

Kuwait Resorts Company K.P.S.C.
And its Subsidiary
State of Kuwait

Interim Condensed Consolidated Financial Information
For the six months ended 30 June 2023
And review report
(Unaudited)

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Kuwait Resorts Company K.P.S.C.

State of Kuwait

Report on Review of Interim Condensed Consolidated Financial Information to the Board of Directors

Introduction

We have reviewed the accompanying statement of financial position of Kuwait Resorts Company K.P.S.C. (the "Parent Company") and its subsidiary (together referred to as the "Group") as at 30 June 2023 and the related statements of income, comprehensive income, changes in equity and cash flows for the six-months period then ended. Management of the Parent Company is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim 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 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 financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Emphasis of Matter

We draw attention to Notes 4 and 17 of the interim financial information, which describe management's assumptions relating to the renewal of the lease contract for the Hilton Kuwait Resort. Our conclusion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim 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 Regulation, 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 2023 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 provisions of Law No. 7 of 2010, as amended, concerning the Capital Markets Authority and its related regulations during the six-month period ended 30 June 2023, that might had a material effect on the business of the Parent Company or on its financial position.



Talal Y. Al-Muzaini

License No. 209 A

Deloitte & Touche - Al-Wazzan & Co.

Kuwait, 1 August 2023

Kuwait Resorts Company K.P.S.C.

And its Subsidiary

State of Kuwait

**Interim Condensed Consolidated Statement of Financial Position as at 30 June 2023
(Unaudited)***(All amounts are in Kuwaiti Dinars)*

	Note	30 June 2023 (Unaudited)	31 December 2022 (audited)	30 June 2022 (Unaudited)
Assets				
Non-current assets				
Property, plant and equipment		99,115	30,711	76,014
Investment properties	5	10,458,993	10,764,914	12,239,524
Investment in associate		102,056	101,806	101,939
Financial assets at fair value through OCI	6	21,234,926	20,252,270	19,038,627
		<u>31,895,090</u>	<u>31,149,701</u>	<u>31,456,104</u>
Current assets				
Receivables and other debit balances	7	469,061	423,978	569,770
Cash, bank accounts and time deposits	8	1,739,526	1,682,583	1,443,593
		<u>2,208,587</u>	<u>2,106,561</u>	<u>2,013,363</u>
Total assets		<u>34,103,677</u>	<u>33,256,262</u>	<u>33,469,467</u>
Equity and liabilities				
Equity				
Share capital		21,021,809	21,021,809	21,021,809
Statutory reserve		3,751,312	3,751,312	3,645,960
Treasury shares	9	(725,479)	(932,669)	(774,149)
Change in fair value reserve		1,166,517	644,126	1,296,799
Foreign currency translation reserve		(147,827)	(153,025)	(145,770)
Retained earnings		4,960,184	4,265,220	4,918,341
		<u>30,026,516</u>	<u>28,596,773</u>	<u>29,962,990</u>
Liabilities				
Non-current liabilities				
Provision for employees' end of service indemnity		927,879	915,207	859,785
Current liabilities				
Due to banks	10	1,250,000	2,107,163	1,312,965
Payables and other credit balances	11	1,899,282	1,637,119	1,333,727
		<u>3,149,282</u>	<u>3,744,282</u>	<u>2,646,692</u>
Total liabilities		<u>4,077,161</u>	<u>4,659,489</u>	<u>3,506,477</u>
Total equity and liabilities		<u>34,103,677</u>	<u>33,256,262</u>	<u>33,469,467</u>

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


Adwan Mohammad Al-Adwani
Chairman

Ibrahim Mohamed Al-Ghanim
Vice Chairman and CEO

Interim Condensed Consolidated Statement of Income for the six-months ended 30 June 2023
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Note	Three months ended		Six months ended	
		30 June		30 June	
		2023	2022	2023	2022
Operating revenue		2,037,192	1,891,125	3,647,792	3,318,869
Operating cost		(1,303,297)	(1,187,744)	(2,435,139)	(2,154,872)
Gross operating profit	12	733,895	703,381	1,212,653	1,163,997
Cash dividend from investments at fair value through other comprehensive income		719,034	383,562	795,255	527,600
Gain from sale of investment properties		(33,368)	-	(33,368)	163,188
Other gains		4,199	6,419	12,893	12,263
General and administrative expenses		(116,355)	(118,247)	(221,588)	(214,138)
Finance costs		(15,896)	(18,033)	(45,374)	(28,438)
Net profit before deductions		1,291,509	957,082	1,720,471	1,624,472
Contribution to KFAS		(11,623)	(8,613)	(15,484)	(14,620)
National Labor Support Tax		(27,358)	(15,797)	(38,007)	(33,903)
Zakat expense		(6,670)	(6,319)	(10,930)	(13,561)
Net profit for the period		1,245,858	926,353	1,656,050	1,562,388
Earnings per share (fils)	13	6.31	4.72	8.40	7.97

