



الصالحية

Date: 11/02/2024
Ref.: F/528/2024

التاريخ: 2024/02/11
الإشارة: 2024/528/ف

To: Boursa Kuwait Co.
Dear Sirs,

السادة/ شركة بورصة الكويت
المحترمين
تحية طيبة وبعد ،،،

Subject: Results of the BOD meeting of Salhia Real Estate Company to discuss and approve the Consolidated Financial Statements for the financial year ended 31/12/2023

الموضوع: نتائج اجتماع مجلس إدارة شركة الصالحية العقارية لمناقشة واعتماد البيانات المالية المجمعة عن السنة المالية المنتهية في 2023/12/31

With reference to the above subject, and pursuant to the provisions of Chapter No. 4 of the "Disclosure & Transparency" of the Executive Bylaws of Law No. 7/2010 and its amendments issued by the Capital Markets Authority regarding disclosure of Material Information, we are pleased to inform you that the Board of Directors of Salhia Real Estate Company convened its meeting on Wednesday 07/02/2024, at 1:00 PM and approved the Consolidated Financial Statements for the financial year ended 31/12/2023.

بالإشارة إلى الموضوع أعلاه، وعملاً بأحكام الفصل الرابع من كتاب "الإفصاح والشفافية" من اللائحة التنفيذية للقانون رقم (7) لسنة 2010 وتعديلاته الصادرة عن هيئة أسواق المال بشأن الإفصاح عن المعلومات الجوهرية، نود إفادتكم بأن مجلس إدارة شركة الصالحية العقارية قد اجتمع يوم الأربعاء الموافق 2024/02/07 في تمام الساعة 1:00 ظهراً واعتمد البيانات المالية المجمعة للشركة عن السنة المالية المنتهية في 2023/12/31.

Best regards,

مع خالص التحية ،،،

Ghazi F. Alnafisi
Chairman

غازي فهد النفيسي
رئيس مجلس الإدارة

Copy to the Capital Markets Authority.

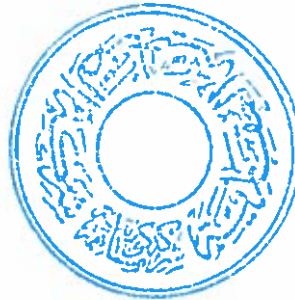
نسخة للسادة/ هيئة أسواق المال.

Attachments:-

المرفقات:-

- Financial Results Form.
- Approved Financial Statements.
- Copy of Approved Auditor's Report.

- نموذج نتائج البيانات المالية.
- نسخة من البيانات المالية المعتمدة.
- نسخة من تقرير مراقب الحسابات المعتمد.





الصالحية

Financial Results Form
Kuwaiti Company (KWD)

نموذج نتائج البيانات المالية
الشركات الكويتية (د.ك.)

Company Name	اسم الشركة
Salhia Real Estate Company (K.S.C.P)	شركة الصالحية العقارية (ش.م.ك.ع)

Financial Year Ended on	2023-12-31	نتائج السنة المالية المنتهية في
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Board of Directors Meeting Date	2024-02-07	تاريخ اجتماع مجلس الإدارة
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Required Documents	المستندات الواجب إرفاقها بالنموذج
Approved financial statements. Approved auditor's report This form shall not be deemed to be complete unless the documents mentioned above are provided	نسخة من البيانات المالية المعتمدة نسخة من تقرير مراقب الحسابات المعتمد لا يعتبر هذا النموذج مكتملاً ما لم يتم وإرفاق هذه المستندات

