

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 2024
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 2024 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".

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 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 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 2024, that might had a material effect on the business of the Parent Company or on its financial position.

Ali Bader Al-Wazzan

License No. 246 A

Deloitte & Touche - Al-Wazzan & Co.

Kuwait, 13 August 2024

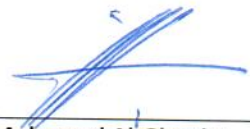
Interim Condensed Consolidated Statement of Financial Position as at 30 June 2024
(Unaudited)

(All amounts are in Kuwaiti Dinars)

	Note	30 June 2024 (Unaudited)	31 December 2023 (audited)	30 June 2023 (Unaudited)
Assets				
Non-current assets				
Property, plant and equipment		4,792	82,248	99,115
Investment properties	5	8,740,617	8,741,177	10,458,993
Investment in associate		101,923	101,951	102,056
Financial assets at fair value through OCI	6	22,872,311	19,826,850	21,234,926
		<u>31,719,643</u>	<u>28,752,226</u>	<u>31,895,090</u>
Current assets				
Receivables and other debit balances	7	689,780	524,512	469,061
Cash and bank balances	8	534,661	1,315,259	1,739,526
		<u>1,224,441</u>	<u>1,839,771</u>	<u>2,208,587</u>
Assets classified as held for sale	9	1,294,965	-	-
		<u>2,519,406</u>	<u>1,839,771</u>	<u>2,208,587</u>
Total assets		<u>34,239,049</u>	<u>30,591,997</u>	<u>34,103,677</u>
Equity and liabilities				
Equity				
Share capital	10	21,021,809	21,021,809	21,021,809
Statutory reserve		3,892,888	3,892,888	3,751,312
Treasury shares	11	(299,511)	(930,270)	(725,479)
Change in fair value reserve		1,507,145	(240,788)	1,166,517
Foreign currency translation reserve		(152,435)	(151,779)	(147,827)
Retained earnings		5,326,241	4,516,777	4,960,184
		<u>31,296,137</u>	<u>28,108,637</u>	<u>30,026,516</u>
Liabilities				
Non-current liabilities				
Provision for employees' end of service indemnity		220,026	980,282	927,879
Current liabilities				
Due to banks	12	229,900	-	1,250,000
Payables and other credit balances	13	599,461	1,503,078	1,899,282
		<u>829,361</u>	<u>1,503,078</u>	<u>3,149,282</u>
Liabilities related to assets held for sale	9	1,893,525	-	-
		<u>2,722,886</u>	<u>1,503,078</u>	<u>3,149,282</u>
Total liabilities		<u>2,942,912</u>	<u>2,483,360</u>	<u>4,077,161</u>
Total equity and liabilities		<u>34,239,049</u>	<u>30,591,997</u>	<u>34,103,677</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

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

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

(All amounts are in Kuwaiti Dinars)

	Note	Three months ended 30 June		Six months ended 30 June	
		2024	2023	2024	2023
Loss on sale of investment properties		-	(33,368)	-	(33,368)
Cash dividend from investments		766,379	719,034	911,077	795,255
Other income	14	6,823	4,199	582,118	12,893
General and administrative expenses		(104,773)	(116,355)	(166,066)	(221,558)
Finance costs		(4,673)	(15,896)	(4,673)	(45,404)
Net gain for the period from continuing operations		663,756	557,614	1,322,456	507,818
Discontinued operations					
Net profits for the period from discontinued operations	9	725,852	733,895	1,147,738	1,212,653
Net profit before deductions		1,389,608	1,291,509	2,470,194	1,720,471
Contribution to KFAS		(12,507)	(11,623)	(22,232)	(15,484)
National Labor Support Tax		(28,322)	(27,358)	(55,834)	(38,007)
Zakat expense		(6,921)	(6,670)	(17,926)	(10,930)
Net profit for the period		1,341,858	1,245,858	2,374,202	1,656,050
Earnings per share (fils)	15	6.59	6.31	11.88	8.40

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

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

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

(All amounts are in Kuwaiti Dinars)

