

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

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

**30 JUNE 2025**



**Shape the future  
with confidence**



**Ernst & Young**  
**Al Aiban, Al Osaimi & Partners**  
P.O. Box 74  
Burj Alshaya, 16<sup>th</sup> & 17<sup>th</sup> Floor  
Al Soor Street, Mirqab  
Safat 13001, State of Kuwait

Tel: +965 2295 5000  
Fax: +965 2245 6419  
[kuwait@kw.ey.com](mailto:kuwait@kw.ey.com)  
<https://www.ey.com>

## **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 30 June 2025, and the related interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income for the three-month and six-month periods then ended, and the related interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then end. 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 six-month period ended 30 June 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 six-month period ended 30 June 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 read 'Sheikha Al-Fulaij', is written above a horizontal line.

---

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

11 August 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 30 June 2025

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
<i>Note</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Revenue	<b>11,686,345</b>	11,112,085	<b>23,098,182</b>	22,268,097
Operating costs	<b>(3,263,069)</b>	(2,284,266)	<b>(5,957,099)</b>	(5,030,610)
<b>Gross profit</b>	<b>8,423,276</b>	8,827,819	<b>17,141,083</b>	17,237,487
Share of joint venture's results, net of tax	-	318,985	-	1,549,157
Administrative expenses	<b>(1,386,280)</b>	(851,424)	<b>(2,677,177)</b>	(2,266,164)
Depreciation and amortisation	<b>(2,107,784)</b>	(2,025,280)	<b>(4,231,824)</b>	(3,962,743)
Sales and marketing expenses	<b>(106,534)</b>	(110,084)	<b>(229,337)</b>	(320,577)
Investment income	<b>82,878</b>	63,756	<b>82,204</b>	80,634
Other (expenses) income, net	<b>28,832</b>	(60,181)	<b>(8,658)</b>	87,329
Finance costs	<b>(3,718,285)</b>	(3,852,573)	<b>(7,327,853)</b>	(7,071,288)
<b>PROFIT BEFORE PROVISION FOR CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES ("KFAS"), NATIONAL LABOUR SUPPORT TAX ("NLST") AND ZAKAT</b>	<b>1,216,103</b>	2,311,018	<b>2,748,438</b>	5,333,835
KFAS	<b>(11,975)</b>	(22,935)	<b>(27,116)</b>	(52,949)
NLST	<b>(29,937)</b>	(57,338)	<b>(67,789)</b>	(132,372)
Zakat	<b>(11,975)</b>	(22,935)	<b>(27,116)</b>	(52,949)
<b>PROFIT FOR THE PERIOD</b>	<b>1,162,216</b>	2,207,810	<b>2,626,417</b>	5,095,565
<b>Attributable to:</b>				
Equity holders of the Parent Company	<b>1,143,601</b>	2,190,296	<b>2,589,548</b>	5,056,612
Non-controlling interests	<b>18,615</b>	17,514	<b>36,869</b>	38,953
	<b>1,162,216</b>	2,207,810	<b>2,626,417</b>	5,095,565
<b>BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY</b>	<b>1.89 fils</b>	3.63 fils	<b>4.29 fils</b>	8.38 fils

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 30 June 2025

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<b>Profit for the period</b>	<b>1,162,216</b>	2,207,810	<b>2,626,417</b>	5,095,565
<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>1,744,853</b>	(310,014)	<b>3,436,775</b>	(1,507,668)
<b>Net other comprehensive income (loss) that may be reclassified to interim condensed consolidated statement of profit or loss in subsequent periods</b>	<b>1,744,853</b>	(310,014)	<b>3,436,775</b>	(1,507,668)
<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>19,566</b>	36,759	<b>57,602</b>	54,196
<b>Net other comprehensive income that will not be reclassified to interim condensed consolidated statement of profit or loss in subsequent periods</b>	<b>19,566</b>	36,759	<b>57,602</b>	54,196
<b>Other comprehensive income (loss) for the period</b>	<b>1,764,419</b>	(273,255)	<b>3,494,377</b>	(1,453,472)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>2,926,635</b>	1,934,555	<b>6,120,794</b>	3,642,093
<b>Attributable to:</b>				
Equity holders of the Parent Company	<b>2,650,073</b>	1,952,208	<b>5,835,992</b>	3,681,667
Non-controlling interests	<b>276,562</b>	(17,653)	<b>284,802</b>	(39,574)
	<b>2,926,635</b>	1,934,555	<b>6,120,794</b>	3,642,093

