

**SALHIA REAL ESTATE COMPANY  
K.S.C.P. AND SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)**

**31 MARCH 2025**



**Shape the future  
with confidence**



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## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF SALHIA REAL ESTATE COMPANY K.S.C.P.**

### **Report on the Interim Condensed Consolidated Financial Information**

#### ***Introduction***

We have reviewed the accompanying interim condensed consolidated statement of financial position of Salhia Real Estate Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively the “Group”) as at 31 March 2025, and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the three months period then ended. The management of the Parent Company is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34: Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on this interim condensed consolidated 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, it 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 condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.



Shape the future  
with confidence

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF SALHIA REAL ESTATE COMPANY K.S.C.P.**

**Report on Other Legal and Regulatory Requirements**

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account 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, as amended, and its executive regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the three-month period ended 31 March 2025 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, to the best of our knowledge and belief, we have not become aware of any material violations of the provisions of Law No. 7 of 2010 concerning establishment of Capital Market Authority "CMA" and organisation of security activity and its executive regulations, as amended, during the three-month period ended 31 March 2025 that might have had a material effect on the business of the Parent Company or on its financial position.

A handwritten signature in blue ink, appearing to be 'Sheikha Al-Fulaij', is written above a horizontal line.

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SHEIKHA AL-FULAIJ  
LICENCE NO. 289 A  
EY  
AL AIBAN, AL OSAIMI & PARTNERS

14 May 2025  
Kuwait

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

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the period ended 31 March 2025

	<i>Three months ended</i>	
	<i>31 March</i>	
	<b>2025</b>	<b>2024</b>
<i>Note</i>	<b>KD</b>	<b>KD</b>
Revenue	<b>11,446,789</b>	11,156,012
Operating costs	<b>(2,728,982)</b>	(2,746,344)
<b>Gross profit</b>	<b>8,717,807</b>	8,409,668
Share of joint venture's results, net of tax	-	1,230,172
Administrative expenses	<b>(1,290,897)</b>	(1,414,740)
Depreciation and amortization	<b>(2,124,040)</b>	(1,937,463)
Sales and marketing expenses	<b>(122,803)</b>	(210,493)
Investment income	-	16,878
Other (expenses) income, net	<b>(38,164)</b>	147,510
Finance costs	<b>(3,609,568)</b>	(3,218,715)
<b>PROFIT BEFORE PROVISION FOR CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES ("KFAS"), NATIONAL LABOUR SUPPORT TAX ("NLST") AND ZAKAT</b>	<b>1,532,335</b>	3,022,817
KFAS	<b>(15,141)</b>	(30,014)
NLST	<b>(37,852)</b>	(75,034)
Zakat	<b>(15,141)</b>	(30,014)
<b>PROFIT FOR THE PERIOD</b>	<b>1,464,201</b>	2,887,755
<b>Attributable to:</b>		
Equity holders of the Parent Company	<b>1,445,947</b>	2,866,316
Non-controlling interests	<b>18,254</b>	21,439
	<b>1,464,201</b>	2,887,755
<b>BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY</b>	<b>3</b>	<b>5.00 fils</b>
	<b>2.52 fils</b>	

The attached notes 1 to 14 form an integral part of the interim condensed consolidated financial information.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE  
INCOME (UNAUDITED)

For the period ended 31 March 2025

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2025</i>	<i>2024</i>
	<i>KD</i>	<i>KD</i>
<b>Profit for the period</b>	<b>1,464,201</b>	2,887,755
<b>Other comprehensive income</b>		
<i>Items that may be reclassified to interim condensed consolidated statement of profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	<b>1,691,922</b>	(1,197,654)
<b>Net other comprehensive income (loss) that may be reclassified to interim condensed consolidated statement of profit or loss in subsequent periods</b>	<b>1,691,922</b>	(1,197,654)
<i>Items that will not be reclassified to interim condensed consolidated statement of profit or loss in subsequent periods:</i>		
Changes in the fair value of equity instruments at fair value through other comprehensive income	<b>38,036</b>	17,437
<b>Net other comprehensive income that will not be reclassified to interim condensed consolidated statement of profit or loss in subsequent periods</b>	<b>38,036</b>	17,437
<b>Other comprehensive income (loss) for the period</b>	<b>1,729,958</b>	(1,180,217)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>3,194,159</b>	1,707,538
<b>Attributable to:</b>		
Equity holders of the Parent Company	<b>3,185,919</b>	1,729,459
Non-controlling interests	<b>8,240</b>	(21,921)
	<b>3,194,159</b>	1,707,538

