

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

**Interim Condensed Consolidated Financial Information  
For the nine months ended 30 September 2022  
And review report  
(Unaudited)**

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

**Interim Condensed Consolidated Financial Information  
For the nine months ended 30 September 2022  
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## **INDEPENDENT AUDITOR'S REVIEW REPORT**

**Kuwait Resorts Company K.P.S.C.**

State of Kuwait

### **Report on the Review of the Interim Financial Information to the Board of Directors**

#### *Introduction*

We have reviewed the accompanying interim condensed consolidated 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 September 2022, and the related statements of income, comprehensive income, changes in equity and cash flows for the nine months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard 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 describes details about management's assumption 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 nine months period ended 30 September 2022 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 nine months period ended 30 September 2022, 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, 13 November 2022




**Interim Condensed Consolidated Statement of Financial Position as of 30 September 2022  
(Unaudited)**

(All amounts are in Kuwaiti Dinars)

	Note	30 September 2022 (Unaudited)	31 December 2021 (audited)	30 September 2021 (Unaudited)
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		146,458	4,546	85,037
Investment properties	5	12,273,996	9,687,927	9,837,399
Investment in associate		103,302	100,563	100,726
Financial assets at fair value through OCI	6	19,942,334	17,922,932	17,714,546
		<u>32,466,090</u>	<u>27,715,968</u>	<u>27,737,708</u>
<b>Current assets</b>				
Receivables and other debit balances	7	542,515	4,086,164	4,882,019
Cash and bank accounts	8	1,476,487	1,135,555	1,210,273
		<u>2,019,002</u>	<u>5,221,719</u>	<u>6,092,292</u>
<b>Total assets</b>		<u>34,485,092</u>	<u>32,937,687</u>	<u>33,830,000</u>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital		21,021,809	21,021,809	21,021,809
Statutory reserve		3,645,960	3,645,960	3,545,243
Treasury shares	9	(844,546)	(948,122)	(948,122)
Change in fair value reserve		931,168	2,495,854	2,287,469
Foreign currency translation reserve		(110,533)	(193,510)	(179,906)
Retained earnings		5,670,141	4,331,167	5,456,116
		<u>30,313,999</u>	<u>30,353,158</u>	<u>31,182,609</u>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Provision for employees' end of service indemnity		898,343	777,061	767,688
<b>Current liabilities</b>				
Due to banks	10	1,913,872	339,875	560,000
Payables and other credit balances	11	1,358,878	1,467,593	1,319,703
		<u>3,272,750</u>	<u>1,807,468</u>	<u>1,879,703</u>
<b>Total liabilities</b>		<u>4,171,093</u>	<u>2,584,529</u>	<u>2,647,391</u>
<b>Total equity and liabilities</b>		<u>34,485,092</u>	<u>32,937,687</u>	<u>33,830,000</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 nine-months ended 30 September 2022  
(Unaudited)**

(All amounts are in Kuwaiti Dinars)

	Note	Three months ended 30 September		Nine months ended 30 September	
		2022	2021	2022	2021
Operating revenue		2,218,464	2,295,906	5,537,333	5,607,365
Operating cost		(1,392,198)	(1,290,530)	(3,547,070)	(3,284,133)
Gross operating profit	12	826,266	1,005,376	1,990,263	2,323,232
Cash dividends from investments		48,009	-	575,609	280,666
Gain from sale of investment properties	5	-	-	163,188	-
Other income		14,721	15,996	26,984	295,721
Impairment	6	-	-	-	(480,235)
General and administrative expenses		(94,884)	(101,880)	(309,022)	(297,148)
Finance costs		(6,301)	(7,425)	(34,739)	(44,578)
<b>Net profit before deductions</b>		<b>787,811</b>	<b>912,067</b>	<b>2,412,283</b>	<b>2,077,658</b>
Contribution to KFAS		(7,091)	(8,209)	(21,711)	(18,699)
National Labor Support Tax		(20,657)	(23,105)	(54,560)	(52,514)
Zakat expense		(8,263)	(9,242)	(21,824)	(21,006)
<b>Net profit for the period</b>		<b>751,800</b>	<b>871,511</b>	<b>2,314,188</b>	<b>1,985,439</b>
<b>Earnings per share (fils)</b>	13	<b>3.84</b>	<b>4.46</b>	<b>11.8</b>	<b>9.89</b>