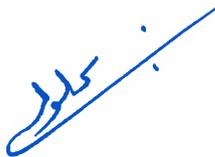
The attached notes 1 to 14 form an integral part of the interim condensed consolidated financial information.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2025

		<i>30 June</i> <b>2025</b> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <b>2024</b> <i>KD</i>	<i>30 June</i> <b>2024</b> <i>KD</i>
<b>ASSETS</b>				
Cash on hand and at banks	4	<b>10,295,837</b>	7,835,016	5,432,709
Inventories		<b>141,974</b>	138,421	199,564
Accounts receivable and other assets		<b>8,902,210</b>	9,087,781	10,283,074
Financial assets at fair value through other comprehensive income	5	<b>6,398,197</b>	6,340,595	6,922,406
Investment in a joint venture		<b>394,419</b>	394,419	10,444,998
Investment properties	6	<b>409,225,137</b>	397,342,925	435,878,780
Property and equipment	7	<b>99,653,116</b>	96,641,759	54,008,168
<b>TOTAL ASSETS</b>		<b>535,010,890</b>	517,780,916	523,169,699
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
Due to banks and financial institution	4	<b>11,920,751</b>	9,462,382	14,235,600
Accounts payable and other liabilities		<b>33,967,364</b>	36,958,960	37,679,057
Commercial financing	8	<b>7,638,621</b>	10,002,800	21,358,160
Islamic financing	8	<b>301,402,783</b>	278,680,090	273,367,084
<b>TOTAL LIABILITIES</b>		<b>354,929,519</b>	335,104,232	346,639,901
<b>EQUITY</b>				
Share capital	9	<b>62,321,851</b>	59,354,144	59,354,144
Share premium		<b>35,055,163</b>	35,055,163	35,055,163
Treasury shares	10	<b>(7,676,648)</b>	(7,565,144)	(7,142,472)
Treasury shares reserve		<b>6,133,441</b>	6,133,441	6,118,701
Statutory reserve		<b>30,280,511</b>	30,280,511	30,280,511
Voluntary reserve		<b>20,489,290</b>	20,489,290	20,489,290
Retained earnings		<b>44,078,612</b>	53,061,374	45,495,691
Fair value reserve		<b>(510,384)</b>	(567,986)	13,825
Foreign currency translation reserve		<b>(10,435,470)</b>	(13,624,312)	(13,263,248)
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>		<b>179,736,366</b>	182,616,481	176,401,605
Non-controlling interests		<b>345,005</b>	60,203	128,193
<b>TOTAL EQUITY</b>		<b>180,081,371</b>	182,676,684	176,529,798
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>535,010,890</b>	517,780,916	523,169,699