The attached notes 1 to 14 form an integral part of the interim condensed consolidated financial information.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2025

		<i>(Audited)</i>	
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>2025</i>	<i>2024</i>	<i>2024</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Notes</i>			
<b>ASSETS</b>			
Cash on hand and at banks	4	6,476,465	7,835,016
Inventories		141,145	138,421
Accounts receivable and other assets		9,769,717	9,087,781
Financial assets at fair value through other comprehensive income	5	6,376,997	6,340,595
Investment in a joint venture		394,419	394,419
Investment properties	6	403,526,883	397,342,925
Property and equipment	7	97,812,645	96,641,759
<b>TOTAL ASSETS</b>		<b>524,498,271</b>	<b>517,780,916</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Due to banks and financial institution	4	11,711,857	9,462,382
Accounts payable and other liabilities		34,329,902	36,958,960
Commercial financing	8	10,478,075	10,002,800
Islamic financing	8	282,107,594	278,680,090
<b>TOTAL LIABILITIES</b>		<b>338,627,428</b>	<b>335,104,232</b>
<b>EQUITY</b>			
Share capital	9	59,354,144	59,354,144
Share premium		35,055,163	35,055,163
Treasury shares	10	(7,565,144)	(7,565,144)
Treasury shares reserve		6,133,441	6,133,441
Statutory reserve		30,280,511	30,280,511
Voluntary reserve		20,489,290	20,489,290
Retained earnings		54,507,321	53,061,374
Fair value reserve		(529,950)	(567,986)
Foreign currency translation reserve		(11,922,376)	(13,624,312)
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>		<b>185,802,400</b>	<b>182,616,481</b>
Non-controlling interests		68,443	60,203
<b>TOTAL EQUITY</b>		<b>185,870,843</b>	<b>182,676,684</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>524,498,271</b>	<b>517,780,916</b>

  
Ghazi Fahad Alnafisi  
Chairman

  
Faisal Abdulrohman Al-Khatrash  
Vice Chairman

The attached notes 1 to 14 form an integral part of the interim condensed consolidated financial information.

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

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 March 2025

*Equity attributable to equity holders of the Parent Company*

	<i>Share capital KD</i>	<i>Share premium KD</i>	<i>Treasury Shares KD</i>	<i>Treasury shares reserve KD</i>	<i>Statutory reserve KD</i>	<i>Voluntary Reserve KD</i>	<i>Retained earnings KD</i>	<i>Fair value reserve KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Subtotal KD</i>	<i>Non-controlling interests KD</i>	<i>Total equity KD</i>
Balance as at 1 January 2025 ( <i>Audited</i> )	59,354,144	35,055,163	(7,565,144)	6,133,441	30,280,511	20,489,290	53,061,374	(567,986)	(13,624,312)	182,616,481	60,203	182,676,684
Profit for the period	-	-	-	-	-	-	1,445,947	-	-	1,445,947	18,254	1,464,201
Other comprehensive income (loss) for the period	-	-	-	-	-	-	-	38,036	1,701,936	1,739,972	(10,014)	1,729,958
Total comprehensive income for the period	-	-	-	-	-	-	1,445,947	38,036	1,701,936	3,185,919	8,240	3,194,159
<b>Balance as at 31 March 2025</b>	<b>59,354,144</b>	<b>35,055,163</b>	<b>(7,565,144)</b>	<b>6,133,441</b>	<b>30,280,511</b>	<b>20,489,290</b>	<b>54,507,321</b>	<b>(529,950)</b>	<b>(11,922,376)</b>	<b>185,802,400</b>	<b>68,443</b>	<b>185,870,843</b>
Balance as at 1 January 2024 ( <i>Audited</i> )	56,527,756	35,055,163	(8,086,553)	5,848,303	30,280,511	20,489,290	51,470,346	(40,371)	(11,834,107)	179,710,338	167,767	179,878,105
Profit for the period	-	-	-	-	-	-	2,866,316	-	-	2,866,316	21,439	2,887,755
Other comprehensive income (loss) for the period	-	-	-	-	-	-	-	17,437	(1,154,294)	(1,136,857)	(43,360)	(1,180,217)
Total comprehensive income (loss) for the period	-	-	-	-	-	-	2,866,316	17,437	(1,154,294)	1,729,459	(21,921)	1,707,538
Purchase of treasury shares	-	-	(445,887)	-	-	-	-	-	-	(445,887)	-	(445,887)
Sale of treasury shares	-	-	1,296,047	234,665	-	-	-	-	-	1,530,712	-	1,530,712
Dividends (Note 9)	-	-	-	-	-	-	(8,204,879)	-	-	(8,204,879)	-	(8,204,879)
Balance as at 31 March 2024	56,527,756	35,055,163	(7,236,393)	6,082,968	30,280,511	20,489,290	46,131,783	(22,934)	(12,988,401)	174,319,743	145,846	174,465,589