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 ended 30 September 2022**  
**(Unaudited)**

(All amounts are in Kuwaiti Dinars)

	Three months ended 30 September		Nine months ended 30 September	
	2022	2021	2022	2021
Net profit for the period	751,800	871,511	2,314,188	1,985,439
<b>Other comprehensive (expenses)/income items</b>				
<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	(365,631)	1,261,637	(1,564,686)	1,018,868
<i>Items that may be reclassified subsequently to the interim condensed consolidated statement of income</i>				
Foreign currency translation reserve	35,237	25,711	82,977	(3,533)
Total other comprehensive (expenses)/income items	(330,394)	1,287,348	(1,481,709)	1,015,335
<b>Total comprehensive income for the period</b>	<b>421,406</b>	<b>2,158,859</b>	<b>832,479</b>	<b>3,000,774</b>

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 ended 30 September 2022**  
(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
<b>Balance as at 1 January 2021</b>	21,021,809	3,545,243	(754,651)	1,256,958	(176,373)	4,465,844	29,358,830
Net profit for the period	-	-	-	-	-	1,985,439	1,985,439
Other comprehensive income items	-	-	-	-	-	-	-
Loss on disposal of investment	-	-	-	1,018,868	(3,533)	-	1,015,335
Cash dividends (Note 14)	-	-	-	11,643	-	(11,643)	-
Dividends in kind from treasury shares (Note 14)	-	-	-	-	-	(393,413)	(393,413)
Purchase of treasury shares	-	-	590,111	-	-	(590,111)	-
	-	-	(783,582)	-	-	-	(783,582)
<b>Balance as at 30 September 2021</b>	<u>21,021,809</u>	<u>3,545,243</u>	<u>(948,122)</u>	<u>2,287,469</u>	<u>(179,906)</u>	<u>5,456,116</u>	<u>31,182,609</u>
<b>Balance as at 1 January 2022</b>	21,021,809	3,645,960	(948,122)	2,495,854	(193,510)	4,331,167	30,353,158
Net profit for the period	-	-	-	-	-	2,314,188	2,314,188
Other comprehensive loss items	-	-	-	(1,564,686)	82,977	-	(1,481,709)
Cash dividends (Note 14)	-	-	-	-	-	(585,128)	(585,128)
Dividends in kind from treasury shares (Note 14)	-	-	390,086	-	-	(390,086)	-
Purchase of treasury shares	-	-	(286,510)	-	-	-	(286,510)
	-	-	-	-	-	-	-
<b>Balance as at 30 September 2022</b>	<u>21,021,809</u>	<u>3,645,960</u>	<u>(844,546)</u>	<u>931,168</u>	<u>(110,533)</u>	<u>5,670,141</u>	<u>30,313,999</u>

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

**Kuwait Resorts Company K.P.S.C.**  
And its Subsidiary  
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**Interim Condensed Consolidated Statement of Cash Flows for the nine-months ended 30 September 2022**  
**(Unaudited)**

(All amounts are in Kuwaiti Dinars)