**Ghazi Fahad Alnafisi**  
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 30 June 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	-	-	-	-	-	-	2,589,548	-	-	2,589,548	36,869	2,626,417
Other comprehensive income for the period	-	-	-	-	-	-	-	57,602	3,188,842	3,246,444	247,933	3,494,377
Total comprehensive income for the period	-	-	-	-	-	-	2,589,548	57,602	3,188,842	5,835,992	284,802	6,120,794
Issuance of bonus shares (Note 9)	2,967,707	-	-	-	-	-	(2,967,707)	-	-	-	-	-
Purchase of treasury shares	-	-	(111,504)	-	-	-	-	-	-	(111,504)	-	(111,504)
Dividends (Note 9)	-	-	-	-	-	-	(8,604,603)	-	-	(8,604,603)	-	(8,604,603)
<b>Balance as at 30 June 2025</b>	<b>62,321,851</b>	<b>35,055,163</b>	<b>(7,676,648)</b>	<b>6,133,441</b>	<b>30,280,511</b>	<b>20,489,290</b>	<b>44,078,612</b>	<b>(510,384)</b>	<b>(10,435,470)</b>	<b>179,736,366</b>	<b>345,005</b>	<b>180,081,371</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	-	-	-	-	-	-	5,056,612	-	-	5,056,612	38,953	5,095,565
Other comprehensive loss for the period	-	-	-	-	-	-	-	54,196	(1,429,141)	(1,374,945)	(78,527)	(1,453,472)
Total comprehensive income for the period	-	-	-	-	-	-	5,056,612	54,196	(1,429,141)	3,681,667	(39,574)	3,642,093
Issuance of bonus shares (Note 9)	2,826,388	-	-	-	-	-	(2,826,388)	-	-	-	-	-
Purchase of treasury shares	-	-	(623,948)	-	-	-	-	-	-	(623,948)	-	(623,948)
Sale of treasury shares	-	-	1,568,029	270,398	-	-	-	-	-	1,838,427	-	1,838,427
Dividends (Note 9)	-	-	-	-	-	-	(8,204,879)	-	-	(8,204,879)	-	(8,204,879)
Balance as at 30 June 2024	59,354,144	35,055,163	(7,142,472)	6,118,701	30,280,511	20,489,290	45,495,691	13,825	(13,263,248)	176,401,605	128,193	176,529,798

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 30 June 2025

	Notes	Six months ended 30 June	
		2025 KD	2024 KD
<b>OPERATING ACTIVITIES</b>			
Profit for the period before contribution to KFAS, NLST and Zakat		2,748,438	5,333,835
Adjustments for:			
Share in joint venture's results, net of tax		-	(1,549,157)
Provision for employees' terminal benefits		489,594	379,651
Depreciation and amortisation		4,231,824	3,962,743
Dividends income		(82,204)	(80,634)
Foreign exchange loss (gain)		29,820	(27,648)
Finance costs		7,327,853	7,071,288
		<b>14,745,325</b>	<b>15,090,078</b>
Change in operating assets and liabilities:			
Inventories		(3,553)	2,641
Accounts receivable and other assets		185,571	14,650,305
Accounts payable and other liabilities		(4,748,234)	(4,099,374)
Cash from operations		<b>10,179,109</b>	<b>25,643,650</b>
Employees' terminal benefits paid		(54,576)	(153,613)
KFAS paid		(133,427)	(168,909)
NLST paid		(345,383)	(439,614)
Zakat paid		(116,578)	(128,193)
Directors' remuneration paid		(120,000)	(120,000)
Net cash flows from operating activities		<b>9,409,145</b>	<b>24,633,321</b>
<b>INVESTING ACTIVITIES</b>			
Additions to investment properties	6	(11,900,643)	(78,565,183)
Additions to property and equipment	7	(4,409,951)	(5,393,879)
Investment income received		82,204	80,634
Net cash flows used in investing activities		<b>(16,228,390)</b>	<b>(83,878,428)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from commercial and Islamic financings	8	29,303,692	131,360,178
Repayment of commercial and Islamic financings	8	(9,200,775)	(60,293,898)
Finance costs paid		(5,496,290)	(5,222,026)
Dividends paid		(8,521,179)	(8,119,568)
Purchase of treasury shares		(111,504)	(623,948)
Proceeds from sale of treasury shares		-	1,838,427
Net cash flows from financing activities		<b>5,973,944</b>	<b>58,939,165</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENT</b>		<b>(845,301)</b>	<b>(305,942)</b>
Foreign currency translation adjustment		847,753	(386,363)
Cash and cash equivalent at 1 January		(1,627,366)	(8,110,586)
<b>CASH AND CASH EQUIVALENT AT 30 JUNE</b>	4	<b>(1,624,914)</b>	<b>(8,802,891)</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

---

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

As at and for the period ended 30 June 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 six months period ended 30 June 2025 were authorized for issue in accordance with a resolution of the Parent Company’s Board of Directors on 11 August 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 six months period ended 30 June 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 30 June 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 30 June 2025.