التغيير (%)	السنة المقارنة	السنة الحالية	البيان
Change (%)	Comparative Year	Current Year	Statement
	2022-12-31	2023-12-31	
10%	14,561,423	16,010,790	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
9%	26.82	29.28	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
317%	7,336,580	30,570,702	الموجودات المتداولة Current Assets
9%	418,840,769	458,122,547	إجمالي الموجودات Total Assets
47%	27,572,106	40,620,365	المطلوبات المتداولة Current Liabilities
11%	250,775,130	278,244,442	إجمالي المطلوبات Total Liabilities
7%	168,012,231	179,710,338	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
13%	35,938,447	40,587,638	إجمالي الإيرادات التشغيلية Total Operating Revenue
15%	27,117,402	31,256,870	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)
-	لا توجد خسائر متراكمة No Accumulated Losses	لا توجد خسائر متراكمة No Accumulated Losses	الخسائر المتراكمة / رأس المال المدفوع Accumulated Loss / Paid-Up Share Capital

Financial Results Form
Kuwaiti Company (KWD)

نموذج نتائج البيانات المالية
للشركات الكويتية (د.ك.)

شركة الصالحية العقارية ش.م.ك.ع. شارع محمد عبد الله العامري رقم ٢٣٤٢٢، الصفاة ١٣٠٩٥ الكويت هاتف : ٢٢٩٩ ٦٠٠٠ (+٩٦٥) - فاكس : ٢٢٩٩ ٦٣٩٩ (+٩٦٥)
www.salhia.com رأس المال : ٥١٠,٥٢٧,٧٥٦ د.ك. السجل التجاري : ٢١٢٥٠



التغيير (%) Change (%)	الربع الرابع المقارن Fourth quarter Comparative Year 2022-12-31	الربع الرابع الحالي Fourth quarter Current Year 2023-12-31	البيان Statement
62%	2,310,646	3,732,057	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
62%	4.22	6.82	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
6%	9,705,856	10,250,684	إجمالي الإيرادات التشغيلية Total Operating Revenue
9%	7,583,334	8,294,418	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)

• Not Applicable for first Quarter

• لا ينطبق على الربع الأول

سبب ارتفاع/انخفاض صافي الربح (الخسارة)	Increase/Decrease in Net Profit (Loss) is due to
<ul style="list-style-type: none">ارتفاع في الإيرادات التشغيلية.استرداد مطالبات التأمين.ربح من بيع عقارات استثمارية.	<ul style="list-style-type: none">Increase in operating revenue.Recovery of insurance claim.Gain from sale of Investment Properties.

Total Revenue realized from dealing with related parties (value, KWD)	0	بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
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Total Expenditures incurred from dealing with related parties (value, KWD)	680,100	بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
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Auditor Opinion		رأي مراقب الحسابات	
1. Unqualified Opinion	<input checked="" type="checkbox"/>	1. رأي غير متحفظ	
2. Qualified Opinion	<input type="checkbox"/>	2. رأي متحفظ	
3. Disclaimer of Opinion	<input type="checkbox"/>	3. عدم إبداء الرأي	
4. Adverse Opinion	<input type="checkbox"/>	4. رأي معاكس	

In the event of selecting item No. 2, 3 or 4,
the following table must be filled out, and this form is not
considered complete unless it is filled.

بحال اختيار بند رقم 2 أو 3 أو 4 يجب تعبئة
الجدول التالي، ولا يعتبر هذا النموذج مكتملاً ما لم يتم تعبئته

لا يوجد None	نص رأي مراقب الحسابات كما ورد في التقرير
لا يوجد None	شرح تفصيلي بالحالة التي استدعت مراقب الحسابات لإبداء الرأي
لا يوجد None	الخطوات التي ستقوم بها الشركة لمعالجة ما ورد في رأي مراقب الحسابات
لا يوجد None	الجدول الزمني لتنفيذ الخطوات لمعالجة ما ورد في رأي مراقب الحسابات