		Nine months ended	
		30 September	
	Note	2022	2021
<b>Cash flows from operating activities</b>			
Net profit for the period		2,314,188	1,985,439
<b>Adjustments:</b>			
Depreciation		118,654	97,893
Cash dividends from investments		(575,609)	(280,666)
Gain from sale of investment property	5	(163,188)	-
Finance costs		34,739	44,578
Impairment		-	480,235
Provision for employees' end of service indemnity		135,944	127,682
Operating profits before working capital changes		1,864,728	2,455,161
Receivables and other debit balances		(561)	(198,669)
Payables and other credit balances		(110,945)	(184,480)
Payment of end of service indemnity		(14,662)	(303,356)
Net cash generated from operating activities		1,738,560	1,768,656
<b>Cash flows from investing activities</b>			
Paid for purchase of property, plant and equipment		(260,564)	(179,069)
Purchase of financial assets at fair value through OCI		(3,584,089)	-
Cash dividends received		575,609	280,666
Proceeds from sale of investment property	5	1,190,588	-
Net cash (used in) / generated from investing activities		(2,078,456)	101,597
<b>Cash flows from financing activities</b>			
Cash dividend paid		(576,022)	(393,413)
Purchase of treasury shares		(286,510)	(783,582)
Proceeds from banks		1,573,997	-
Payment to Banks		-	(936,553)
Finance costs paid		(30,637)	(44,578)
Net cash generated from/(used in) financing activities		680,828	(2,158,126)
Net increase /(decrease) in cash and cash equivalents		340,932	(287,873)
Cash and cash equivalents at the beginning of the period		1,135,555	1,498,146
<b>Cash and cash equivalents at the end of the period</b>	8	1,476,487	1,210,273

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 ended 30 September 2022 (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 September 2022.

The Parent Company's shareholders approved the consolidated financial statements for the year ended 31 December 2021 at the annual general assembly meeting held on 18<sup>th</sup> April 2022 (Note 14).

These interim condensed consolidated financial information for the nine months ended 30 September 2022 was authorized for issue by the board of directors of the Parent Company on 13 November 2022.



**Notes to the Interim Condensed Consolidated Financial Information for the nine-months ended 30 September 2022 (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 September 2022 are not necessarily indicative of results that may be expected for the year ending 31 December 2022. For further information, it is possible to refer to the consolidated financial statements and its related notes for the year ended 31 December 2021.

The Group's component Hilton Kuwait Resort financial statements for year ended 31 December 2021 have been prepared on a going concern basis as the management believes that the owner will get the Utilization right term, relating to the property on which the resort operation and that has already expired, will be extended for another fixed term.

**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 2021. 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.

**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 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.



**Notes to the Interim Condensed Consolidated Financial Information for the nine-months ended 30 September 2022 (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
	30/09/2022	31/12/2021	30/09/2021				
Quoted Shares	7,137,135	8,701,820	8,915,230	1	Last bid price	-	-
Unquoted shares	9,221,112	9,221,112	8,799,316	3	Adjusted book value	Adjustments to carrying amount	Lower the market value higher adjustments to carrying amount.
Investment Funds	3,584,087	-	-	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.

**Reconciliation of Level 3 fair value measurements**

	Unquoted investments		
	30 September 2022 (Unaudited)	31 December 2021 (Audited)	30 September 2021 (Unaudited)
Balance as at beginning period/ year	9,221,112	8,802,793	8,802,793
Change in fair value	-	418,319	(3,477)
Addition	3,584,087	-	-
Balance as at ending period/ year	12,805,199	9,221,112	8,799,316

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 2021. The most significant judgements used by the management in preparation of the annual financial statements for the year ended 31 December 2021 and the interim condensed consolidated financial information for the period ended 30 September 2022 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 rent in advance to the Ministry of Finance against this utilization right and is currently negotiating with the Ministry of Finance for renewal of the contract. The Group therefore, expects the lease to be renewed for another fixed term (note 17).



**Notes to the Interim Condensed Consolidated Financial Information for the nine-months ended 30 September 2022 (Unaudited)**

(All amounts are in Kuwaiti Dinars unless otherwise stated)

**5. Investment properties**

	30 September 2022 (Unaudited)	31 December 2021 (audited)	30 September 2021 (Unaudited)
Balance as at 1 January	9,687,927	9,840,036	9,840,036
Transfer from receivables and other debit balances *	3,544,209	998,633	-
Disposal **	(1,027,370)	(136,800)	-
Change in fair value	-	(1,007,362)	-
Foreign currency translation adjustment	69,230	(6,580)	(2,637)
	<u>12,273,996</u>	<u>9,687,927</u>	<u>9,837,399</u>

\* During the period, The Group paid the full amount of one of the land in the GCC and accordingly the company transferred it from Receivables and other receivables (Note 7) to Investment properties. The title deed of the property in the name of a group company and the parent company has letter of assignment for ownership from this Group company.