The attached notes 1 to 14 form an integral part of the interim condensed consolidated financial information.

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

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 31 March 2025

	Notes	Three months ended 31 March	
		2025 KD	2024 KD
<b>OPERATING ACTIVITIES</b>			
Profit for the period before contribution to KFAS, NLST and Zakat		1,532,335	3,022,817
Adjustments for:			
Share in joint venture's results, net of tax		-	(1,230,172)
Provision for employees' terminal benefits		164,647	204,399
Depreciation and amortisation		2,124,040	1,937,463
Investment income		-	(16,878)
Finance costs		3,609,568	3,218,715
		<b>7,430,590</b>	<b>7,136,344</b>
Change in operating assets and liabilities:			
Inventories		(2,724)	1,884
Accounts receivable and other assets		(681,936)	14,216,057
Accounts payable and other liabilities		(3,993,712)	(3,831,343)
Cash from operations		2,752,218	17,522,942
Employees' terminal benefits paid		(19,736)	(81,798)
KFAS paid		(133,427)	(168,909)
Directors' remuneration paid		-	(120,000)
Net cash flows from operating activities		<b>2,599,055</b>	<b>17,152,235</b>
<b>INVESTING ACTIVITIES</b>			
Additions to investment properties	6	(6,605,940)	(75,545,889)
Additions to property and equipment	7	(1,879,864)	(3,365,405)
Investment income received		-	16,878
Net cash flows used in investing activities		<b>(8,485,804)</b>	<b>(78,894,416)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from commercial and Islamic financings	8	5,484,504	80,914,754
Repayment of commercial and Islamic financings	8	(1,677,000)	(12,348,066)
Finance costs paid		(2,324,532)	(2,815,975)
Purchase of treasury shares		-	(445,887)
Proceeds from sale of treasury shares		-	1,530,712
Net cash flows from financing activities		<b>1,482,972</b>	<b>66,835,538</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>(4,403,777)</b>	<b>5,093,357</b>
Foreign currency translation adjustment		795,751	(345,237)
Cash and cash equivalent at 1 January		(1,627,366)	(8,110,586)
<b>CASH AND CASH EQUIVALENT AT 31 MARCH</b>	4	<b>(5,235,392)</b>	<b>(3,362,466)</b>

The attached notes 1 to 14 form an integral part of the interim condensed consolidated financial information.

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

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## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2025

### 1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Salhia Real Estate Company K.S.C.P. (the “Parent Company”) and its Subsidiaries (collectively “the Group”) for the three months period ended 31 March 2025 were authorized for issue in accordance with a resolution of the Parent Company’s Board of Directors on 14 May 2025.

On 17 April 2025, the ordinary general assembly of the shareholders of the Parent Company approved the consolidated financial statements of the Group for the year ended 31 December 2024 and approved the Board of Director’s proposal for distributing cash dividends and bonus shares to the shareholders (Note 9).

The Group comprises Salhia Real Estate Company K.S.C.P. and its subsidiaries.

