

Interim condensed consolidated financial information and review report

Sanam Real Estate Company – KPSC and Subsidiaries

Kuwait

31 March 2025 (Unaudited)

Contents

	Page
Report on review of interim condensed consolidated financial information	1-2
Interim condensed consolidated statement of profit or loss and other comprehensive income	3
Interim condensed consolidated statement of financial position	4
Interim condensed consolidated statement of changes in equity	5
Interim condensed consolidated statement of cash flows	6
Notes to the interim condensed consolidated financial information	7 to 19



Report on review of interim condensed consolidated financial information

To the board of directors of
Sanam Real Estate Company – KPSC
Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Sanam Real Estate Company – KPSC (the “Parent Company”) and Subsidiaries (collectively the “Group”) as at 31 March 2025 and the related interim condensed consolidated statements of profit or loss and other comprehensive income and interim condensed consolidated statements of changes in equity and cash flows for the three-month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, “Interim Financial Reporting”. 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 International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, “Interim Financial Reporting”.

Emphasis of matter

We draw attention to Note 7 to the interim condensed consolidated financial information which describes that the valuation carried out for a right of use land included under investment properties is based on the fact that the Group will renew the right of use land lease contract for a further 30 years upon expiry of the lease contract in 2039. Though the management intends to develop the property and renew the lease upon expiry, the renewal itself depends upon the approval of such renewal request by the relevant authorities. The ultimate outcome of the said renewal cannot be determined presently and consequently no adjustments have been done to the carrying value of the right of use of land. Our conclusion is not modified in respect to this matter.

Report on other legal and regulatory requirements

Based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. We further report that, to the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016 and its executive regulations, or of the Parent Company’s Memorandum of Incorporation and Articles of Association, as amended, have occurred during the three-month period ended 31 March 2025 that might have had a material effect on the business or financial position of the Parent Company.



Report on Review of Interim Condensed Consolidated Financial Information of Sanam Real Estate Company– KPSC (continued)

Report on other legal and regulatory requirements (continued)

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 the Capital Markets Authority and its related regulations during the three-month period ended 31 March 2025 that might had a material effect on the business or financial position of the Parent Company.

A handwritten signature in blue ink, appearing to read 'Abdullatif M. Al-Aiban', with a stylized flourish at the end.

Abdullatif M. Al-Aiban (CPA)

(Licence No. 94-A)

of Grant Thornton – Al-Qatami, Al-Aiban & Partners

Kuwait

5 May 2025

Interim condensed consolidated statement of profit or loss and other comprehensive income

	Note	Three months ended 31 March 2025 (Unaudited) KD	Three months ended 31 March 2024 (Unaudited) KD
Income			
Sales		278,346	-
Cost of sales		(202,814)	-
Gross profit		75,532	-
Net loss from financial assets at FVTPL		(1,633)	(5,167)
Share of results of associates	8	83,638	88,615
Management fees		68,555	68,133
Interest and other income		47,697	23,694
		273,789	175,275
Expenses and other charges			
Staff costs		(109,212)	(51,318)
General, administrative and other expenses		(48,922)	(23,081)
Depreciation expenses		(11,390)	(3,290)
		(169,524)	(77,689)
Profit for the period before provision for contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), provision for Zakat and National Labour Support Tax (NLST)		104,265	97,586
Provision for contribution to KFAS		(938)	(878)
Provision for Zakat		(235)	(134)
Provision for NLST		(2,679)	(2,549)
Profit for the period		100,413	94,025
Other comprehensive income for the period		-	-
Total comprehensive income for the period		100,413	94,025
Basic and diluted earnings per share attributable to shareholders of the Parent Company (fils)	6	0.91	0.85

The notes set out on pages 7 to 19 form an integral part of these interim condensed consolidated financial information.

