

**Rasiyat Holding Company K.P.S.C.
and its subsidiaries
State of Kuwait**

Condensed consolidated interim financial information (Unaudited)
and independent auditor's review report for the six-month period ended 30 June 2023

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and its subsidiaries
State of Kuwait**

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The Board of Directors

Rasiyat Holding Company K.P.S.C.
State of Kuwait

Report on review of condensed consolidated interim financial information

Introduction

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

Report on review of other legal and regulatory requirements

Furthermore, based on our review, the condensed consolidated interim financial information is in agreement with the books of account of the Parent Company. We further report that nothing has come to our attention indicating any violations of the Companies Law No. 1 of 2016, and its Executive Regulations nor of the Parent Company's Memorandum and Articles of Association, as amended, have occurred during the six-month period ended 30 June 2023, that might have had a material effect on the business of the Group or its consolidated financial position.

We further report that, during the course of our review, we have not become aware of any violations during the six-month period ended 30 June 2023 of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations, that might have had a material effect on the business of the Group or its consolidated financial position.



Khalid Ebrahim Al-Shatti
Licence No. 175
PricewaterhouseCoopers (AlShatti & Co.)
14 August 2023
Kuwait

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**Rasiyat Holding Company K.P.S.C.
and its Subsidiaries
State of Kuwait**

Condensed consolidated interim statement of financial position (Unaudited)

As at 30 June 2023

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	30 June 2023 (Unaudited)	31 December 2022 (Audited)	30 June 2022 (Unaudited)
Assets				
Non-current assets				
Property and equipment	5	7,892,557	8,094,917	8,192,413
Intangible assets		423,610	444,444	465,278
Investment properties	6	6,336,147	7,586,511	7,163,736
Financial assets at fair value through other comprehensive income		351,858	351,858	421,772
Assets held for sale	17	352,678	-	-
Investment in an associate	7	12,379	15,879	17,337
		<u>15,369,229</u>	<u>16,493,609</u>	<u>16,260,536</u>
Current assets				
Accounts receivable and other assets	8	2,656,895	1,752,928	733,148
Cash and cash equivalents	9	167,795	152,380	1,190,264
		<u>2,824,690</u>	<u>1,905,308</u>	<u>1,923,412</u>
Total assets		<u>18,193,919</u>	<u>18,398,917</u>	<u>18,183,948</u>
Equity and liabilities				
Equity				
Share capital		15,000,000	15,000,000	15,000,000
Foreign currency translation reserve		1,677,572	1,481,669	1,503,887
Fair value reserve		(1,146,104)	(1,146,104)	(1,092,116)
Accumulated losses		(3,674,835)	(3,610,004)	(4,016,394)
Total equity attributable to the owners of the Parent Company		<u>11,856,633</u>	<u>11,725,561</u>	<u>11,395,377</u>
Non-controlling interests		3,467,904	3,587,321	3,365,547
Net equity		<u>15,324,537</u>	<u>15,312,882</u>	<u>14,760,924</u>
Liabilities				
Non-current liabilities				
Borrowings	10	1,219,950	1,491,050	1,762,150
Accounts payable and other liabilities	11	286,380	323,351	367,522
Provision for employees' end of service benefits		245,065	208,313	175,881
		<u>1,751,395</u>	<u>2,022,714</u>	<u>2,305,553</u>
Current liabilities				
Borrowings	10	542,200	542,200	542,200
Accounts payable and other liabilities	11	575,787	521,121	575,271
		<u>1,117,987</u>	<u>1,063,321</u>	<u>1,117,471</u>
Total liabilities		<u>2,869,382</u>	<u>3,086,035</u>	<u>3,423,024</u>
Total equity and liabilities		<u>18,193,919</u>	<u>18,398,917</u>	<u>18,183,948</u>

Othman Ayman Boodai
Vice Chairman & CEO

Saleh Mohammad Alroomi
Board member and General Manager

The notes on pages 7 to 15 form an integral part of this condensed consolidated interim financial information.