The Parent Company is a Kuwaiti Shareholding Company incorporated on September 16, 1974 and is listed on the Boursa Kuwait. The Parent Company’s registered office is located at Salhia Complex, Mohammed Thunayan Al-Ghanim, P.O. Box 23413 Safat 13095 Kuwait.

The Group’s main activities comprise real estate leasing, development of commercial properties and hotels operations in Kuwait and United Kingdom. Surplus funds are invested in real estate and securities portfolios managed by specialist investment managers.

### 2 BASIS OF PREPARATION AND CHANGES TO THE GROUP’S ACCOUNTING POLICIES

The interim condensed consolidated financial information of the Group is prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting”.

The interim condensed consolidated financial information do not include all the information and disclosures required for full consolidated financial statements prepared in accordance with IFRS Accounting Standards and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024. Furthermore, results for the three months period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025

The interim condensed consolidated financial information is presented in Kuwaiti Dinars (KD) which is the Parent Company’s functional and presentation currency. The Group presents its interim condensed consolidated statement of financial position in order of liquidity.

#### 2.1 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024 except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2025, but do not have an impact on the interim condensed consolidated financial statements of the Group.

#### ***Lack of exchangeability - Amendments to IAS 21***

The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have a material impact on the Group’s interim condensed consolidated financial information.

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2025

### 3 BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY

**Basic:**

Basic earnings per share attributable to equity holders of the Parent Company is computed by dividing the profit for the period attributable to equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period (excluding treasury shares).

**Diluted:**

Diluted earnings per share attributable to the equity holders of the Parent Company is computed by dividing the profit for the period attributable to the equity holders of the Parent Company, adjusted for the effect of conversion of employees share options, by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all employees share options.

The Parent Company does not have outstanding share options under the employee share option plan as at 31 March 2025.

	<i>Three months ended</i>	
	<i>31 March</i>	
	<u>2025</u>	<u>2024</u>
Profit for the period attributable to equity holders of the Parent Company (KD)	<u>1,445,947</u>	<u>2,866,316</u>
Weighted average number of ordinary shares outstanding during the period (excluding treasury shares)	<u>574,250,704</u>	<u>573,346,672</u>
Basic and diluted earnings per share attributable to equity holders of the Parent Company	<u><u>2.52 fils</u></u>	<u><u>5.00 fils</u></u>

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of this interim condensed consolidated financial information, which would require the restatement of EPS.

### 4 CASH ON HAND AND AT BANKS

	<i>31 March</i>	<i>(Audited)</i>	
	<i>2025</i>	<i>31 December</i>	<i>31 March</i>
	<i>KD</i>	<i>2024</i>	<i>2024</i>
		<i>KD</i>	<i>KD</i>
Cash on hand	<b>39,271</b>	10,559	38,013
Bank balances	<b>6,437,194</b>	7,824,457	7,039,710
	<u><b>6,476,465</b></u>	<u>7,835,016</u>	<u>7,077,723</u>
Less: due to banks and financial institutions	<u><b>(11,711,857)</b></u>	<u>(9,462,382)</u>	<u>(10,440,189)</u>
Cash and cash equivalent	<u><u><b>(5,235,392)</b></u></u>	<u><u>(1,627,366)</u></u>	<u><u>(3,362,466)</u></u>

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2025

#### 5 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<i>31 March</i> <i>2025</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2024</i> <i>KD</i>	<i>31 March</i> <i>2024</i> <i>KD</i>
Managed quoted portfolio	<b>441,524</b>	403,488	291,900
Managed unquoted portfolio	<b>272,764</b>	272,764	270,655
Unquoted equity securities	<b>5,662,709</b>	5,664,343	6,323,092
	<b><u>6,376,997</u></b>	<u>6,340,595</u>	<u>6,885,647</u>

The disclosure of fair value measurement and the levels of fair value hierarchy relating to the financial assets at fair value through other comprehensive income disclosed in (Note 11).