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 ended 30 June 2023
(Unaudited)**

(All amounts are in Kuwaiti Dinars)

	Three months ended 30 June		Six months ended 30 June	
	2023	2022	2023	2022
Net profit for the period	1,245,858	926,353	1,656,050	1,562,388
Other comprehensive income/ (expenses) items				
<i>Items that may not be reclassified subsequently to the interim condensed consolidated statement of income</i>				
Investments at fair value through other comprehensive income:				
Change in fair value through other comprehensive income	381,786	(1,058,665)	522,391	(1,199,055)
<i>Items that may be reclassified subsequently to the interim condensed consolidated statement of income</i>				
Foreign currency translation adjustment	10,613	27,032	5,198	47,740
Total other comprehensive income/ (loss) items	392,399	(1,031,633)	527,589	(1,151,315)
Total comprehensive income/ (expenses) for the period	1,638,257	(105,280)	2,183,639	411,073

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 ended 30 June 2023
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Share capital	Statutory reserve	Treasury shares	Change in fair value reserve	Foreign currency translation reserve	Retained earnings	Total
Balance as at 1 January 2022	21,021,809	3,645,960	(948,122)	2,495,854	(193,510)	4,331,167	30,353,158
Net profit for the period	-	-	-	-	-	1,562,388	1,562,388
Other comprehensive loss items	-	-	-	(1,199,055)	47,740	-	(1,151,315)
Cash dividends (Note 14)	-	-	-	-	-	(585,128)	(585,128)
Dividends in kind from treasury shares (Note 14)	-	-	390,086	-	-	(390,086)	-
Purchase of treasury shares	-	-	(216,113)	-	-	-	(216,113)
Balance as at 30 June 2022	<u>21,021,809</u>	<u>3,645,960</u>	<u>(774,149)</u>	<u>1,296,799</u>	<u>(145,770)</u>	<u>4,918,341</u>	<u>29,962,990</u>
Balance as at 1 January 2023	21,021,809	3,751,312	(932,669)	644,126	(153,025)	4,265,220	28,596,773
Net profit for the period	-	-	-	-	-	1,656,050	1,656,050
Other comprehensive loss items	-	-	-	522,391	5,198	-	527,589
Cash dividends (Note 14)	-	-	-	-	-	(582,476)	(582,476)
Dividends in kind from treasury shares (Note 14)	-	-	378,610	-	-	(378,610)	-
Purchase of treasury shares	-	-	(171,420)	-	-	-	(171,420)
Balance as at 30 June 2023	<u>21,021,809</u>	<u>3,751,312</u>	<u>(725,479)</u>	<u>1,166,517</u>	<u>(147,827)</u>	<u>4,960,184</u>	<u>30,026,516</u>

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 ended 30 June 2023
(Unaudited)

(All amounts are in Kuwaiti Dinars)

		Six months ended	
		30 June	
	Note	2023	2022
Cash flows from operating activities			
Net profit for the period		1,656,050	1,562,388
Adjustments:			
Depreciation		45,471	33,670
Cash dividend from investments at fair value through other comprehensive income		(795,254)	(527,600)
Loss/Gain from sale of investment property	5	33,368	(163,188)
Finance costs		45,374	28,438
Provision for employees' end of service indemnity		111,438	96,784
Operating profits before working capital changes		1,096,447	1,030,492
Receivables and other debit balances	7	(51,588)	(27,816)
Guarantee Check		500,000	-
Payables and other credit balances	11	248,761	(126,845)
Payment of end of service indemnity		(98,766)	(14,060)
Net cash generated from operating activities		1,694,854	861,771
Cash flows from investing activities			
Paid for purchase of property, plant and equipment		(113,875)	(105,136)
Purchase of Financial assets at fair value through OCI		(460,265)	(2,314,751)
Cash dividends received		795,254	527,600
Proceeds from sale of investment property	5	279,058	1,190,588
Net cash generated/ (used in) from investing activities		500,172	(701,699)
Cash flows from financing activities			
Cash dividend Paid		(582,476)	(585,128)
Purchase of treasury shares		(171,420)	(216,113)
Repayment to banks and financial institution		(1,957,163)	(1,060,136)
proceeds from banks and financial institution		1,100,000	2,033,230
Finance costs paid		(27,024)	(23,887)
Net cash (used in)/generated from financing activities		(1,638,083)	147,966
Net increase in cash and cash equivalents		556,943	308,038
Cash and cash equivalents at the beginning of the period		1,182,583	1,135,555
Cash and cash equivalents at the end of the period	8	1,739,526	1,443,593