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Profit for the period attributable to equity holders of the Parent Company (KD)	<b>1,143,601</b>	2,190,296	2,589,548	5,056,612
Weighted average number of ordinary shares outstanding during the period (excluding treasury shares)	<b>605,197,263</b>	603,643,751	603,059,454	603,648,552
Basic and diluted earnings per share attributable to equity holders of the Parent Company	<b>1.89 fils</b>	3.63 fils	<b>4.29 fils</b>	8.38 fils

The weighted average number of shares outstanding for the current and comparative period have been adjusted to reflect the bonus shares issuance during the period. Earnings per share for the six- and three-months period ended 30 June 2024 were 8.81 fils and 3.82 fils respectively before retroactive adjustment to the number of shares following the bonus issue (Note 9).

### 4 CASH ON HAND AND AT BANKS

	<i>30 June</i>	<i>(Audited)</i>	<i>30 June</i>
	<b>2025</b>	<i>31 December</i>	<i>30 June</i>
	<b>KD</b>	<i>2024</i>	<i>2024</i>
		<b>KD</b>	<b>KD</b>
Cash on hand	<b>23,330</b>	10,559	16,030
Bank balances	<b>10,272,507</b>	7,824,457	5,416,679
	<b>10,295,837</b>	7,835,016	5,432,709
Less: due to banks and financial institutions	<b>(11,920,751)</b>	(9,462,382)	(14,235,600)
Cash and cash equivalent	<b>(1,624,914)</b>	(1,627,366)	(8,802,891)

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 30 June 2025

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

	<i>30 June</i> <i>2025</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2024</i> <i>KD</i>	<i>30 June</i> <i>2024</i> <i>KD</i>
Managed quoted portfolio	<b>462,724</b>	403,488	326,550
Managed unquoted portfolio	<b>272,764</b>	272,764	272,764
Unquoted equity securities	<b>5,662,709</b>	5,664,343	6,323,092
	<b><u>6,398,197</u></b>	<u>6,340,595</u>	<u>6,922,406</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>30 June</i> <i>2025</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2024</i> <i>KD</i>	<i>30 June</i> <i>2024</i> <i>KD</i>
As at 1 January	<b>397,342,925</b>	360,996,365	360,996,365
Additions	<b>11,900,643</b>	94,094,305	78,565,183
Transfer out to property and equipment	-	(39,054,869)	-
Disposal*	-	(12,602,000)	-
Depreciation	<b>(2,833,230)</b>	(6,319,030)	(3,450,228)
Reversal of impairment	-	123,954	-
Foreign currency translation adjustment	<b>2,814,799</b>	104,200	(232,540)
	<b><u>409,225,137</u></b>	<u>397,342,925</u>	<u>435,878,780</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). During the period, 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>30 June</i> <i>2025</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2024</i> <i>KD</i>	<i>30 June</i> <i>2024</i> <i>KD</i>
As at 1 January	<b>96,641,759</b>	49,126,804	49,126,804
Additions	<b>4,409,951</b>	10,340,551	5,393,879
Transfer from investment properties	-	39,054,869	-
Depreciation	<b>(1,398,594)</b>	(1,880,465)	(512,515)
	<b><u>99,653,116</u></b>	<u>96,641,759</u>	<u>54,008,168</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 30 June 2025

