shaers (fils)	2.08	1.70	7.44	5.05

17. 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 September		For the Nine months ended 30 September	
	2024	2023	2024	2023
Key management benefits	154,194	185,528	546,525	549,587
Operating expenses and other charges	142,771	70,765	486,318	324,426
Operating revenue	50,423	19,991	90,166	58,030
Profit from Sales of OCI Investments	-	-	-	242,400
Profit from Sales of Investments at fair value profit & loss	-	-	311,808	-
Other revenue	5,166	-	5,166	-
Acquire property, plant and equipment	52,008	9,308	120,647	57,351
Acquire additional shares in associate	636,605	-	636,605	-
Advanced Payment for acquisition of Investments	-	-	-	64,468
			30 September 2024 (unaudited)	31 December 2023 (audited)
				30 September 2023 (unaudited)

Balances

Receivables and other debit balances	41	-	272,400
Payables and other credit balances	73,988	96,465	91,945
Balances due to key management	330,737	659,092	324,692

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.

18. Capital commitments and contingent liabilities

	30 September 2024 (unaudited)	31 December 2023 (audited)	30 September 2023 (unaudited)
Capital commitments			
Uncalled capital – investments	923,801	925,007	934,960
Contract for projects and investment properties under development	4,140,190	3,747,574	2,095,682
	5,063,991	4,672,581	3,030,642
Contingent liabilities			
Letters of guarantee	4,341,067	4,241,152	3,960,488

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

(All amounts are in Kuwaiti Dinar unless otherwise stated)

19. Segment information

The Group is organized into two major business segments; real estate, hotel 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 nine months period ended 30 September 2024			For the nine months period ended 30 September 2023		
	Real estate sector	Hotel	Investment sector	Real estate sector	Hotel	Investment sector
Revenue	20,186,021	2,789,724	11,301,607	19,811,870	2,462,675	6,934,728
Direct cost	(5,386,334)	(2,443,759)	(104,329)	(5,600,247)	(2,396,320)	(478,145)
Gross profit / (loss)	14,799,687	345,965	11,197,278	14,211,623	66,355	6,456,583
Unallocated costs			(11,100,971)			(9,847,322)
Net profit for the period			15,241,959			10,887,239

Geographic distribution:

A- Assets and liabilities

	Assets			Liabilities		
	30 September 2024	31 December 2023	30 September 2023	30 September 2024	31 December 2023	30 September 2023
State of Kuwait	423,989,886	415,213,129	418,766,243	253,242,563	242,725,055	242,561,730
Gulf countries	70,340,957	66,424,241	62,923,626	2,734,962	3,258,735	4,973,101
Other	81,066,117	79,864,095	78,778,965	-	-	-
	575,396,960	561,501,465	560,468,834	255,977,525	245,983,790	247,534,831

B- Statement of income

	For the nine months period ended 30 September 2024			For the nine months period ended 30 September 2023		
	State of Kuwait	Gulf countries	Other	State of Kuwait	Gulf countries	Other
Total income	21,354,980	3,529,211	2,804,549	19,481,029	841,299	2,519,720
Total expenses	(12,104,533)	(487,820)	145,572	(11,290,030)	(659,149)	(5,630)
Net profit	9,250,447	3,041,391	2,950,121	8,190,999	182,150	2,514,090
			15,241,959			10,887,239

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

(All amounts are in Kuwaiti Dinar unless otherwise stated)

20. 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 2023.