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 ended 30 June 2023
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

1. Incorporation and activities

Kuwait Resorts Company is a Kuwaiti Shareholding Company (Public) "the Parent Company" - Kuwait established in Kuwait, under article of incorporation No. 4179 dated 7 August 2002 and registered in the commercial register under No. 91093 dated 22 September 2002.

The registered office of the Parent Company is at P.O. Box No. 7887, Fahaheel 64009, State of Kuwait.

The Parent Company's objectives are as follows:

- 1- Design, construct, manage and utilize Mangaf Resort (Plage 13) according to contract signed with Touristic Enterprise Company (KSC) and its annexure signed with Ministry of Finance, which includes five stars hotel, ballroom, shops, chalets and gyms.
- 2- Purchase and rent equipment, machines, catering and consumables that serve the Company's objectives.
- 3- Owning, selling and acquiring real estate and lands and developing them in the Company's favor, inside and outside Kuwait, also managing others' properties, without violating the laws relating to private residential houses.
- 4- Owning, selling and acquiring real estate company's shares and bonds only in favor of the Company inside and outside Kuwait.
- 5- Preparing studies and providing consultations in the field of real estate.
- 6- Owning and managing hotels, gyms and touristic facilities and renting them.
- 7- Conducting maintenance activities relating to buildings and real estates owned by the Company including civil, mechanic and electrical works and elevators and air condition maintenance that maintain safety of the buildings.
- 8- Managing, operating, investing and renting all kind of hotels, clubs, motels, rest houses, resorts, parks, exhibitions, restaurants, cafeterias, residential compounds, health and touristic resorts, entertaining and sport projects and shops including all basic and supporting services and facilities.
- 9- Organizing real estate exhibitions relating to the Company's real estate projects according to rules and practices in the ministry.
- 10- Conducting real estate auctions according to rules and practices in the ministry.
- 11- Owning and managing commercial complexes and residential compounds.
- 12- Investing the surplus funds in investment and real estate portfolios managed by specialized companies.

The Company conducts the above mentioned activities inside and outside Kuwait by itself or through agent.

The Company can incorporate, acquire interest or participate in all means with corporations with similar activities or assist in achieving the Company's objectives inside and outside Kuwait.

The activities of the Parent Company are carried out in accordance with Noble Islamic Sharia principles.

The Parent Company owns a five star hotel "Hilton Kuwait Resort" in the State of Kuwait.

The Parent Company was listed on the Kuwait Stock Exchange on 21 July 2007.

The interim condensed consolidated financial information for the Group includes the financial information of the Parent Company and its wholly owned subsidiary Bahraini Resort Company W.L.L., together referred as "The Group". The subsidiary has been consolidated based on management accounts as at 30 June 2023.

The Parent Company's shareholders approved the consolidated financial statements for the year ended 31 December 2022 at the annual general assembly meeting held on 19th April 2023 (Note 14).

These interim condensed consolidated financial information for the six months ended 30 June 2023 was authorized for issue by the board of directors of the Parent Company on 1 August 2023.

**Notes to the Interim Condensed Consolidated Financial Information for the six-months ended 30 June 2023
(Unaudited)**

(All amounts are in Kuwaiti Dinars unless otherwise stated)

2. Basis of preparation and significant accounting policies

2.1 Basis of preparation

This interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard No. (34), "Interim Financial Reporting".

The interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements in accordance with International Financial Reporting Standards.

In the management's opinion, all necessary adjustments, including recurring accruals have been included in the interim condensed consolidated financial information for fair presentation. The operating results for the period ended 30 June 2023 are not necessarily indicative of results that may be expected for the year ending 31 December 2023. For further information, it is possible to refer to the consolidated financial statements and its related notes for the year ended 31 December 2022.