**Rasiyat Holding Company K.P.S.C.
and its Subsidiaries
State of Kuwait**

Condensed consolidated interim statement of income (Unaudited)

For the six-month period ended 30 June 2023

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Notes	Three months ended		Six-months ended	
		30 June		30 June	
		2023	2022	2023	2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue					
Tuition fees and related income		977,944	721,533	1,749,671	1,314,780
Management fees		2,250	2,250	4,500	4,500
Share of results of investment in an associate		(638)	(585)	(3,500)	(1,177)
Dividend income		46,384	8,775	78,274	8,775
Foreign exchange loss		(12,865)	-	(8,581)	-
Other income	12	32,275	3,723	63,636	146,633
		<u>1,045,350</u>	<u>735,696</u>	<u>1,884,000</u>	<u>1,473,511</u>
Expenses and other charges					
Direct cost of tuition fees and related income		(529,303)	(494,513)	(1,121,708)	(934,765)
General and administrative expenses		(109,094)	(59,034)	(261,912)	(171,077)
Depreciation		(139,584)	(125,078)	(277,913)	(244,160)
Amortisation of intangible assets		(10,417)	(10,416)	(20,834)	(20,833)
Finance costs		(34,022)	(35,997)	(69,889)	(73,373)
Property and equipment written off		-	(1,919)	-	(1,919)
Loss on sale of subsidiary	17	(401,619)	-	(401,619)	-
		<u>(1,224,039)</u>	<u>(726,957)</u>	<u>(2,153,875)</u>	<u>(1,446,127)</u>
(Loss)/profit before National Labour Support Tax ("NLST") and Zakat		(178,689)	8,739	(269,875)	27,384
National Labour Support Tax ("NLST")		-	(596)	-	(1,346)
Zakat		-	(239)	-	(539)
(Loss)/profit for the period		(178,689)	7,904	(269,875)	25,499
Attributable to:					
Equity holders of the Parent Company		35,812	10,417	(64,831)	28,577
Non-controlling interests		(214,501)	(2,513)	(205,044)	(3,078)
(Loss)/profit for the period		(178,689)	7,904	(269,875)	25,499
Basic and diluted earnings/(losses) per share attributable to the equity holders of the Parent Company					
	13	<u>0.024</u>	<u>0.007</u>	<u>(0.043)</u>	<u>0.019</u>

The notes on pages 7 to 15 form an integral part of this condensed consolidated interim financial information.

**Rasiyat Holding Company K.P.S.C.
and its Subsidiaries
State of Kuwait**

Condensed consolidated interim statement of comprehensive income (Unaudited)

For the six-month period ended 30 June 2023

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Three months ended 30 June		Six-months ended 30 June	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
(Loss)/profit for the period	(178,689)	7,904	(269,875)	25,499
Other comprehensive income:				
Items that will not be reclassified subsequently to statement of income:				
Changes in fair value of investments at fair value through other comprehensive income (FVOCI)	-	-	-	41,541
Items that will be reclassified subsequently to statement of income:				
Exchange differences arising on translation of foreign operations	35,112	3,869	65,951	(18,545)
Exchange difference arising on translation of foreign operation transferred to profit & loss	349,859	-	349,859	-
Total other comprehensive income for the period	384,971	3,869	415,810	22,996
Total comprehensive income for the period	206,282	11,773	145,935	48,495
Total comprehensive income attributable to:				
Equity holders of the Parent Company	208,942	24,582	131,072	80,516
Non-controlling interests	(2,660)	(12,809)	14,863	(32,021)
Total comprehensive income for the period	206,282	11,773	145,935	48,495

The notes on pages 7 to 15 form an integral part of this condensed consolidated interim financial information.