	Three months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023
Net profit for the period	1,341,858	1,245,858	2,374,202	1,656,050
Other comprehensive income/ (loss) 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	(363,832)	381,786	1,342,225	522,391
<i>Items that may be reclassified subsequently to the interim condensed consolidated statement of income</i>				
Foreign currency translation adjustment	(4,912)	10,613	(656)	5,198
Other comprehensive (loss)/ income for the period	(368,744)	392,399	1,341,569	527,589
Total comprehensive income for the period	973,114	1,638,257	3,715,771	2,183,639

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 2024
(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 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 income for the period	-	-	-	522,391	5,198	-	527,589
Cash dividends (Note 16)	-	-	-	-	-	(582,476)	(582,476)
Dividends in kind from treasury shares (Note 16)	-	-	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>
Balance as at 1 January 2024	21,021,809	3,892,888	(930,270)	(240,788)	(151,779)	4,516,777	28,108,637
Net profit for the period	-	-	-	-	-	2,374,202	2,374,202
Other comprehensive income/ (loss) for the period	-	-	-	1,342,225	(656)	-	1,341,569
Transfers on disposal of investments	-	-	-	405,708	-	(405,708)	-
Cash dividends (Note 16)	-	-	-	-	-	(388,285)	(388,285)
Dividends in kind from treasury shares (Note 16)	-	-	770,745	-	-	(770,745)	-
Purchase of treasury shares	-	-	(139,986)	-	-	-	(139,986)
Balance as at 30 June 2024	<u>21,021,809</u>	<u>3,892,888</u>	<u>(299,511)</u>	<u>1,507,145</u>	<u>(152,435)</u>	<u>5,326,241</u>	<u>31,296,137</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 2024
(Unaudited)

(All amounts are in Kuwaiti Dinars)

		Six months ended 30 June	
	Note	2024	2023
Cash flows from operating activities			
Net profit for the period		2,374,202	1,656,050
Adjustments:			
Depreciation		55,380	45,471
Gain from sale of Property, plant and equipment		(743)	-
Cash dividend from investments at fair value through other comprehensive income		(911,077)	(795,254)
Loss on sale of investment properties	5	-	33,368
Income from settlement of impaired bank		(513,276)	-
Finance costs		4,673	45,374
Provision for employees' end of service indemnity		87,112	111,438
Operating profits before working capital changes		1,096,271	1,096,447
Receivables and other debit balances	7	(578,484)	(51,588)
Guarantee Check		-	500,000
Payables and other credit balances	13	217,102	248,761
Payment of end of service indemnity		(31,429)	(98,766)
Net cash generated from operating activities		703,460	1,694,854
Cash flows from investing activities			
Paid for purchase of property, plant and equipment		(53,868)	(113,875)
Purchase of Financial assets at fair value through OCI		(1,536,751)	(460,265)
Cash dividends received		911,077	795,254
Proceeds from sale of property, plant and equipment		750	-
Proceeds from sale of financial assets at fair value through OCI		346,410	-
Proceeds from sale of investment property	5	-	279,058
Net cash (used in)/ generated from investing activities		(332,382)	500,172
Cash flows from financing activities			
Cash dividend Paid		(431,104)	(582,476)
Purchase of treasury shares		(139,986)	(171,420)
Repayment to banks and financial institution		(1,480,100)	(1,957,163)
proceeds from banks and financial institution		1,710,000	1,100,000
Finance costs paid		(4,674)	(27,024)
Net cash used in financing activities		(345,864)	(1,638,083)
Net increase in cash and cash equivalents		25,214	556,943
Cash and cash equivalents at the beginning of the period		1,315,259	1,182,583
Cash and cash equivalents at the end of the period	8	1,340,473	1,739,526

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 2024
(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 2024.

The Parent Company's shareholders approved the consolidated financial statements for the year ended 31 December 2023 at the annual general assembly meeting held on 30 April 2024 (Note 16).

The interim condensed consolidated financial information for the six months ended 30 June 2024 was authorized for issue by the board of directors of the Parent Company on 13 August 2024.

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

(All amounts are in Kuwaiti Dinars unless otherwise stated)

2. Basis of preparation and significant accounting policies

2.1 Basis of preparation

The 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 2024 are not necessarily indicative of results that may be expected for the year ending 31 December 2024. For further information, it is possible to refer to the consolidated financial statements and its related notes for the year ended 31 December 2023.