#### 6 INVESTMENT PROPERTIES

	<i>31 March</i> <i>2025</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2024</i> <i>KD</i>	<i>31 March</i> <i>2024</i> <i>KD</i>
As at 1 January	<b>397,342,925</b>	360,996,365	360,996,365
Additions *	<b>6,605,940</b>	94,094,305	75,545,889
Transfer out to property and equipment	-	(39,054,869)	-
Disposal *	-	(12,602,000)	-
Depreciation	<b>(1,415,062)</b>	(6,319,030)	(1,681,337)
Reversal of Impairment	-	123,954	-
Foreign currency translation adjustment	<b>993,080</b>	104,200	(171,459)
	<b><u>403,526,883</u></b>	<u>397,342,925</u>	<u>434,689,458</u>

\* During the year ended 31 December 2024, the Group had completed the purchase and transfer of title deeds of a freehold land located in Kuwait City for a total consideration of KD 71,050,000. The purchase is financed through Ijara financing contract (Note 8). Subsequently in 2024, the Group sold a plot of the land under Ijara contract with a total carrying value of KD 12,602,000 for a total consideration of KD 13,226,849 to a related party resulting in a gain of KD 624,849. Furthermore, the cash proceeds were utilised to settle Ijara payable (Note 8).

#### 7 PROPERTY AND EQUIPMENT

	<i>31 March</i> <i>2025</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2024</i> <i>KD</i>	<i>31 March</i> <i>2024</i> <i>KD</i>
As at 1 January	<b>96,641,759</b>	49,126,804	49,126,804
Additions	<b>1,879,864</b>	10,340,551	3,365,405
Transfer from investment properties	-	39,054,869	-
Depreciation	<b>(708,978)</b>	(1,880,465)	(256,126)
	<b><u>97,812,645</u></b>	<u>96,641,759</u>	<u>52,236,083</u>

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2025

#### 8 COMMERCIAL AND ISLAMIC FINANCING

	<i>(Audited)</i>		
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>2025</i>	<i>2024</i>	<i>2024</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
At 1 January	<b>288,682,890</b>	223,704,684	223,704,684
Loans received	<b>5,484,504</b>	111,393,007	80,914,754
Loans paid	<b>(1,677,000)</b>	(46,363,721)	(12,348,066)
Foreign currency translation adjustment	<b>95,275</b>	(51,080)	(38,880)
	<b>292,585,669</b>	288,682,890	292,232,492
	<b>292,585,669</b>	288,682,890	292,232,492
		<i>(Audited)</i>	
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>2025</i>	<i>2024</i>	<i>2024</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Commercial financing	<b>10,478,075</b>	10,002,800	20,665,000
Islamic financing	<b>282,107,594</b>	278,680,090	271,567,492
	<b>292,585,669</b>	288,682,890	292,232,492
	<b>292,585,669</b>	288,682,890	292,232,492

Commercial financing denominated in Kuwaiti Dinar carries an interest rate of 0.75% per annum (31 December 2024: 0.75% per annum and 31 March 2024: 0.75% per annum) over the Central Bank of Kuwait discount rate.

Commercial financing denominated in GBP carries variable interest rates 2.6% + SONIA rate (31 December 2024: 2.6% + SONIA rate and 31 March 2024: 2.6% + SONIA rate).

Commercial financing amounting to KD 3,078,075 (31 December 2024: KD 3,102,800 and 31 March 2024: KD 3,115,000) has been obtained by foreign subsidiaries.

The average profit rate attributable to Islamic financing is 0.84% per annum (31 December 2024: 0.84% per annum and 31 March 2024: 0.88% per annum) over the Central Bank of Kuwait discount rate.

During the year end of 31 December 2024, the Parent Company entered into an Ijara contract amounting to KD 70,000,000 with a local bank to finance the purchase of a land with a carrying value of KD 71,050,000 located in Kuwait City (Note 6). The Ijara contract carries a profit rate of 0.75% per annum above the Central Bank of Kuwait and matures on 18 February 2026 and renewable annually.