**Rasyat Holding Company K.P.S.C.
and its Subsidiaries
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Condensed consolidated interim statement of changes in equity (Unaudited)

For the six-month period ended 30 June 2023

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Equity attributable to the owners of the Parent Company							Non- controlling interests	Total
	Share capital	Statutory reserve	Voluntary reserve	Foreign currency translation reserve	Fair value reserve	Accumulated losses	Sub- total		
Balance at 1 January 2023	15,000,000	-	-	1,481,669	(1,146,104)	(3,610,004)	11,725,561	3,587,321	15,312,882
Loss for the period	-	-	-	-	-	(64,831)	(64,831)	(205,044)	(269,875)
Other comprehensive income	-	-	-	195,903	-	-	195,903	219,907	415,810
Total comprehensive income/(loss) for the period	-	-	-	195,903	-	(64,831)	131,072	14,863	145,935
Disposal of a subsidiary	-	-	-	-	-	-	-	(134,280)	(134,280)
Balance at 30 June 2023	15,000,000	-	-	1,677,572	(1,146,104)	(3,674,835)	11,856,633	3,467,904	15,324,537
Balance at 1 January 2022	15,000,000	751,821	751,821	1,493,489	(1,391,150)	(5,247,030)	11,358,951	3,397,568	14,756,519
Profit/(loss) for the period	-	-	-	-	-	28,577	28,577	(3,078)	25,499
Other comprehensive income/(loss)	-	-	-	10,398	41,541	-	51,939	(28,943)	22,996
Total comprehensive income/(loss) for the period	-	-	-	10,398	41,541	28,577	80,516	(32,021)	48,495
Transfer of reserves to accumulated losses	-	(751,821)	(751,821)	-	-	1,503,642	-	-	-
Transfer upon derecognition of FVOCI investments	-	-	-	-	257,493	(257,493)	-	-	-
Cost of acquisition of non-controlling interest adjusted	-	-	-	-	-	(44,090)	(44,090)	-	(44,090)
Balance at 30 June 2022	15,000,000	-	-	1,503,887	(1,092,116)	(4,016,394)	11,395,377	3,365,547	14,760,924

The notes on pages 7 to 15 form an integral part of this condensed consolidated interim financial information.

**Rasiyat Holding Company K.P.S.C.
and its Subsidiaries
State of Kuwait**

Condensed consolidated interim statement of cash flows (Unaudited)

For the six month period ended 30 June 2023

(All amounts are in Kuwaiti Dinar unless otherwise stated)

	Note	Six-months ended	
		30 June	
		2023	2022
		(Unaudited)	(Unaudited)
OPERATING ACTIVITIES			
(Loss)/profit for the period		(269,875)	25,499
Adjustments for:			
Depreciation	5	277,913	244,160
Amortisation of intangible assets		20,834	20,833
Loss on sale of subsidiary		401,619	-
Share of results of investment in an associate		3,500	1,177
Property and equipment written off		-	1,919
Foreign exchange loss		8,581	-
Finance costs		69,889	73,373
Provision for employees' end of service benefits		47,082	25,453
		<u>559,543</u>	<u>392,414</u>
Changes in operating assets and liabilities:			
Accounts receivable and other assets		(458,293)	683,568
Accounts payable and other liabilities		324,874	(59,696)
Cash from operations		<u>426,124</u>	<u>1,016,286</u>
Employees' end of service benefits paid		(10,330)	(2,057)
Net cash from operating activities		<u>415,794</u>	<u>1,014,229</u>
INVESTING ACTIVITIES			
Proceeds from disposal of financial assets at fair value through other comprehensive income		-	8,309
Purchase of equipment	5	(75,553)	(162,679)
Net cash used in investing activities		<u>(75,553)</u>	<u>(154,370)</u>
FINANCING ACTIVITIES			
Repayment of borrowings		(271,100)	(271,100)
Finance costs paid		(59,776)	(62,502)
Net cash used in financing activities		<u>(330,876)</u>	<u>(333,602)</u>
Net impact of foreign currency translation adjustments		6,050	9,891
Increase in cash and cash equivalents		15,415	536,148
Cash and cash equivalents at the beginning of the period		152,380	654,116
Cash and cash equivalents at the end of the period	9	<u>167,795</u>	<u>1,190,264</u>
Non-cash investing and financing activities as a result on sale of subsidiary			
Investment properties		1,315,201	-
Investment in an associate		(352,678)	-
Due from related party		(454,255)	-
Foreign currency translation reserve		164,749	-
Accumulated losses		(401,619)	-
Non-controlling interests		45,894	-
Accounts payable and other liabilities		(317,292)	-

The notes on pages 7 to 15 form an integral part of this condensed consolidated interim financial information.