#### 8 COMMERCIAL AND ISLAMIC FINANCING

	<b>30 June 2025 KD</b>	<i>(Audited)</i> <b>31 December 2024 KD</b>	<b>30 June 2024 KD</b>
At 1 January	<b>288,682,890</b>	223,704,684	223,704,684
Loans received	<b>29,303,692</b>	111,393,007	131,360,178
Loans paid	<b>(9,200,775)</b>	(46,363,721)	(60,293,898)
Foreign currency translation adjustment	<b>255,597</b>	(51,080)	(45,720)
	<b>309,041,404</b>	288,682,890	294,725,244
	<b>30 June 2025 KD</b>	<i>(Audited)</i> <b>31 December 2024 KD</b>	<b>30 June 2024 KD</b>
Commercial financing	<b>7,638,621</b>	10,002,800	21,358,160
Islamic financing	<b>301,402,783</b>	278,680,090	273,367,084
	<b>309,041,404</b>	288,682,890	294,725,244

Commercial financing denominated in Kuwaiti Dinar carries an interest rate of 0.75% per annum (31 December 2024: 0.75% per annum and 30 June 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 30 June 2024: 2.6% + SONIA rate).

Commercial financing amounting to KD 3,238,621 (31 December 2024: KD 3,102,800 and 30 June 2024: KD 3,108,160) has been obtained by foreign subsidiaries.

The average profit rate attributable to Islamic financing is 0.75% per annum (31 December 2024: 0.84% per annum and 30 June 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, amounting to KD 8,604,603 for the year ended 31 December 2024 (2023: KD 8,204,879) paid on 14 May 2025, 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 been notarised in the Parent Company's commercial register dated in 27 April 2025.

As at 30 June 2025, the authorised, issued and paid-up capital comprises of 623,218,513 shares (31 December 2024: 593,541,441 shares and 30 June 2024: 593,541,441 shares) at 100 fils (31 December 2024: 100 fils and 30 June 2024: 100 fils) per share.

# 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 30 June 2025

### 10 TREASURY SHARES

At 30 June 2025, the Parent Company held 21,170,761 of its own shares (31 December 2024: 19,901,274 shares and 30 June 2024: 18,905,610 shares), equivalent to 3.40% (31 December 2024: 3.35% and 30 June 2024: 3.19%) of the total issued share capital at that date. The market value of these shares at the financial position date was KD 8,637,670 (31 December 2024: KD 7,940,608 and 30 June 2024: KD 7,845,828). Reserves of the Parent Company equivalent to the cost of the treasury shares have been earmarked as non-distributable.

### 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>30 June 2025</b>			
<i>Assets measured at fair value</i>			
<i>Financial assets at FVOCI:</i>			
Managed quoted portfolios	462,724	-	462,724
Managed unquoted portfolio	-	272,764	272,764
Unquoted equity securities	-	5,662,709	5,662,709
	<u>462,724</u>	<u>5,935,473</u>	<u>6,398,197</u>
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
	<u>403,488</u>	<u>5,937,107</u>	<u>6,340,595</u>
30 June 2024			
<i>Assets measured at fair value</i>			
<i>Financial assets at FVOCI:</i>			
Managed quoted portfolios	326,550	-	326,550
Managed unquoted portfolio	-	272,764	272,764
Unquoted equity securities	-	6,323,092	6,323,092
	<u>326,550</u>	<u>6,595,856</u>	<u>6,922,406</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 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 30 June 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 30 June 2024 KD</i>
<i>Financial assets at FVOCI:</i>				
- Managed unquoted portfolio and unquoted equity securities		6,587,860	7,996	6,595,856