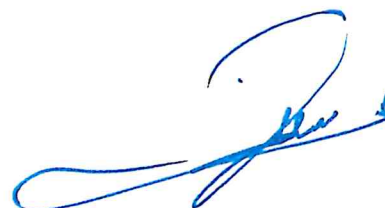
Sanam Real Estate Company – KPSC and Subsidiaries
Interim Condensed Consolidated Financial Information
31 March 2025 (Unaudited)

Interim condensed consolidated statement of financial position

	Note	31 March 2025 (Unaudited) KD	31 Dec 2024 (Audited) KD	31 March 2024 (Unaudited) KD
Assets				
Non-current assets				
Property, plant and equipment		1,751,910	1,681,104	67,100
Investment properties	7	2,348,695	2,348,695	2,087,875
Financial assets at fair value through other comprehensive income		107,115	107,115	66,250
Investment in associates	8	5,969,605	5,531,967	5,026,155
Fixed deposit		50,000	50,000	-
		10,227,325	9,718,881	7,247,380
Current assets				
Inventory		45,500	49,277	-
Financial assets at fair value through profit or loss		317,539	319,172	271,114
Accounts receivable and other assets	9	517,685	813,576	180,192
Cash and cash equivalents	10	1,208,357	1,306,992	3,271,514
		2,089,081	2,489,017	3,722,820
Total assets		12,316,406	12,207,898	10,970,200
Equity and liabilities				
Equity				
Share capital	11	10,500,000	10,500,000	10,000,000
Legal reserve		183,893	183,893	75,373
Voluntary reserve		183,893	183,893	75,373
Foreign currency translation reserve		8,036	8,036	(1,645)
Treasury shares profit reserve		12,863	12,863	-
Cumulative changes in fair value		(25,385)	(25,385)	-
Retained earnings		1,031,490	931,077	714,644
Total equity		11,894,790	11,794,377	10,863,745
Liabilities				
Non-current liabilities				
Provision for end of service indemnity		160,611	156,666	66,261
Current liabilities				
Accounts payable and other liabilities		261,005	256,855	40,194
		261,005	256,855	40,194
Total liabilities		421,616	413,521	106,455
Total equity and liabilities		12,316,406	12,207,898	10,970,200



Waleed Hamad Al-Sumait
Chairman



Dr. Sulaiman Tareq Al-Abduljader
Vice chairman & CEO

The notes set out on pages 7 to 19 form an integral part of these interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity

	Share capital KD	Legal reserve KD	Voluntary reserve KD	Foreign currency translation reserve KD	Treasury shares profit reserve KD	Cumulative changes in fair value KD	Retained earnings KD	Total KD
Balance at 1 January 2025 (Audited)	10,500,000	183,893	183,893	8,036	12,863	(25,385)	931,077	11,794,377
Total comprehensive income for the period	-	-	-	-	-	-	100,413	100,413
Balance at 31 March 2025 (Unaudited)	10,500,000	183,893	183,893	8,036	12,863	(25,385)	1,031,490	11,894,790
Balance at 1 January 2024 (Audited)	10,000,000	75,373	75,373	(1,645)	-	-	620,619	10,769,720
Total comprehensive income for the period	-	-	-	-	-	-	94,025	94,025
Balance at 31 March 2024 (Unaudited)	10,000,000	75,373	75,373	(1,645)	-	-	714,644	10,863,745

The notes set out on pages 7 to 19 form an integral part of these interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Note	Three months ended 31 March 2025 (Unaudited) KD	Three months ended 31 March 2024 (Unaudited) KD
OPERATING ACTIVITIES			
Profit for the year before provision for contribution to KFAS, provision for Zakat and NLST		104,265	97,586
Adjustments:			
Share of results of associates		(83,638)	(88,615)
Depreciation expenses		11,390	3,290
Interest income		(33,010)	(23,694)
Provision for end of service indemnity		3,945	4,381
		2,952	(7,052)
Changes in operating assets and liabilities:			
Inventory		3,777	-
Accounts receivable and other assets		(27,424)	(37,395)
Financial assets at fair value through profit or loss		1,633	5,167
Accounts payable and other liabilities		10,065	(74,994)
Cash flows used in operation		(8,997)	(114,274)
KFAS paid		(9,767)	(6,784)
Net cash used in operating activities		(18,764)	(121,058)
INVESTING ACTIVITIES			
Additions to property, plant and equipment		(93,196)	-
Proceeds from disposal of property, plant and equipment		11,000	-
Interest income received		2,325	23,694
Net cash (used in) / from investing activities		(79,871)	23,694
Net decrease in cash and cash equivalents		(98,635)	(97,364)
Cash and cash equivalents at the beginning of the period		306,992	3,368,878
Cash and cash equivalents at the end of the period	10	208,357	3,271,514