During the period, the Group's component 'Hilton Kuwait' lease term has been renewed till 15 October 2024. The renegotiation of the lease term for a longer term did not go through, as the Parent Company received a notice letter from Touristic Enterprise Company on 12 June 2024, requesting vacation of Al-Mangaf Park (Plate 13) site "Hilton Kuwait Resorts" by not later than 15 November 2024 in accordance with the appendix of signed contract dated 16 November 2023. The utilization contract requires the transfer of all Hilton Kuwait Resorts tangible assets to the Touristic Enterprise Company without any consideration or compensation on maturity of the lease contract. Accordingly, the assets, liabilities and operations of the Hilton Kuwait have been classified as assets and liabilities held for sale in accordance with IFRS 5 (Refer to Note 9).

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 2023. Amendments to IFRSs which are effective for annual accounting period starting from 1 January 2024 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.

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
	30/06/2024	31/12/2023	30/06/2023				
Quoted Shares	9,219,541	7,344,199	7,408,387	1	Last bid price	-	-
Unquoted shares	7,523,837	7,826,216	9,157,034	3	Adjusted year-end book value	Adjusted carrying amount	-
Investment Funds	6,128,933	4,656,435	4,669,505	3	Net assets value	-	-

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

(All amounts are in Kuwaiti Dinars unless otherwise stated)

Reconciliation of Level 3 fair value measurements

	Unquoted investments		
	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2023 (Unaudited)
Balance as at beginning period/ year	12,482,651	13,350,461	13,350,462
Change in fair value	(63,483)	(1,327,307)	15,811
Additions	2,050,027	461,035	460,266
Disposals	(816,425)	(1,538)	-
Balance as at ending period/ year	<u>13,652,770</u>	<u>12,482,651</u>	<u>13,826,539</u>

The fair values of other financial assets and financial liabilities which are not measured at fair value on ongoing basis approximate their carrying values at the reporting date.

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 Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023, except for the renewal of Hilton Kuwait (Refer to Note 2.1).

Going concern

The Parent Company management has assessed that the Group has adequate resources to continue as a going concern and accordingly the interim condensed consolidated financial information has been prepared on a going basis.

5. Investment properties

	30 June 2024 (Unaudited)	31 December 2023 (audited)	30 June 2023 (Unaudited)
Balance as at 1 January	8,741,177	10,764,914	10,764,914
Disposals	-	(764,880)	(312,426)
Change in fair value	-	(1,263,186)	-
Foreign currency translation adjustment	(560)	4,329	6,505
	<u>8,740,617</u>	<u>8,741,177</u>	<u>10,458,993</u>

6. Financial assets at fair value through OCI

	30 June 2024 (Unaudited)	31 December 2023 (audited)	30 June 2023 (Unaudited)
Quoted investments	9,219,541	7,344,199	7,408,387
Unquoted investments	7,523,837	7,826,216	9,157,034
Investments in funds	6,128,933	4,656,435	4,669,505
	<u>22,872,311</u>	<u>19,826,850</u>	<u>21,234,926</u>

Financial assets at fair value through OCI include investments in related entities. (Note 17).

Financial assets at fair value through OCI include investments with total carrying value of KD 7,272,326 pledged to local bank as at 30 June 2024 (KD 5,844,326 - 31 December 2023, KD 7,170,004 - 30 June 2023) against facilities granted to the Group and the investee Company.

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

(All amounts are in Kuwaiti Dinars unless otherwise stated)

7. Receivables and other debit balances

	30 June 2024 (Unaudited)	31 December 2023 (audited)	30 June 2023 (Unaudited)
Trade receivables	-	314,078	344,480
Less: Provision for expected credit losses	-	(117,000)	(120,575)
	-	197,078	223,905
Advances to purchase investments	581,250	-	-
Prepayments	13,486	124,313	141,920
Due from related parties	-	-	10,006
Other receivables	95,044	203,121	93,230
	689,780	524,512	469,061