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 30 June 2025

#### 12 SEGMENTAL INFORMATION (continued)

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

	<i>Six months ended 30 June 2025</i>			<i>Six months ended 30 June 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	19,518,545	3,579,637	23,098,182	19,383,810	2,884,287	22,268,097
Segment operating costs	(4,402,177)	(1,554,922)	(5,957,099)	(3,713,486)	(1,317,124)	(5,030,610)
Segment gross profit	15,116,368	2,024,715	17,141,083	15,670,324	1,567,163	17,237,487
Share in joint venture's results, net of tax	-	-	-	1,549,157	-	1,549,157
Depreciation and amortization	(3,823,691)	(408,133)	(4,231,824)	(3,401,585)	(561,158)	(3,962,743)
Other operating expenses	(2,088,887)	(817,627)	(2,906,514)	(1,846,232)	(740,509)	(2,586,741)
Finance costs	(7,292,222)	(35,631)	(7,327,853)	(7,044,787)	(26,501)	(7,071,288)
Segment results	1,911,568	763,324	2,674,892	4,926,877	238,995	5,165,872
Investment income			82,204			80,634
Other non-operating (expense) income, (net)			(8,658)			87,329
KFAS, NLST and Zakat			(122,021)			(238,270)
<b>Profit for the period</b>			<b>2,626,417</b>			<b>5,095,565</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:

	<u>30 June 2025</u>			<u>31 December 2024 (Audited)</u>			<u>30 June 2024</u>		
	<i>Real estate operations</i> <i>KD</i>	<i>Hotel operations</i> <i>KD</i>	<i>Total</i> <i>KD</i>	<i>Real estate operations</i> <i>KD</i>	<i>Hotel operations</i> <i>KD</i>	<i>Total</i> <i>KD</i>	<i>Real estate operations</i> <i>KD</i>	<i>Hotel operations</i> <i>KD</i>	<i>Total</i> <i>KD</i>
Total assets	<u>532,332,587</u>	<u>2,678,303</u>	<u>535,010,890</u>	514,252,308	3,528,608	517,780,916	520,232,360	2,937,339	523,169,699
Segment liabilities	<u>351,716,466</u>	<u>3,213,053</u>	<u>354,929,519</u>	331,852,475	3,251,757	335,104,232	343,362,310	3,277,591	346,639,901
Capital expenditure	<u>12,103,959</u>	<u>4,206,635</u>	<u>16,310,594</u>	94,545,928	9,888,928	104,434,856	79,270,196	4,688,866	83,959,062

## 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 30 June 2025

#### 13 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

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

	<i>30 June</i> <i>2025</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2024</i> <i>KD</i>	<i>30 June</i> <i>2024</i> <i>KD</i>
Letters of guarantee	<b>2,089,122</b>	1,858,086	1,433,433
Construction projects	<b>22,825,219</b>	34,908,110	49,973,873
	<b><u>24,914,341</u></b>	<u>36,766,196</u>	<u>51,407,306</u>

#### 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</i> <i>30 June</i>		<i>Six months ended</i> <i>30 June</i>	
	<i>2025</i> <i>KD</i>	<i>2024</i> <i>KD</i>	<i>2025</i> <i>KD</i>	<i>2024</i> <i>KD</i>
Short-term benefits	<b>197,068</b>	178,975	<b>394,136</b>	357,950
Employees' end of service benefits	<b>168,591</b>	66,804	<b>206,820</b>	149,535
	<b><u>365,659</u></b>	<u>245,779</u>	<b><u>600,956</u></b>	<u>507,485</u>

#### About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over.

We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit [ey.com](http://ey.com).

The MENA practice of EY has been operating in the region since 1923. For more than 90 years, we have grown to more than 6,000 people united across 20 offices and 15 countries, sharing the same values and an unwavering commitment to quality. As an organization, we continue to develop outstanding leaders who deliver exceptional services to our clients and who contribute to our communities. We are proud of our accomplishments over the years, reaffirming our position as the largest and most established professional services organization in the region.

© 2017 EYGM Limited.

All Rights Reserved.

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to your advisors for specific advice.

[ey.com/mena](http://ey.com/mena)