**Rasiyat Holding Company K.P.S.C.
and its Subsidiaries
State of Kuwait**

Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2023

(All amounts are in Kuwaiti Dinar unless otherwise stated)

1. INCORPORATION AND ACTIVITIES

Rasiyat Holding Company K.P.S.C. (the "Parent Company") was incorporated on 3 December 2005 as a Kuwaiti Shareholding Company. The General Assembly meeting for establishment of the Parent Company was held at the Ministry of Commerce and Industry on 14 December 2005. The Parent Company's shares were listed on the Boursa Kuwait Securities Company on 23 March 2010. On 22 February 2022, the extra ordinary assembly of shareholders approved to change the name of the Parent Company from "Gulf North Africa Holding Company K.P.S.C." to "Rasiyat Holding Company K.P.S.C."

The main objectives of the Parent Company are as follows:

- Extending loans to investee companies and providing guarantees for third parties, provided that the share of the holding company in the investee company is not less than 20%.
- Acquisition of industrial rights and related intellectual properties or any other industrial trade marks or royalties and any other property related thereto, and renting such properties to the others whether inside Kuwait or abroad.
- Acquisition of properties and buildings necessary to carry out the business activities as allowable by the law.
- Ownership of shares in Kuwaiti and foreign shareholding companies in addition to ownership of shares in Kuwaiti and foreign limited liability companies and the participation in the share capital of both types of companies including management, lending and guaranteeing against third parties.
- Utilizing excess funds through investing in financial portfolios managed by specialized companies and institutions.

The Parent Company has the right to carry out its activities inside Kuwait or abroad whether directly or through power of attorney.

The Group comprises the Parent Company and its subsidiaries.

In all cases, the Parent Company is governed in all its activities by Islamic Sharia'a and all activities which are in compliance of Islamic Sharia'a board are obligatory to the Parent Company.

The address of the Parent Company's registered office is PO Box 4425, Safat 13045, State of Kuwait.

The condensed consolidated interim financial information of the Group for the period ended 30 June 2023 was authorised for issue by the Parent Company's board of directors on 14 August 2023.

**Rasiyat Holding Company K.P.S.C.
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Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2023

(All amounts are in Kuwaiti Dinar unless otherwise stated)

1. INCORPORATION AND ACTIVITIES (Continued)

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

Name of subsidiaries	Country of incorporation	Shareholding interest (%)			Activities
		30 June 2023	31 December 2022	30 June 2022	
Al-Janzour Real Estate Company S.P.C.	Kuwait	100%	100%	100%	Real estate
Casablanca Real Estate Company Ltd	Cayman Islands	48.29%	48.29%	48.29%	Real estate
Dream Real Estate Company Ltd	Cayman Islands	47.09%	47.09%	47.09%	Real estate
SARL EL Awras El Khalijia Promotion Immo	Algeria	100%	100%	100%	Real estate
Morocco North Africa Holding Company Ltd.	Morocco	100%	100%	100%	Real estate
Al-Siraj Group Holding Company K.S.C.(Closed)	Kuwait	93.10%	93.10%	93.10%	Education
Rawaj Holding Company K.S.C. (Closed)	Kuwait	54.49%	54.49%	54.49%	Real estate

2. BASIS OF PREPARATION

The condensed consolidated interim financial information has been prepared in accordance with the International Accounting Standard 34, Interim Financial Reporting. The condensed consolidated interim financial information does not include all the information and notes required for complete annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS). In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for fair presentation have been included.

Operating results for the six-month period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023. For further information, refer to the annual audited consolidated financial statements of the Group for the financial year ended 31 December 2022.

The condensed consolidated interim financial information has been presented in Kuwaiti Dinars ("KD") which is the functional and presentation currency of the Parent Company.

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those followed in the preparation of annual consolidated financial statements for the year ended 31 December 2022 and the corresponding interim reporting period, unless otherwise stated. Also see (a) and (b) below.

Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2023

(All amounts are in Kuwaiti Dinar unless otherwise stated)

2. BASIS OF PREPARATION (Continued)

(a) New and amended standards adopted by the Group:

The Group has applied the following amendments for the first time for their annual reporting period commencing on 1 January 2023:

- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates – Amendments to IAS 8

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) New standards and amendments not yet effective for the financial period beginning on 1 January 2023 and have not been early adopted by the Group:

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group. The management of the Group is in the process of assessing the impact of these new standards, interpretations and amendments which will be adopted in the Group's consolidated financial statement as and when they are applicable.

(c) Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.

3. JUDGEMENT AND ESTIMATES

The preparation of condensed consolidated interim financial information requires management to make judgements, 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 condensed consolidated interim financial information, the significant judgements 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 audited annual consolidated financial statements as at and for the year ended 31 December 2022.

4. FAIR VALUE ESTIMATION

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

- Level 1:** Quoted prices in active markets for quoted financial instruments.
- Level 2:** Quoted prices in active markets 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:** Inputs for the asset or liabilities that are not based on observable market data.

**Rasiyat Holding Company K.P.S.C.
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Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2023

(All amounts are in Kuwaiti Dinar unless otherwise stated)

4. FAIR VALUE ESTIMATION (Continued)

The following table shows the fair value measurement hierarchy of the Group's financial assets recorded at fair value:

	Level 1	Level 2	Level 3	Total fair value
30 June 2023 (Unaudited)				
Financial assets at fair value through other comprehensive income	-	-	351,858	351,858
31 December 2022 (Audited)				Total fair value
Financial assets at fair value through other comprehensive income	-	-	351,858	351,858
30 June 2022 (Unaudited)				Total fair value
Financial assets at fair value through other comprehensive income	-	-	421,772	421,772

The method of valuation used in Level 3 has been consistent with that used in the recent annual consolidated financial statements, which is measured at fair value estimated using various models like the discounted cash flow model, which includes some assumptions that are not supportable by observable market prices or rates or the latest financial statements or information available on these investments the future financial flows of which are unpredictable.

The following table represents the changes in Level 3 instruments:

	30 June 2023 (Unaudited)	31 December 2022 (Audited)	30 June 2022 (Unaudited)
Opening balance	351,858	421,772	421,772
Additions	-	235,408	235,408
Disposals	-	(276,949)	(276,949)
Change in fair value	-	(28,373)	41,541
Ending balance	351,858	351,858	421,772

5. PROPERTY AND EQUIPMENT

	30 June 2023 (Unaudited)	31 December 2022 (Audited)	30 June 2022 (Unaudited)
At 1 January	8,094,917	8,275,813	8,275,813
Additions	75,553	323,984	162,679
Depreciation	(277,913)	(504,880)	(244,160)
Disposals	-	-	(1,919)
	7,892,557	8,094,917	8,192,413

**Rasiyat Holding Company K.P.S.C.
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Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2023

(All amounts are in Kuwaiti Dinar unless otherwise stated)

6. INVESTMENT PROPERTIES

	30 June 2023 (Unaudited)	31 December 2022 (Audited)	30 June 2022 (Unaudited)
At 1 January	7,586,511	7,192,172	7,192,172
Change in fair value	-	472,244	-
Disposal of investment property resulted from sale of subsidiary	(1,315,201)	-	-
Foreign currency translation change	64,837	(77,905)	(28,436)
	<u>6,336,147</u>	<u>7,586,511</u>	<u>7,163,736</u>

7. INVESTMENT IN AN ASSOCIATE

	30 June 2023 (Unaudited)	31 December 2022 (Audited)	30 June 2022 (Unaudited)
At 1 January	15,879	18,514	18,514
Additions	-	500	-
Share of results of investment in an associate	(3,500)	(3,135)	(1,177)
	<u>12,379</u>	<u>15,879</u>	<u>17,337</u>

8. ACCOUNTS RECEIVABLES AND OTHER ASSETS

	30 June 2023 (Unaudited)	31 December 2022 (Audited)	30 June 2022 (Unaudited)
Trade receivables	1,983,905	1,786,675	340,915
Provision for impairment of trade receivables	(343,934)	(343,444)	(40,772)
	<u>1,639,971</u>	<u>1,443,231</u>	<u>300,143</u>
Letter of guarantee	118,810	118,810	256,310
Prepaid expenses	195,784	123,613	143,342
Dividend receivable	-	34,514	-
Staff receivable	19,053	17,758	21,708
Refundable deposits	8,985	6,300	5,600
Due from a related party	89,519	-	-
Other receivables	589,178	13,107	10,450
Provision for impairment of other receivables	(4,405)	(4,405)	(4,405)
	<u>2,656,895</u>	<u>1,752,928</u>	<u>733,148</u>

Trade receivables amounting to KD 1,181,523 and other receivables amounting to KD 570,938 was subsequently collected.