سجل





Corporate Actions		استحقاقات الأسهم (الإجراءات المؤسسية)	
النسبة	القيمة		
15% (Proposed / مقترح)	KD 8,171,165 (Proposed / مقترح) KD	توزيعات نقدية	Cash Dividends
5% (Proposed / مقترح)	2,826,387 / 800 (Proposed / مقترح)	توزيعات أسهم منحة	Bonus Share
-	لا يوجد None	توزيعات أخرى	Other Dividend
-	لا يوجد None	عدم توزيع أرباح	No Dividends
-	لا يوجد None	زيادة رأس المال	Capital Increase
-	لا يوجد None	تخفيض رأس المال	Capital Decrease

ختم الشركة Company Seal	التوقيع Signature	المسمى الوظيفي Title	الاسم Name
		رئيس مجلس الإدارة	غازي فهد النفيسي

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SALHIA REAL ESTATE COMPANY K.S.C.P.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Salhia Real Estate Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively “the Group”), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Impairment of properties

Properties in the consolidated statement of financial position include investment properties, and certain freehold lands and buildings classified under property and equipment. Apart from lands which are measured at costs, these properties are measured at cost less accumulated depreciation and impairment, if any, and constitutes significant portion of the Group’s total assets as at the reporting date.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SALHIA REAL ESTATE COMPANY K.S.C.P. (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Impairment of properties (continued)

The management of the Group is determining the fair value of its properties, for disclosure and impairment testing purposes, at the reporting date and uses external appraisers to support these valuations. The valuation of the properties is highly dependent on estimates and assumptions such as rental value, occupancy rates, discount rates, market knowledge and historical transactions. Given the size and complexity of the valuation of properties, we considered this as a key audit matter.

Our audit procedures included, amongst others, evaluating the assumptions and methodologies used by the Group, and considered the independence, reputation and capabilities of its external valuers. We also evaluated the accuracy of the data inputs used by the external evaluator. We also assessed the appropriateness of the disclosures relating to the investment properties of the Group in Note 10 of the consolidated financial statements.

Other information included in the Group's 2023 Annual Report

Management is responsible for the other information. Other information consists of the information included in Group's 2023 Annual Report, other than the consolidated financial statements and our auditor's report thereon. We obtained the report of the Parent Company's Board of Directors, prior to the date of our auditor's report, and we expect to obtain the remaining sections of the Group's 2023 Annual Report after the date of our auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SALHIA REAL ESTATE COMPANY K.S.C.P. (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SALHIA REAL ESTATE COMPANY K.S.C.P. (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion proper books of account have been kept by the Parent Company and the consolidated financial statements, together with the contents of the report of the Parent Company's Board of Directors relating to these consolidated financial statements, are in accordance therewith. We further report that, we obtained all the information and explanations that we required for the purpose of our audit and that the consolidated financial statements incorporate all information that is required by the Companies Law No.1 of 2016, as amended, and its executive regulations, as amended and by the Parent Company's Memorandum of Incorporation and Articles of Association, that an inventory was duly carried out and that, to the best of our knowledge and belief, no violations of the Companies Law No.1 of 2016, as amended, and its executive regulations, as amended, nor of the Parent Company's Memorandum of Incorporation and Articles of Association have occurred during the year ended 31 December 2023 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our audit, we have not become aware of any violations of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the year ended 31 December 2023 that might have had a material effect on the business of the Parent Company or on its financial position.