#### 9 SHARE CAPITAL AND GENERAL ASSEMBLY MEETING

At the Annual General Assembly of the shareholders of the Parent Company held on 17 April 2025, the shareholders approved the distribution of cash dividends of 15 fils (2023: 15 fils) per share, in addition to the issuance of bonus shares of 29,677,072 (2023: 28,263,878) in the ratio of 5 shares for each 100 shares to the registered shareholders as at the entitlement date. The capitalisation of the bonus shares had not been notarised in the Parent Company's commercial register till reporting date of interim condensed consolidated financial information.

As at 31 March 2025, the authorised, issued and paid-up capital comprises of 593,541,441 shares (31 December 2024: 593,541,441 shares and 31 March 2024: 565,277,563 shares) at 100 fils (31 December 2024: 100 fils and 31 March 2024: 100 fils) per share.

#### 10 TREASURY SHARES

At 31 March 2025, the Parent Company held 19,901,274 of its own shares (31 December 2024: 19,901,274 shares and 31 March 2024: 18,285,603 shares), equivalent to 3.35% (31 December 2024: 3.35% and 31 March 2024: 3.23%) of the total issued share capital at that date. The market value of these shares at the financial position date was KD 8,358,535 (31 December 2024: KD 7,940,608 and 31 March 2024: KD 8,411,377). Reserves of the Parent Company equivalent to the cost of the treasury shares have been earmarked as non-distributable.

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2025

### 11 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities. For financial instruments where there is no active market, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

#### Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	<i>Level 1</i> <i>KD</i>	<i>Level 3</i> <i>KD</i>	<i>Total</i> <i>KD</i>
<b>31 March 2025</b>			
<i>Assets measured at fair value</i>			
<i>Financial assets at FVOCI:</i>			
Managed quoted portfolios	441,524	-	441,524
Managed unquoted portfolio	-	272,764	272,764
Unquoted equity securities	-	5,662,709	5,662,709
	441,524	5,935,473	6,376,997
	441,524	5,935,473	6,376,997
31 December 2024 (Audited)			
<i>Assets measured at fair value</i>			
<i>Financial assets at FVOCI:</i>			
Managed quoted portfolios	403,488	-	403,488
Managed unquoted portfolio	-	272,764	272,764
Unquoted equity securities	-	5,664,343	5,664,343
	403,488	5,937,107	6,340,595
	403,488	5,937,107	6,340,595
31 March 2024			
<i>Assets measured at fair value</i>			
<i>Financial assets at FVOCI:</i>			
Managed quoted portfolios	291,900	-	291,900
Managed unquoted portfolio	-	270,655	270,655
Unquoted equity securities	-	6,323,092	6,323,092
	291,900	6,593,747	6,885,647
	291,900	6,593,747	6,885,647

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2025

**11 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)**

The following table shows a reconciliation of the opening and closing amount of level 3 financial instruments which are recorded at fair value.

	<i>As at 1 January 2025 KD</i>	<i>Change in fair value KD</i>	<i>Capital redemption KD</i>	<i>As at 31 March 2025 KD</i>
<i>Financial assets at FVOCI:</i>				
- Managed unquoted portfolio and unquoted equity securities	5,937,107	-	(1,634)	5,935,473
		<i>As at 1 January 2024 KD</i>	<i>Change in fair value KD</i>	<i>As at 31 December 2024 KD</i>
<i>Financial assets at FVOCI:</i>				
- Managed unquoted portfolio and unquoted equity securities		6,587,860	(650,753)	5,937,107
		<i>As at 1 January 2024 KD</i>	<i>Change in fair value KD</i>	<i>As at 31 March 2024 KD</i>
<i>Financial assets at FVOCI:</i>				
- Managed unquoted portfolio and unquoted equity securities		6,587,860	5,887	6,593,747

There were no transfers between fair value hierarchy levels.

Fair value of other financial instruments is not materially different from their carrying values at the reporting date.

The impact on the interim condensed consolidated statement of financial position or the interim condensed consolidated statement of changes in equity would be immaterial if the relevant risk variables used to fair value the unquoted securities were altered by 5%.

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

**12 SEGMENTAL INFORMATION**

Management monitors the operating results of its segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss as explained in the table below.