The notes set out on pages 7 to 19 form an integral part of these interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information

1 Incorporation and activities of the Parent Company

Sanam Real Estate Company – KPSC (“the Parent Company”) was incorporated in 23 February 1982 as a Kuwaiti public shareholding company in accordance with the provisions of the Companies Law in the State of Kuwait.

The Parent Company’s shares was listed on Boursa Kuwait on 28 December 2004.

The Group comprises the Parent Company and Subsidiaries (collectively referred to as “the Group”). The details of the Subsidiaries are described in (Note 5).

The principle activities of the Parent Company are as follows:

- Buying and selling land and real estate properties in favor of the parent company - managing, leasing and renting of real estate properties
- Buying and selling shares, bonds and securities of real estate companies in favor of the company inside the Kuwait and abroad. The company may acquire these entities or join with them.
- Utilizing the financial surpluses of the parent company by investing them in financial portfolios managed by specialized companies and entities.
- Preparing studies and providing consultations in of all kind's real estate fields. Organizing real estate exhibitions for real estate projects in accordance with the applicable regulations of the ministry.
- Direct participation in the infrastructural development of residential, commercial and industrial areas and projects under the "Build, Operation and Transfer (BOT) system and the management of real estate facilities under the BOT system.

On 10 March 2025, the board of directors of the Parent Company proposed the following amendments which is subject to approval at the forthcoming Extraordinary general assembly which is to be held on 8 May 2025:

- Changing the company’s activity from a real estate company to a holding company.
- Amend the Articles of Association and the Memorandum of Association to enable the company to conduct its business in Compliance with Sharia principles.

The address of the Parent Company’s registered office is Kuwait City - Salhiya Mall – Floor 5 - Kuwait.

This interim condensed consolidated financial information for the three-month period ended 31 March 2025 was authorised for issue by the Parent Company’s board of directors on 5 May 2025.

The annual consolidated financial statements for the year ended 31 December 2024 were approved by the shareholders at the Annual General Assembly Meeting held on 20 April 2025.

2 Basis of preparation and presentation

The interim condensed consolidated financial information of the Group for the three-month period ended 31 March 2025 has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

The annual consolidated financial statements for the year ended 31 December 2024 were prepared in accordance with the IFRS Accounting Standards (“IFRS Accounting Standards”) as issued by the International Accounting Standards Board (“IASB”).

This interim condensed consolidated financial information is presented in Kuwaiti Dinars (“KD”) which is the functional and presentation currency of the Parent Company.

Notes to the interim condensed consolidated financial information (continued)

2 Basis of preparation and presentation (continued)

The interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements prepared in accordance with the IFRS Accounting Standards. In the opinion of the Parent Company's management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the three-month period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025. For further details, refer to the consolidated financial statements and its related disclosures for the year ended 31 December 2024.

3 Changes in accounting policies

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the amendments to the IFRS Accounting Standards effective as of 1 January 2025 as described in Note 3.1. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

3.1 New and amended IFRS Accounting Standards adopted by the Group

The following amendments to IAS 21 were effective for the current period:

IAS 21 Amendments – Lack of exchangeability

The amendments to IAS 21 addresses determination of exchange rate when there is long term lack of exchangeability. The amendments:

- Specify when a currency is exchangeable into another currency and when it is not — a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.
- Specify how an entity determines the exchange rate to apply when a currency is not exchangeable — when a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing.
- Require the disclosure of additional information when a currency is not exchangeable — when a currency is not exchangeable an entity discloses information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

The adoption of the amendments did not have a significant impact on the Group's interim condensed consolidated financial information.