8. Cash and bank balances

	30 June 2024 (Unaudited)	31 December 2023 (audited)	30 June 2023 (Unaudited)
Cash in hand	120	12,520	12,240
Cash at banks and portfolios	534,541	1,302,739	1,727,286
Total cash and cash equivalents	534,661	1,315,259	1,739,526
Cash related to assets held for sale	805,812	-	-
Cash and cash equivalents for purpose of cash flows	1,340,473	1,315,259	1,739,526

9. Assets and Liabilities held for sale

On 12 June 2024, the Parent Company received a notice letter from Touristic Enterprise Company requesting vacation of Al-Mangaf Park (Plate 13) site "Hilton Kuwait Resorts" by 15 November 2024 in accordance with the appendix of signed contract dated 16 November 2023. The exploitation of the Hilton Kuwait Resorts requires the transfer of all related tangible assets to Touristic Enterprise Company without any consideration or compensation on maturity of the lease contract. Accordingly, the corresponding assets, liabilities and operations of the Hilton Kuwait have been classified as assets and liabilities held for sale as follows:

Assets held for sale as of 30 June 2024:

	30 June 2024 (Unaudited)
Property, plant and equipment	75,937
Receivables and other debit balances	413,216
Cash and bank balances	805,812
Total assets held for sale	1,294,965

Liabilities related to assets held for sale as of 30 June 2024:

	30 June 2024 (Unaudited)
Provision for employees' end of service indemnity	815,939
Payables and other credit balances	1,077,586
Total Liabilities related to assets held for sale	1,893,525

Profits for the period from discontinued operations:

	For the three months ended 30 June		For the six months ended 30 June	
	2024	2023	2024	2023
Revenues from hotel operation	2,073,860	2,037,192	3,641,525	3,647,792
Hotel expenses	(1,348,008)	(1,303,297)	(2,493,787)	(2,435,139)
Gross Profit	725,852	733,895	1,147,738	1,212,653

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

(All amounts are in Kuwaiti Dinars unless otherwise stated)

Cash flows from discontinued operations:

	For the six months ended 30 June	
	2024	2023
Net cash generated from operating activities	290,364	152,020
Net cash generated from/ (used in) financing activities	134,063	(127,773)
	424,427	24,247

10. Share Capital

The authorized, issued and paid-up capital of the Parent Company amounting to KD 21,021,809 comprises of 210,218,085 shares of 100 fils each.

11. Treasury shares

	30 June 2024 (Unaudited)	31 December 2023 (audited)	30 June 2023 (Unaudited)
Number of shares (share)	7,775,163	15,610,546	12,783,917
Percentage to issued share capital (%)	3.70	7.43	6.08
Market value (KD)	536,486	1,105,227	893,596

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.

12. Due to banks

Due to banks are secured by 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 Parent Company has a credit limit up to KD 3,090,255 with local bank, of which KD 229,900 was utilized during the current period.

The average effective finance cost of credit facilities as at 30 June 2024 was 6% (5.5% - 31 December 2023, 5.5% - 30 June 2023).

13. Payables and other credit balances

	30 June 2024 (Unaudited)	31 December 2023 (audited)	30 June 2023 (Unaudited)
Trade payables	-	114,864	113,720
Accrued expenses and leave	328,930	319,069	470,538
Contribution to KFAS	34,974	156,389	159,131
Dividends payables	-	42,819	60,185
Others	235,557	869,937	1,095,708
	599,461	1,503,078	1,899,282

14. Other income

	For the six months ended 30 June	
	2024	2023
Income derived from settlement of impaired bank debt *	570,493	-
Other income	11,625	12,893
	582,118	12,893

* During the period, the Group entered into a settlement and reconciliation agreement with a foreign bank in default, that had failed in the past to settle the deposit amount to the Group, and for which the Group recorded an impairment allowance for the full amount in previous years.

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

(All amounts are in Kuwaiti Dinars unless otherwise stated)

Based on the aforementioned agreement, the Group received a settlement of KD 57,217 in addition to equity shares in a real estate entity, which fair value was estimated at KD 513,276, in full settlement of the bank's deposit. The equity investment has been classified under as financial assets at fair value through other comprehensive income.