The Group's component Hilton Kuwait Resort financial statements for year ended 31 December 2022 have been prepared on a going concern basis as the management believes that The Owner expects the lease term to be renewed on the basis that this renewal is in line with the terms of the ministerial decision for regulating the procedures to renew leases of state and private real estate properties issued by the Minister of Finance and the Minister of State for Economic Affairs and Investments in December 2022. Furthermore, the Owner is considering various scenarios for the renegotiation of the lease terms, including the increase of the lease consideration. According to the legal advisory opinion obtained, the contract period is deemed renewed up to 31 December 2025 as the Owner has submitted the renewal request one year before expiry. Accordingly, these financial statements have been prepared on a going concern basis.

2.2 Significant accounting policies

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2022. Amendments to IFRSs which are effective for annual accounting period starting from 1 January 2023 did not have any material impact on the accounting policies, financial position, or performance of the Group.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement. These amendments had no material impact on the interim condensed consolidated financial information of the Group as there were no significant modifications of the Group's financial instruments during the period.

Other amendments to IFRSs which are effective for annual accounting period starting from 1 January 2022 did not have 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 1: Quoted prices in active markets for quoted financial instruments.
- Level 2: 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 3: Valuation methods in which the inputs that are not based on any comparative market data.

Kuwait Resorts Company K.P.S.C

And its Subsidiary

State of Kuwait

Notes to the Interim Condensed Consolidated Financial Information for the six-months ended 30 June 2023 (Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

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

Financial assets	Fair value as at			Fair value hierarchy	Valuation technique(s) and Key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	30/06/2023	31/12/2022	30/06/2022				
Quoted Shares	7,408,387	6,901,809	7,502,768	1	Last bid price	-	-
Unquoted shares	9,157,034	9,156,399	9,221,112	3	Adjusted book value	Adjusted carrying amount	The higher discount rate and market risk results in lower fair value
Investment Funds	4,669,505	4,194,062	2,314,747	3	Transaction price which valuation was estimated using the Income approach	-	-

Reconciliation of Level 3 fair value measurements

	Unquoted investments		
	30 June 2023 (Unaudited)	31 December 2022 (Audited)	30 June 2022 (Unaudited)
Balance as at beginning period/ year	13,350,462	9,221,112	9,221,112
Change in fair value	15,811	(51,713)	-
Addition	460,266	4,181,062	2,314,747
Balance as at ending period/ year	13,826,539	13,350,461	11,535,859

The fair values of other financial assets and financial liabilities which are not measured at fair value on ongoing basis equal approximately their carrying values.

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 31 December 2022. The most significant judgements used by the management in preparation of the annual financial statements for the year ended 31 December 2022 and the interim condensed consolidated financial information for the period ended 30 June 2023 is the renewal of hotel lease as below:

Hotel lease renewal

The Group is operating Hilton Kuwait Resort based on the utilization right contract with the Ministry of Finance (MoF). The Utilization right contract expired in December 2020. but the Group is still operating the Hotel. The Group has paid the rent for the years 2021 and 2022 and is still attempting to renew the lease for 2023. The Group management believes that it is very likely to renew the lease during 2023.

The management is currently negotiating with the Ministry of Finance for renewal of the contract. The Group therefore expects the lease to be renewed for another term (notes 2.1 and 17).

**Notes to the Interim Condensed Consolidated Financial Information for the six-months ended 30 June 2023
(Unaudited)**

(All amounts are in Kuwaiti Dinars unless otherwise stated)

5. Investment properties

	30 June 2023 (Unaudited)	31 December 2022 (audited)	30 June 2022 (Unaudited)
Balance as at 1 January	10,764,914	9,687,927	9,687,927
Transfer from receivables and other debit balances	-	3,472,455	3,544,207
Disposal	(312,426)	(1,027,370)	(1,027,370)
Change in fair value	-	(1,396,911)	-
Foreign currency translation adjustment	6,505	28,813	34,760
	<u>10,458,993</u>	<u>10,764,914</u>	<u>12,239,524</u>

6. Financial assets at fair value through OCI

	30 June 2023 (Unaudited)	31 December 2022 (audited)	30 June 2022 (Unaudited)
Quoted investments	7,408,387	6,901,809	7,502,768
Unquoted investments	9,157,034	9,156,399	9,221,112
Investments in funds	4,669,505	4,194,062	2,314,747
	<u>21,234,926</u>	<u>20,252,270</u>	<u>19,038,627</u>

Financial assets at fair value through OCI mainly represents investments in companies that are related to the Group as at 30 June 2022 (Note 15).