4 Judgement and estimates

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Notes to the interim condensed consolidated financial information (continued)

4 Judgement and estimates (continued)

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2024.

5 Investment in subsidiaries

The details of the direct and indirect subsidiaries are as follows:

Name of Subsidiaries	Country of incorporation	Percentage of ownership			Activity
		31 March 2025	31 Dec. 2024	31 March 2024	
Sanam Limited FZC (5.1)	UAE	100%	100%	100%	Real estate and investment
Sanam Innovation Holding - WLL (Holding)	Kuwait	99.6%	99.6%	99.6%	Real estate and investment
Sanam Capital Holding Company - WLL (Holding)	Kuwait	99%	99%	99%	Real estate and investment
Medcap Medical Company– KSC (Closed) (Subsidiary of Sanam Capital Holding Company - WLL)	Kuwait	99.8%	99.8%	-	Health care
European Concrete Ready-Mix Company - WLL (Subsidiary of Sanam Innovation Holding Company - WLL)	Kuwait	99%	99%	-	Ready mixed concrete production

The subsidiaries are consolidated based on the management accounts for the period ended 31 March 2025.

5.1 Sanam Limited - Free Zone Company was incorporated during the year 2023 by the Parent Company with a share capital of AED 100,000. During the year 2023, the concession agreement referred to in note (7) to the interim condensed consolidated financial information was transferred to the subsidiary from another local subsidiary of the Group.

During December 2023, the Group's management approved to increase the capital of the subsidiary - Sanam Limited -FZC to reach AED 50 million through increase in cash and in Kind, and decided that a new investor (a related party) will invest in cash an amount of AED 25Mn to own a stake of 50% of the subsidiary's capital. Consequently, the Group on 28 December 2023 signed an agreement with the related party to this effect, and the increase in capital along with execution of other requirements stated in the agreement was expected to occur during the year 2024. On 29 December 2024, the group extended the agreement for another one year. The impact of this transaction will be reflected during the year 2025 when the conditions in the agreement are met by both parties.

Notes to the interim condensed consolidated financial information (continued)

6 Basic and diluted earnings per share attributable to the shareholders of the Parent Company

Basic and diluted earnings per share is calculated by dividing the profit for the period attributable to shareholders of the Parent Company by weighted average number of shares outstanding during the period as follows:

	Three months ended 31 March 2025 (Unaudited)	Three months ended 31 March 2024 (Unaudited)
Profit for the period attributable to shareholders of the Parent Company (KD)	100,413	94,025
Weighted average number of shares outstanding during the period (excluding treasury shares) (share)	110,250,000	110,250,000
Basic and diluted earnings per share attributable to shareholders of the Parent Company (Fils)	0.91	0.85

The basic and diluted earnings per calculations for the period ended 31 March 2025 and 31 March 2024 have been adjusted to take account of the bonus shares proposed to be issued in 2025 (note 13)

The basic and diluted earnings per share reported during the previous period for the three months ended 31 March 2024 was 0.90 Fils before proposed bonus share issuance (note 13).

7 Investment properties

	31 March 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	31 March 2024 (Unaudited) KD
Leased properties			
Balance at beginning of the period/year	2,348,695	2,087,875	2,087,875
Change in fair value during the period/year	-	251,646	-
Foreign currency translation reserve during the period/year	-	9,174	-
Balance at the end of the period/year	2,348,695	2,348,695	2,087,875

Leased properties represent right to use a land in United Arab Emirates (UAE), where the Group has signed a concession agreement to lease part of a land in Al Jaddaf, Dubai (on a Build-Operate-Transfer (BOT) basis), owned by the Dubai Municipality – Department of Dubai Train. The lease period is 30 years commencing on 9 September 2009.

The land was evaluated by an authorized independent valuer in the United Arab Emirates and the value amounted to AED28,000,000 (equivalent to KD2,348,695) as at 31 December 2024, and this value was determined by the valuer on the assumption that the BOT period will be renewed for an equal term of 30 years on its expiry (which is after 15 years on 8 September 2039). In order to arrive at the market value of the property, the valuer has considered the comparable method of valuation, which involves making adjustments to the sale price of comparable properties to account for differences in location, plot area and shape, potential built-up area allowance, height allowance, date of sale, potential views and other individual characteristics.