WALEED A. AL OSAIMI
LICENCE NO. 68A
EY
AL AIBAN, AL OSAIMI & PARTNERS

11 February 2024
Kuwait

Salhia Real Estate Company K.S.C.P. and Subsidiaries

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

	<i>Notes</i>	<i>2023</i> <i>KD</i>	<i>2022</i> <i>KD</i>
Operating revenue	27	40,587,638	35,938,447
Operating costs		(9,330,768)	(8,821,045)
Gross profit		31,256,870	27,117,402
Share of joint venture's results, net of tax	9	2,665,038	2,326,523
General and administrative expenses		(4,552,064)	(4,210,996)
Depreciation and amortization	10,11	(6,184,137)	(5,446,885)
Sales and marketing expenses		(450,443)	(333,939)
Dividend income		57,286	552,904
Foreign exchange (loss) gain		(20,827)	167,855
Other income, net	4	280,117	51,966
Recovery of insurance claims		750,000	-
Impairment loss on investment properties and property and equipment	10,11	(1,025,416)	(1,667,656)
Gain from sale of investment property	10	538,606	-
Finance costs		(6,359,644)	(2,834,483)
Profit before taxation		16,955,386	15,722,691
Taxation on overseas subsidiaries		-	(338,175)
PROFIT BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES ("KFAS"), NATIONAL LABOUR SUPPORT TAX ("NLST"), ZAKAT AND DIRECTORS' FEES		16,955,386	15,384,516
KFAS		(168,909)	(153,732)
NLST		(422,272)	(384,330)
Zakat		(168,909)	(153,732)
Directors' fees	18	(120,000)	(120,000)
PROFIT FOR THE YEAR		16,075,296	14,572,722
Attributable to:			
Equity holders of the Parent Company		16,010,790	14,561,423
Non-controlling interests		64,506	11,299
		16,075,296	14,572,722
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY	5	29.28 fils	26.82 fils

The attached notes 1 to 27 form part of these consolidated financial statements.

Salhia Real Estate Company K.S.C.P. and Subsidiaries

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	2023	2022
	KD	KD
Profit for the year	16,075,296	14,572,722
Other comprehensive income (loss):		
<i>Items that are or may be reclassified to consolidated statement of profit or loss in subsequent periods:</i>		
Exchange differences arising on translation of foreign operations	1,551,720	683,686
<i>Items that will not to be reclassified to consolidated statement of profit or loss in subsequent periods:</i>		
Changes in the fair value of financial assets at fair value through other comprehensive income	383,546	(724,143)
Other comprehensive income (loss)	1,935,266	(40,457)
Total comprehensive income for the year	18,010,562	14,532,265
Attributable to:		
Equity holders of the Parent Company	17,896,203	14,541,336
Non-controlling interests	114,359	(9,071)
	18,010,562	14,532,265

The attached notes 1 to 27 form part of these consolidated financial statements.

Salhia Real Estate Company K.S.C.P. and Subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	2023 KD	2022 KD
ASSETS			
Cash and cash equivalents	6	6,192,906	5,391,474
Inventories		202,205	201,414
Accounts receivable and other assets	7	24,933,379	8,120,301
Financial assets at fair value through other comprehensive income	8	6,868,210	6,484,664
Interest in joint venture	9	9,802,678	12,933,568
Investment properties	10	360,996,365	349,158,841
Property and equipment	11	49,126,804	36,500,938
Right-of-use assets		-	49,569
TOTAL ASSETS		458,122,547	418,840,769
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks and financial institution	6	14,303,492	5,718,292
Accounts payable and other liabilities	12	40,236,266	36,933,052
Commercial financing	13	18,203,880	11,785,104
Islamic financing	14	205,500,804	196,133,555
Lease liabilities		-	205,127
TOTAL LIABILITIES		278,244,442	250,775,130
EQUITY			
Share capital	15	56,527,756	53,835,958
Share premium		35,055,163	35,055,163
Treasury shares	16	(8,086,553)	(8,518,594)
Treasury shares reserve		5,848,303	4,670,487
Statutory reserve	17	30,280,511	30,280,511
Voluntary reserve	17	20,489,290	20,489,290
Retained earnings		51,470,346	45,959,307
Fair value reserve		(40,371)	(423,917)
Foreign currency translation reserve		(11,834,107)	(13,335,974)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		179,710,338	168,012,231
Non-controlling interests		167,767	53,408
TOTAL EQUITY		179,878,105	168,065,639
TOTAL LIABILITIES AND EQUITY		458,122,547	418,840,769


Ghazi Fahad Alnafisi
Chairman


Faisal Abdulmohsen Al-Khatrash
Vice Chairman

The attached notes 1 to 27 form part of these consolidated financial statements.