Financial assets at fair value through OCI include investments with total carrying value of KD 12,307,862 pledged to banks as at 30 June 2023 (KD 11,923,479 - 31 December 2022, KD 12,428,257 - 30 June 2022) against facilities granted to the Group and the investee Company.

7. Receivables and other debit balances

	30 June 2023 (Unaudited)	31 December 2022 (audited)	30 June 2022 (Unaudited)
Trade receivables	344,480	288,541	318,073
Less: Provision for loss allowance	(120,575)	(120,575)	(120,575)
	<u>223,905</u>	<u>167,966</u>	<u>197,498</u>
Prepayments	141,920	89,301	191,429
Due from related parties (Note 15)	10,006	7,815	6,161
Other receivables	93,230	158,896	174,682
	<u>469,061</u>	<u>423,978</u>	<u>569,770</u>

8. Cash and bank accounts

	30 June 2023 (Unaudited)	31 December 2022 (audited)	30 June 2022 (Unaudited)
Cash in hand	12,240	12,520	15,341
Cash at banks and portfolios*	1,727,286	1,170,063	1,428,252
Guarantee cheque	-	500,000	-
Total cash and cash equivalents	<u>1,739,526</u>	<u>1,682,583</u>	<u>1,443,593</u>
Subtract: Guarantee cheque		(500,000)	
Cash and cash equivalent for the purpose of cash flow	<u>1,739,526</u>	<u>1,182,583</u>	<u>1,443,593</u>

* Cash at banks and portfolios include 480,483 KD (456,027 - 31 December 2022, - 543,184 30 June 2022) in Hilton Kuwait resort represents cash held for replacement of furniture, fittings and equipment in accordance with the Management Agreement.

**Notes to the Interim Condensed Consolidated Financial Information for the six-months ended 30 June 2023
(Unaudited)**

(All amounts are in Kuwaiti Dinars unless otherwise stated)

9. Treasury shares

	30 June 2023 (Unaudited)	31 December 2022 (audited)	30 June 2022 (Unaudited)
Number of shares (share)	12,783,917	16,059,393	14,072,946
Ownership percentage (%)	6.08%	7.64	6.69
Market value (KD)	893,596	1,259,056	1,108,948

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

10. Due to banks

Due to banks are secured by investment properties, financial assets through OCI (Note 6), and secured by a mortgage of certain real estate properties owned by a major shareholder and his guarantee.

The average effective finance cost of credit facilities as at 30 June 2023 was 5.5% (3.75% - 31 December 2022, 3.75% - 30 June 2022).

11. Payables and other credit balances

	30 June 2023 (Unaudited)	31 December 2022 (audited)	30 June 2022 (Unaudited)
Trade payables	113,720	187,551	111,139
Accrued expenses and leave	470,538	443,747	55,827
Contribution to KFAS	159,131	143,647	148,785
Dividends payables	60,185	42,054	65,928
Others	1,095,708	820,120	955,048
	<u>1,899,282</u>	<u>1,637,119</u>	<u>1,333,727</u>

12. Gross operating profit

	For the three months ended 30 June		For the six months ended 30 June	
	2023	2022	2023	2022
Revenues from hotel operation	2,037,192	1,891,125	3,647,792	3,318,869
Hotel expenses	(1,276,028)	(1,162,094)	(2,390,016)	(2,121,786)
Other expenses	(27,269)	(25,650)	(45,123)	(33,086)
	<u>733,895</u>	<u>703,381</u>	<u>1,212,653</u>	<u>1,163,997</u>

This item mainly represents the gross operating profit from Hilton Kuwait Resort operations.

13. Earnings per share

Earnings per share is computed by dividing net profit for the period by the weighted average number of ordinary shares outstanding, which is determined based on number of issued capital shares outstanding during the period, taking into account treasury shares, as follows:

	Three months ended 30-Jun		Six months ended 30-Jun	
	2023	2022	2023	2022
Net profit for the period (KD)	1,245,858	926,353	1,656,050	1,562,388
Weighted average number of outstanding shares during the period after deduction of treasury shares (shares)	197,434,292	197,029,613	197,250,807	196,041,661
Earnings per share (fils)	<u>6.31</u>	<u>4.72</u>	<u>8.40</u>	<u>7.97</u>

**Notes to the Interim Condensed Consolidated Financial Information for the six-months ended 30 June 2023
(Unaudited)**

(All amounts are in Kuwaiti Dinars unless otherwise stated)

Earning per share for the current period has been amended taking into consideration the effect of bonus share from treasury shares distributed during the period (Note 14).