\*\* During the period, the Group sold certain properties located in The Kingdom of Bahrain for KD 1,190,558 resulting in a gain of KD 163,188.

**6. Financial assets at fair value through OCI**

	30 September 2022 (Unaudited)	31 December 2021 (audited)	30 September 2021 (Unaudited)
Quoted investments	7,137,135	8,701,820	8,915,230
Unquoted investments	9,221,112	9,221,112	8,799,316
Investments in funds	3,584,087	-	-
	<u>19,942,334</u>	<u>17,922,932</u>	<u>17,714,546</u>

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

The investments include an amount of KD 12,262,602 pledged to banks as at 30 September 2022 (KD 13,453,270- 31 December 2021, KD 13,022,978- 30 September 2021) against facilities granted to the Group and the investee Company.

**7. Receivables and other debit balances**

	30 September 2022 (Unaudited)	31 December 2021 (audited)	30 September 2021 (Unaudited)
Trade receivables	349,312	271,682	258,522
Less: Provision for loss allowance	(120,575)	(117,000)	(117,000)
	<u>228,737</u>	<u>154,682</u>	<u>141,522</u>
Prepayments	189,278	103,736	214,600
Advance payments to acquire investment properties (Note 5)	-	3,366,921	4,073,566
Due from related parties (Note 15)	9,339	344,670	340,500
Other receivables	115,161	116,155	111,831
	<u>542,515</u>	<u>4,086,164</u>	<u>4,882,019</u>

**8. Cash and bank accounts**

	30 September 2022 (Unaudited)	31 December 2021 (audited)	30 September 2021 (Unaudited)
Cash in hand	14,920	21,668	14,587
Cash at banks and portfolios	1,461,567	1,113,887	1,195,686
	<u>1,476,487</u>	<u>1,135,555</u>	<u>1,210,273</u>

**Kuwait Resorts Company K.P.S.C**

And its Subsidiary

State of Kuwait

**Notes to the Interim Condensed Consolidated Financial Information for the nine-months ended 30 September 2022 (Unaudited)***(All amounts are in Kuwaiti Dinars unless otherwise stated)***9. Treasury shares**

	30 September 2022 (Unaudited)	31 December 2021 (audited)	30 September 2021 (Unaudited)
Number of shares (share)	14,980,133	15,175,354	15,175,354
Ownership percentage (%)	7.13	7.22	7.22
Market value (KD)	1,151,972	1,456,834	1,441,659

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 September 2022 was 4% (3.25% - 31 December 2021, 3.5% - 30 September 2021).

**11. Payables and other credit balances**

	30 September 2022 (Unaudited)	31 December 2021 (audited)	30 September 2021 (Unaudited)
Trade payables	123,779	117,455	79,231
Accrued expenses and leave	106,477	422,670	77,753
Due to related parties (Note 15)	-	-	-
Contribution to KFAS	155,876	178,968	143,800
Dividend payables	50,314	41,208	54,554
Others	922,432	707,292	964,365
	<u>1,358,878</u>	<u>1,467,593</u>	<u>1,319,703</u>

**12. Gross operating profit**

	Three months ended 30 September		Nine months ended 30 September	
	2022	2021	2022	2021
Revenues from hotel operations	2,218,464	2,295,906	5,537,333	5,607,365
Hotel expenses	(1,307,506)	(1,227,644)	(3,429,292)	(3,186,834)
Other expenses	(84,692)	(62,886)	(117,778)	(97,299)
	<u>826,266</u>	<u>1,005,376</u>	<u>1,990,263</u>	<u>2,323,232</u>

This above mainly represent the gross operating profit from Hilton Kuwait Resort operations.