9. CASH AND CASH EQUIVALENTS

	30 June 2023 (Unaudited)	31 December 2022 (Audited)	30 June 2022 (Unaudited)
Saving accounts	9,533	9,533	9,533
Cash in hand	3,344	4,667	4,397
Bank balances	154,509	137,766	1,175,920
Balance in investment portfolio account	409	414	414
	<u>167,795</u>	<u>152,380</u>	<u>1,190,264</u>

**Rasiyat Holding Company K.P.S.C.
and its Subsidiaries
State of Kuwait**

Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2023

(All amounts are in Kuwaiti Dinar unless otherwise stated)

10. BORROWINGS

	30 June 2023 (Unaudited)	31 December 2022 (Audited)	30 June 2022 (Unaudited)
Tawarruq financing	1,762,150	2,033,250	2,304,350
Less: current portion	<u>(542,200)</u>	<u>(542,200)</u>	<u>(542,200)</u>
Murabaha and wakala facilities – non-current portion	<u>1,219,950</u>	<u>1,491,050</u>	<u>1,762,150</u>

Tawarruq financing represents Islamic financing obtained from a local financial institution and it is repayable in 20 equal quarterly installments and secured against the insurance policy of the buildings. It carries a profit rate of 2.25% per annum (31 December 2022: 3.5% and 30 June 2022 3%) above the discount rate of the Central Bank of Kuwait.

11. ACCOUNTS PAYABLE AND OTHER LIABILITIES

	30 June 2023 (Unaudited)	31 December 2022 (Audited)	30 June 2022 (Unaudited)
Accounts payable and accruals	371,467	206,701	179,249
Unearned income	15,230	38,774	136,816
Lease liabilities	312,137	348,124	410,853
Due to related parties (note 14)	44,448	145,743	124,471
Staff leave provision	110,335	96,580	82,854
Dividend payable	8,550	8,550	8,550
	<u>862,167</u>	<u>844,472</u>	<u>942,793</u>
	30 June 2023 (Unaudited)	31 December 2022 (Audited)	30 June 2022 (Unaudited)
Current	575,787	521,121	575,271
Non-current (lease liabilities)	<u>286,380</u>	<u>323,351</u>	<u>367,522</u>
	<u>862,167</u>	<u>844,472</u>	<u>942,793</u>

12. OTHER INCOME

Included within other income for the period ended 30 June 2022 was an amount of KD 131,927 representing trade payables from prior years written off.

Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2023

(All amounts are in Kuwaiti Dinar unless otherwise stated)

13. BASIC AND DILUTED EARNINGS/(LOSSES) PER SHARE

Basic and diluted earnings/(losses) per share is calculated by dividing the (loss)/profit for the period by the weighted average number of shares in issue excluding treasury shares.

	Three months ended 30 June		Six-months ended 30 June	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Profit/(loss) for the period attributable to the equity holders of the Parent Company (KD)	35,812	10,417	(64,831)	28,577
Weighted average number of shares	150,000,000	150,000,000	150,000,000	150,000,000
Basic and diluted earnings/(losses) per share	0.024	0.007	(0.043)	0.019

14. RELATED PARTY TRANSACTIONS

Related parties represent, major shareholders, directors and key management personnel of the Group, their close family members, and entities controlled, or significantly influenced by the Parent Company. In the ordinary course of business, and subject to the approval of the Group's management, transactions were made with such related parties during the period ended 30 June. Detail of the significant related party transactions and balances are as follows:

	30 June 2023 (Unaudited)	31 December 2022 (Audited)	30 June 2022 (Unaudited)
Included in the interim condensed consolidated financial position:			
Due from a related party (note 8)			
Due from an associate	89,519	-	-
Due to related parties (note 11)			
Due to an associate	44,448	44,593	19,979
Due to minority shareholder of a subsidiary	-	101,150	104,492
	44,448	145,743	124,471
Assets held for sale	352,678	-	-
Investment in an associate	12,379	15,879	17,337

	Three months ended 30 June		Six-months ended 30 June	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Transaction included in the interim condensed consolidated statement of income:				
Management fees	2,250	2,250	4,500	4,500
Share of results of investment in an associate	(638)	(585)	(3,500)	(1,177)
Key management compensation:				
Salaries and other short term benefits	42,410	13,128	91,491	43,247
End of service benefits	2,655	(1,050)	6,752	1,406
	45,065	12,078	98,243	44,653

Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2023

(All amounts are in Kuwaiti Dinar unless otherwise stated)

15. SEGMENTAL ANALYSIS

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses and whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which separate financial information is available. The management organises the entity based on different geographical areas, inside and outside Kuwait. The geographical analysis based on location of revenue, profit for the period and total assets is as follows:

	Local KD	International KD	Total KD
Six-months ended 30 June 2023 (Unaudited)			
Revenue	1,814,307	78,274	1,892,581
Segment profit	80,083	(341,377)	(261,294)
Foreign exchange loss	-	(8,581)	(8,581)
Profit for the period	80,083	(349,958)	(269,875)
Total assets	10,446,047	7,747,872	18,193,919
Total liabilities	2,867,589	1,793	2,869,382

	Local KD	International KD	Total KD
Six-months ended 30 June 2022 (Unaudited)			
Revenue	1,464,736	8,775	1,473,511
Segment profit	25,570	(71)	25,499
Profit for the period	25,570	(71)	25,499
Total assets	10,546,139	7,637,809	18,183,948
Total liabilities	3,312,535	110,489	3,423,024

16. GENERAL ASSEMBLY AND EXTRA ORDINARY ASSEMBLY

The Annual General Assembly of the shareholders held on 9 April 2023 approved the consolidated financial statements for the year ended 31 December 2022 and the directors' proposal not to distribute any dividends for the year then ended (for the year ended 31 December 2021: Annual General Assembly of the shareholders approved the consolidated financial statements on 22 February 2022 and the directors' proposal not to distribute any dividends for the year then ended).

Notes to the condensed consolidated interim financial information (Unaudited)

For the six month period ended 30 June 2023

(All amounts are in Kuwaiti Dinar unless otherwise stated)

17. SUBSIDIARIES AND NON-CONTROLLING INTERESTS

During the period ended 30 June 2023, the Group signed an agreement to sell 47% of its ownership of Dream Building SARL, an indirect subsidiary of the Group reducing its ownership from 85% to 38%. Accordingly, the Group no longer has control of the subsidiary. Simultaneously, the Group has signed another agreement comprising a promise to sell the remaining 38% ownership of the indirect subsidiary. Management expects to finalise the sale before the year ended 31 December 2023. Accordingly, the remaining 38% ownership has been classified as asset held for sale. Subsequent to period end, the Group sold a further 23% of its ownership for a consideration of KD 224,330 recognising a gain of KD 10,867. Management believes that the carrying amount of net assets approximates the fair value as the major underlying asset representing investment property is carried at fair value. Other financial assets and financial liabilities are at amortised cost which approximates fair value. Details of the book value of net assets disposed as at the date of losing control are as follows:

	<u>Dream Building SARL</u>
Assets	
Non-current assets	
Investment properties	1,315,201
Cash and cash equivalents	11
Total assets	<u>1,315,212</u>
Liabilities	
Due to related parties	381,103
Accounts payable and other liabilities	6,006
Total liabilities	<u>387,109</u>
Net assets	<u>928,103</u>
Share attributable to non-controlling interests	<u>134,280</u>
Consideration	<u>384,449</u>
Less: Share attributable to Parent company	<u>436,208</u>
Loss on sale of subsidiary	<u>(51,760)</u>
Exchange difference arising on translation of foreign operation transferred to interim condensed consolidated statement of income	<u>(349,859)</u>
Total loss	<u>(401,619)</u>