Notes to the interim condensed consolidated financial information (continued)

7 Investment properties (continued)

Though transactional evidence provides the most accurate (when examined and extrapolated) means of assessing value, the Valuer has stated that there is a definitive lack of transparency within the current Dubai property market, and as such there is limited publicly reported comparable transactional evidence of land or building sales. The current lack of such evidence within Dubai means that the valuer assessed on a notional value basis, subject to professional opinion, with the potential inherent flaws that this may produce in the reported value. The valuer has valued in accordance with typical Concession Agreement terms, on the basis that the existing concession agreement can be transferred to any intending third party and that any Lessee may sub-lease the subject property together with any improvements erected thereon. In order to arrive at a value the valuer has analysed evidence of Leasehold land transactions in the United Arab Emirates and have analysed this evidence in comparison to that of similar Freehold Land in the UAE to derive a benchmark discount rate for Leasehold Land and this benchmark discount rate has been applied to the aforementioned comparable evidence to derive the subject property's Fair Value. In conclusion, taking into account the inherent characteristics and tenure of the subject property the valuer has used AED 300-400 per sq. ft (equivalent to KD 25 – 34 per sq. ft) to value the concession right land area.

The Group has decided to develop the land according to the concession agreement and intends to renew the right of use land agreement on its expiry for another 30 years, as such renewal is in line with industry practice. Accordingly, in order to facilitate development of the property and to bring in a new investor to finance the development, the Group transferred the property from a local subsidiary to a 100% owned foreign subsidiary located in the United Arab Emirates (UAE). Consequently, the concession agreement has been transferred in the name of a 100% owned UAE subsidiary, and during December 2023 the Group has signed an agreement with a related party to jointly develop the property where the related party will participate in the increase in capital (in cash) of the subsidiary for a stake in the subsidiary (refer Note 5.1).

8 Investment in associates

Details of the associates are set out below:

Name of associate	Country of incorporation	Ownership percentage			Principle activities
		31 March 2025	31 Dec. 2024	31 March 2024	
Eradat International Real Estate Company – KSC (Closed)	Kuwait	37.53%	37.53%	37.53%	Real estate
Technical Integrated Aquaculture Company – WLL	Kuwait	20%	20%	-	Aquaculture
Spirit Health Care for Importing Medicines & Medical Supplies -WLL (8.2)	Kuwait	20%	-	-	Health Care

All the above associates are unquoted.

8.1 Investment in associate with a carrying value of KD5,311,436 (31 December 2024: KD5,227,863 and 31 March 2024: KD Nil) is pledged against unutilised short-term borrowings (refer to note 16).

8.2 During the 1st quarter of 2025, one of the subsidiaries of the Group has acquired 20% equity interest in Spirit Health Care for Importing Medicines & Medical Supplies -WLL ("Investee"), an unquoted local company for a total consideration of KD 354,000 and it has been equity accounted as of 31 March 2025.

Notes to the interim condensed consolidated financial information (continued)

8 Investment in associates (continued)

8.3 Movement of investment in associate during the period /year is as follows:

	31 March 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	31 March 2024 (Unaudited) KD
Balance at beginning of the period/year	5,531,967	4,937,540	4,937,540
Additions	354,000	300,000	-
Share of results	83,638	294,427	88,615
Balance at the end of the period /year	5,969,605	5,531,967	5,026,155

The Group accounted for its share of results in the above associates using 31 March 2025 unaudited financial statements.