15. 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	
	2024	2023	2024	2023
Net profit for the period (KD)	1,341,858	1,245,858	2,374,202	1,656,050
Weighted average number of outstanding shares during the period after deduction of treasury shares (shares)	203,688,522	197,434,292	199,841,388	197,250,807
Earnings per share (fils)	<u>6.59</u>	<u>6.31</u>	<u>11.88</u>	<u>8.40</u>

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 16).

16. Dividends

On 30 April 2024, the General Assembly Meeting of the shareholders has approved the consolidated financial statements for the year ended 31 December 2023 and approved distribution of cash dividends of 2 fils per share and distribution of 5 bonus shares for each 100 shares from treasury shares (distribution of cash dividends of 3 fils per share and distribution 3 treasury shares of the Parent Company for each 100 share - 2022).

17. 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 2024 (Unaudited)	31 December 2023 (audited)	30 June 2023 (Unaudited)
Balances			
Investments at FVOCI	15,650,447	16,158,962	15,809,212
Due from related parties	-	-	10,006

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 7,272,326 pledged to local bank as at 30 June 2024 (KD 5,844,326 - 31 December 2023, KD 7,170,004 - 30 June 2023) against facilities granted to the Group and the investee Company.

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 2024
(Unaudited)**

(All amounts are in Kuwaiti Dinars unless otherwise stated)

		Six months ended 30 June	
		2024	2023
Transactions			
Key management benefits		208,493	208,343
Gains from investments		682,794	536,907
18.	Contingent commitments and liabilities		
		30 June 2024 (Unaudited)	31 December 2023 (audited)
	Letter of Guarantees	502,725	440,225

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

(All amounts are in Kuwaiti Dinars unless otherwise stated)

19. 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. Segment analysis in line with internal reports submitted to management is as follows:

	30 June 2024				30 June 2023			
	Hotels	Financial Investment	Real Estate	Total	Hotels	Financial Investment	Real Estate	Total
Revenues	3,641,525	911,077	571,242	5,123,844	3,647,792	795,255	(21,966)	4,421,081
Expenses	(2,493,787)			(2,493,787)	(2,435,139)	-	-	(2,435,139)
Segments results	1,147,738	911,077	571,242	2,630,057	1,212,653	795,255	(21,966)	1,985,942
Other income	447	12,251		12,698	29	906	-	935
Unallocated expenses	(263,880)	(4,673)		(268,553)	(282,466)	(48,361)	-	(330,827)
Net profit for the period	884,305	918,655	571,242	2,374,202	930,216	747,800	(21,966)	1,656,050
Segments assets	1,276,839	22,872,311	10,089,899	34,239,049	1,533,166	21,234,926	11,335,585	34,103,677
Segments liabilities	2,084,160	229,900	628,852	2,942,912	2,065,987	1,250,000	761,174	4,077,161

Geographic distribution

	30 June 2024				30 June 2023					
	State of Kuwait	GCC	USA	Europe	Total	State of Kuwait	GCC	USA	Europe	Total
Segment revenue	4,388,234	570,493	147,669	30,146	5,136,542	4,288,919	(21,966)	134,878	20,185	4,422,016
Segment expenses	(2,755,362)	(2,305)	(4,673)	-	(2,762,340)	(2,704,502)	(13,103)	(48,361)	-	(2,765,966)
Segment result	1,632,872	568,188	142,996	30,146	2,374,202	1,584,417	(35,069)	86,517	20,185	1,656,050
Segments assets	18,367,196	9,742,921	5,604,820	524,112	34,239,049	18,209,368	11,224,804	4,086,940	582,565	34,103,677
Segments liabilities	2,713,012	-	229,900	-	2,942,912	2,827,161	-	1,250,000	-	4,077,161

The Group has been operating Hilton Kuwait Resorts in accordance with a utilization rights contract with Touristic Enterprise Company during the previous and current period. During the period, Hilton Kuwait Resorts assets, liabilities and operations has been classified as held for sale following a notice letter received from Touristic Enterprise Company on 12 June 2024, requesting to end the contract and evacuate the site of Al-Mangaf Park (Plate 13) "Hilton Kuwait Resorts" by 15 November 2024 in accordance with the appendix of signed contract dated 16 November 2023.