14. Dividends

On 19th April 2023, the General Assembly Meeting of the shareholders has approved the consolidated financial statements for the year ended 31 December 2022 and approved distribution of cash dividends of 3 fils per share and distribution 3 treasury shares of the Parent Company for each 100 share (distribution of cash dividends of 3 fils per share and distribution of 2 bonus shares for each 100 shares from treasury shares -2021).

15. Related party transactions

Related parties comprise of the Parent Company's shareholders who are members in the board of directors, major shareholders, and key management personnel. In the ordinary course of business, the Group entered into transactions with related parties during the period. The following are the transactions and balances resulted from these transactions included in the interim condensed consolidated financial information:

	30 June 2023 (Unaudited)	31 December 2022 (audited)	30 June 2022 (Unaudited)
Balances			
Investments at FVOCI	15,809,212	15,296,317	16,089,886
Due from related parties	10,006	7,815	6,161

The amounts due from/to related parties are non-interest bearing and are recoverable/payable on demand.

Financial assets at fair value through OCI include investments with total carrying value of KD 12,307,862 pledged to banks as at 30 June 2023 (KD 11,923,479 - 31 December 2022, KD 12,428,257 - 30 June 2022) against facilities granted to the Group and the investee Company.

	Six months ended 30 June	
	2023	2022
Transactions		
Key management benefits	208,343	251,384
Gains from investments	536,907	498,738

16. Contingent commitments and liabilities

	30 June 2023 (Unaudited)	31 December 2022 (audited)	30 June 2022 (Unaudited)
Letter of Guarantees	440,225	440,225	440,225

Notes to the Interim Condensed Consolidated Financial Information for the six-months ended 30 June 2023
(Unaudited)

(All amounts are in Kuwaiti Dinars unless otherwise stated)

17. Segment reporting

The Group is organized into three major operating segments; hotels, investment and real estate. The 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 consolidated financial statements for the year ended 31 December 2022. Segment analysis in line with internal reports submitted to management is as follows:

	30 June 2023				30 June 2022			
	Hotels	Financial Investment	Real Estate	Total	Hotels	Financial Investment	Real Estate	Total
Revenues	3,647,792	795,255	(21,966)	4,421,081	3,318,869	527,600	173,973	4,020,442
Expenses	(2,435,139)	-	-	(2,435,139)	(2,154,872)	-	-	(2,154,872)
Segments results	1,212,653	795,255	(21,966)	1,985,942	1,163,997	527,600	173,973	1,865,570
Other income	29	906	-	935	-	-	-	1,823
Un allocated expenses	(282,466)	(48,361)	-	(330,827)	-	-	-	(305,005)
Net profit for the year	930,216	747,800	(21,966)	1,656,050	-	-	-	1,562,388
Segments assets	1,533,166	21,234,926	11,335,585	34,103,677	2,191,314	19,038,627	12,239,524	33,469,467
Segments liabilities	2,065,987	1,250,000	761,174	4,077,161	1,558,388	-	1,948,089	3,506,477

Geographic distribution

	30 June 2023				30 June 2022			
	State of Kuwait	GCC	USA	Europe	Total	State of Kuwait	GCC	Total
Segment revenue	4,288,919	(21,966)	134,878	20,185	4,422,016	3,848,292	173,975	4,022,267
Segment expenses	(2,704,502)	(13,103)	(48,361)	-	(2,765,966)	(2,457,314)	(2,565)	(2,459,879)
Segment result	1,584,417	(35,069)	86,517	20,185	1,656,050	1,390,978	171,410	1,562,388
Segments assets	18,209,368	11,224,804	4,086,940	582,565	34,103,677	20,835,902	12,633,565	33,469,467
Segments liabilities	2,827,161	-	1,250,000	-	4,077,161	2,193,512	1,312,965	3,506,477

Hilton Kuwait Resorts is operated by the Group based on the utilization rights contract with the Ministry of Finance that ended in December 2020. The Group has paid the annual rent for 2021 and 2022. The Group's management expects to renew this contract in 2023, however this has not yet been materialized as of the date of the issuance of the financial statements, while the Hilton Kuwait Resorts is still operating. The utilization contract requires the transfer of all Hilton Kuwait Resorts tangible assets to the Ministry of Finance without any consideration or compensation on maturity of the lease contract. Also, the higher of annual utilization fee KD 500,000 or 10% of annual revenue is payable to the Ministry of Finance.