The Group has the following reportable segments:

- ▶ Real estate operations: Consist of development and leasing of properties.
- ▶ Hotel operations: Consist of the hotel hospitality services provided through the JW Marriott Hotel – Kuwait, the Courtyard Marriott Hotel - Kuwait, Arraya Ball Room – Kuwait and Marriott Executive Apartments- Kuwait.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2025

12 SEGMENTAL INFORMATION (continued)

The following table presents revenue and profit information regarding the Group's operating segments:

	<i>Three months ended 31 March 2025</i>			<i>Three months ended 31 March 2024</i>		
	<i>Real estate operations KD</i>	<i>Hotel operations KD</i>	<i>Total KD</i>	<i>Real estate operations KD</i>	<i>Hotel operations KD</i>	<i>Total KD</i>
Segment revenue	9,653,811	1,792,978	11,446,789	9,632,603	1,523,409	11,156,012
Segment operating costs	(2,002,592)	(726,390)	(2,728,982)	(2,031,746)	(714,598)	(2,746,344)
Segment gross profit	7,651,219	1,066,588	8,717,807	7,600,857	808,811	8,409,668
Share in joint venture's results, net of tax	-	-	-	1,230,172	-	1,230,172
Depreciation and amortization	(1,993,696)	(130,344)	(2,124,040)	(1,783,433)	(154,030)	(1,937,463)
Other operating expenses	(900,173)	(513,527)	(1,413,700)	(1,258,776)	(366,457)	(1,625,233)
Finance costs	(3,591,181)	(18,387)	(3,609,568)	(3,209,570)	(9,145)	(3,218,715)
Segment results	1,166,169	404,330	1,570,499	2,579,250	279,179	2,858,429
Investment income			-			16,878
Other non-operating (expense) income, (net) KFAS, NLST and Zakat			(38,164)			147,510
			(68,134)			(135,062)
<b>Profit for the period</b>			<b>1,464,201</b>			<b>2,887,755</b>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2025

**12 SEGMENTAL INFORMATION (continued)**

The following table presents allocation of total assets, liabilities and capital expenditures regarding the Group's operating segments:

	<i>31 March 2025</i>			<i>31 December 2024 (Audited)</i>			<i>31 March 2024</i>		
	<i>Real estate operations KD</i>	<i>Hotel operations KD</i>	<i>Total KD</i>	<i>Real estate operations KD</i>	<i>Hotel operations KD</i>	<i>Total KD</i>	<i>Real estate operations KD</i>	<i>Hotel operations KD</i>	<i>Total KD</i>
Total assets	<u>522,004,876</u>	<u>2,493,395</u>	<u>524,498,271</u>	514,252,308	3,528,608	517,780,916	519,564,810	2,554,756	522,119,566
Segment liabilities	<u>336,442,300</u>	<u>2,185,128</u>	<u>338,627,428</u>	331,852,475	3,251,757	335,104,232	344,555,504	3,098,473	347,653,977
Capital expenditure	<u>6,605,940</u>	<u>1,879,864</u>	<u>8,485,804</u>	94,545,928	9,888,928	104,434,856	75,590,078	3,321,216	78,911,294

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2025

#### 13 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

At the financial position date, the Group had the following contingencies and capital commitments:

	<b>31 March 2025 KD</b>	<i>(Audited)</i> <b>31 December 2024 KD</b>	<b>31 March 2024 KD</b>
Letters of guarantee	<b>2,089,421</b>	1,858,086	1,433,433
Construction projects	<b>26,135,295</b>	34,908,110	54,063,893
	<b><u>28,224,716</u></b>	<b><u>36,766,196</u></b>	<b><u>55,497,326</u></b>

#### 14 RELATED PARTY TRANSACTIONS

Related parties represent the major shareholders, joint venture, directors and key management personnel of the Group, and companies which are controlled by them or over which they have significant influence. Pricing policies and terms of these transactions are approved by the Parent Company's management.

##### Compensation of key management personnel

The remuneration of key management personnel of the Group during the period was as follows:

	<i>Three months ended 31 March</i>	
	<b>2025 KD</b>	<b>2024 KD</b>
Short-term benefits	<b>197,068</b>	178,975
Employees' end of service benefits	<b>38,229</b>	82,731
	<b><u>235,297</u></b>	<b><u>261,706</u></b>

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