**Notes to the Interim Condensed Consolidated Financial Information for the nine-months ended 30 September 2022 (Unaudited)**

(All amounts are in Kuwaiti Dinars unless otherwise stated)

**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-September		nine months ended 30- September	
	2022	2021	2022	2021
Net profit for the period (KD)	751,800	871,511	2,314,188	1,985,439
Weighted average number of outstanding shares during the period after deduction of treasury shares (shares)	195,901,302	195,472,733	196,104,193	200,742,082
Earnings per share (fils)	3.84	4.46	11.8	9.89

Earnings 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 18<sup>th</sup> April 2022, the General Assembly Meeting of the shareholders has approved the consolidated financial statements for the year ended 31 December 2021 and approved distribution of cash dividends of 3 fils per share and distribution of 2 bonus shares for each 100 shares from treasury shares (distribution 2 fils per share and distribution 3 treasury shares of the Parent Company for each 100 share – 2020)

**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 September 2022 (Unaudited)	31 December 2021 (audited)	30 September 2021 (Unaudited)
<b>Balances</b>			
Investments at FVOCI	15,735,187	17,295,865	17,086,888
Due from related parties	9,339	344,670	340,500

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

	Nine months ended 30 September	
	2022	2021
<b>Transactions</b>		
Key management benefits	311,722	249,010
Cash dividends from investments	498,738	280,666

**16. Contingent commitments and liabilities**

	30 September 2022 (Unaudited)	31 December 2021 (audited)	30 September 2021 (Unaudited)
Capital commitment	460,000	112,530	112,215
Letter of Guarantees	440,225	440,225	440,225



**Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 2022  
(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 2021. Segment analysis in line with internal reports submitted to management is as follows:

	30 September 2022				30 September 2021			
	Hotels	Financial Investment	Real Estate	Total	Hotels	Financial Investment	Real Estate	Total
Revenues	5,537,333	575,609	188,255	6,301,197	5,607,365	280,666	219,267	6,107,298
Expenses	(3,547,070)	-	-	(3,547,070)	(3,284,133)	-	(407,224)	(3,691,357)
Segments results	1,990,263	575,609	188,255	2,754,127	2,323,232	280,666	(187,957)	2,415,941
Other income	2,326	-	-	2,326	3,658	-	-	3,658
Un allocated expenses	(442,265)	-	-	(442,265)	-	-	-	(434,160)
Net profit for the year	1,550,324	575,609	188,255	2,314,188	2,330,548	280,666	(187,957)	1,985,439
<b>Segments assets</b>	1,665,491	19,942,334	12,877,267	34,485,092	1,550,288	17,714,546	14,565,166	33,830,000
<b>Segments liabilities</b>	1,608,165	-	2,562,928	4,171,093	1,550,373	-	1,097,018	2,647,391

**Geographic distribution**

	30 September 2022			30 September 2021		
	State of Kuwait	GCC	Total	State of Kuwait	GCC	Total
Segment revenue	6,115,268	188,255	6,303,523	6,071,689	19,882	6,091,571
Segment expenses	(3,986,199)	(3,136)	(3,989,335)	(4,103,656)	(2,476)	(4,106,132)
Segment result	2,129,069	185,119	2,314,188	1,968,033	17,406	1,985,439
<b>Segments assets</b>	18,127,662	16,357,430	34,485,092	23,542,158	10,287,842	33,830,000
<b>Segments liabilities</b>	2,257,221	1,913,872	4,171,093	2,087,391	560,000	2,647,391

Revenue for Hotel segment is for Hilton Kuwait Resorts is operated by the Group based on the utilization right contract with the Ministry of Finance that ended in Dec 2020. The Group's management expects to renew this contract in the current period. The utilization contract requires the transfer of all Hilton 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 of KD 500,000 or 10% of annual revenue is paid to the Ministry of Finance. The Group has paid rent in advance to the government against this lease and is currently negotiating with the government for renewal of the lease contract. The Group, therefore, expects the lease to be renewed for another fixed term.