9 Accounts receivable and other assets

	31 March 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	31 March 2024 (Unaudited) KD
Financial assets:			
Trade receivables	247,351	279,601	-
Other receivables	42,250	9,315	-
Staff receivables	62,923	55,564	140
Refundable deposits	23,675	23,675	11,175
Due from associate company (Note 17)	74,982	70,038	124,170
	451,181	438,193	135,485
Non-financial assets			
Advance payment to purchase properties	813,310	813,310	813,310
Advance payment to acquire an investment in an associate (a)	-	354,000	-
Advance payment to suppliers	29,652	14,158	18,874
Prepaid expenses	36,852	7,225	25,833
	879,814	1,188,693	858,017
Less: Provision for impairment of advance payments	(813,310)	(813,310)	(813,310)
	66,504	375,383	44,707
	517,685	813,576	180,192

a) During the 4th quarter of 2024, one of the subsidiaries of the Group has invested an amount of KD354,000 to acquire 20% equity stake in a local limited liability company. During the 1st quarter of 2025, the formalities to finalise the purchase transactions were completed and the investment has been classified as investment in associate (note 8).

Notes to the interim condensed consolidated financial information (continued)

10 Cash and cash equivalents

	31 March 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	31 March 2024 (Unaudited) KD
Cash and bank balances	141,748	240,488	2,204,707
Cash in portfolios (a)	66,609	66,504	66,807
Short term bank deposits (b)	1,000,000	1,000,000	1,000,000
Cash and cash equivalents for the purpose of the consolidated statement of financial position	1,208,357	1,306,992	3,271,514
Less: pledged deposit	(1,000,000)	(1,000,000)	-
Cash and cash equivalents for the purpose of the consolidated statement of cash flows	208,357	306,992	3,271,514

- a) Cash in portfolios are placed with and managed by a related party (Notes 12).
- b) Short term deposits are placed with local banks and mature within one year and carry effective interest rate of 4% (31 December 2024: 4% and 31 March 2024: 4.63%) per annum and the deposit is pledged against the unutilised short-term borrowing (refer to note 16).

11 Share capital

	Authorised	Issued	Paid up
31 March 2025			
Shares of 100 Fils each	105,000,000	105,000,000	105,000,000
31 December 2024			
Shares of 100 Fils each	105,000,000	105,000,000	105,000,000
31 March 2024			
Shares of 100 Fils each	100,000,000	100,000,000	100,000,000

Capital Increase

On 10 March 2025 & 17 March 2025, the board of directors of the Parent Company proposed a 100% capital increase (cash) at par (100 fils per share) without premium, after the proposed bonus shares issue (refer to note 13). Accordingly, after the bonus share issuance, the authorized, issued, and paid-up capital is to be increased to 220,500,000 shares (KD 22,050,000) by way of issuing new shares of 110,250,000 (KD11,025,000), with all shares being in cash.

The above proposal to increase the share capital by issue of shares for cash was approved by the capital markets authority on 15 April 2025 and was subsequently approved by the shareholders at their annual general assembly held on 20 April 2025 and the amendment to increase the share capital in the articles of association is to be approved at the forthcoming shareholders extraordinary generally assembly which is to be held on 8 May 2025.

Notes to the interim condensed consolidated financial information (continued)

12 Related party transactions

Related parties represent directors and key management personnel of the Group, major shareholders and companies in which directors and key management personnel of the Parent Company are principal owners or over which they are able to exercise significant influence or joint control. Pricing policies and terms of these transactions are approved by the Parent Company's management.

The significant transactions and balances with related parties included in the interim condensed consolidated financial information are as follows:

	31 March 2025 (Unaudited) KD	31 Dec. 2024 (Audited) KD	31 March 2024 (Unaudited) KD
Amounts included in the interim condensed consolidated statement of financial position			
Financial assets at fair value through profit or loss (managed by related party)	308,555	308,555	240,256
Cash and cash equivalents	66,609	66,504	66,807
Due from associate company	74,982	70,038	124,170
		Three months ended 31 March 2025 (Unaudited) KD	Three months ended 31 March 2024 (Unaudited) KD
Transactions included in the interim condensed consolidated statement of profit or loss and other comprehensive income			
Portfolio management fees – included within general, administrative and other expenses		105	127
Management fees - from associate *		68,555	68,133
Other income – from associate		3,000	3,000
Compensation of key management personnel:			
Salaries and short-term benefits		16,500	16,500
Remuneration for members of the committees		-	4,050
End of service benefits		1,626	1,626

*The Group has signed a management agreement with one of the associate company's to manage all its activities.

As explained in note 5.1 to the interim condensed consolidated financial information, during December 2023, the group had entered into an agreement with a related party, where the related party will invest in a real estate development project with the Group for a 50% stake in a subsidiary and the agreement has been extended for another one year.

The Group's investments at fair value through profit or loss with a carrying value of KD 308,555 (31 December 2024: KD 308,555 and 31 March 2024: KD 240,256) and cash and cash equivalents include an amount of KD 66,609 (31 December 2024: KD 66,504 and 31 March 2024: KD 66,807) (refer note 10) which are managed/held by a related party.

Notes to the interim condensed consolidated financial information (continued)

13 Dividend distribution and Annual General Assembly

At the Annual General Assembly of the Parent company held on 20 April 2025, the shareholders approved the consolidated financial statements for the year ended 31 December 2024 and the board of directors' proposal to issue 5% bonus shares, not to distribute any cash dividends and to pay a remuneration of KD12,500 to the board of directors for the year ended 31 December 2024. The bonus shares will increase the number of issued and fully paid up shares by 5,250,000 (2024: shares by 5,000,000) and increase the share capital by KD 525,000 (2024: KD 500,000). The bonus shares will be distributed on 22 May 2025. The amendment to the articles of association for the increase in the share capital due to the bonus share issue will be approved at the forthcoming Extraordinary General Assembly which is to be held on 8 May 2025.

At the Annual General Assembly of the Parent company held on 28 March 2024, the shareholders approved the consolidated financial statements for the year ended 31 December 2023 and the board of directors' proposal to issue 5% bonus shares, not to distribute any cash dividends and not to pay any remuneration to the board of directors for the year ended 31 December 2023. However, due to the absence of a quorum, The Extraordinary General Assembly meeting, to approve the increase in the authorised, issued and paid-up share capital by issuing bonus shares, was postponed to 4 April 2024.

The Extraordinary General Assembly was held on 4 April 2024 and the shareholders approved to increase the Parent Company's authorized, issued and paid-up capital from KD 10,000,000 to KD 10,500,000, by issuing bonus shares of KD500,000 distributed into 5,000,000 shares with a nominal value of 100 fils per share.

Notes to the interim condensed consolidated financial information (continued)

14 Segmental analysis

The Group operates its activities in real estate, investment and ready mixed concrete production segments. The following is the segments information, which conforms with the internal reporting presented to management:

	Investments		Real estate		Ready mixed concrete production		Unallocated		Total	
	31 March 2025 (Unaudited) KD	31 March 2024 (Unaudited) KD	31 March 2025 (Unaudited) KD	31 March 2024 (Unaudited) KD	31 March 2025 (Unaudited) KD	31 March 2024 (Unaudited) KD	31 March 2025 (Unaudited) KD	31 March 2024 (Unaudited) KD	31 March 2025 (Unaudited) KD	31 March 2024 (Unaudited) KD
Three -month ended:										
Segment revenue	115,015	107,142	-	-	278,346	-	83,242	68,133	476,603	175,275
(Deduct)/Add:										
Net loss from financial assets at FVTPL									1,633	5,167
Share of results of associates									(83,638)	(88,615)
Management fees									(68,555)	(68,133)
Interest and other income									(47,697)	(23,694)
Revenue from sales and customer contracts as per interim condensed consolidated statement of profit or loss and other comprehensive income									278,346	-
Segment results	114,910	107,015	-	-	67,432	-	83,242	68,133	265,584	175,148
Unallocated expenses									(165,171)	(81,123)
Profit for the period as per interim condensed consolidated statement of profit or loss and other comprehensive income									100,413	94,025
Depreciation	-	-	-	-	8,100	-	3,290	3,290	11,390	3,290
Total assets	7,569,107	8,635,033	2,348,695	2,087,875	1,959,021	-	439,583	247,292	12,316,406	10,970,200
Total liabilities	-	-	-	-	291,537	-	130,079	106,455	421,616	106,455
Net assets	7,569,107	8,635,033	2,348,695	2,087,875	1,667,484	-	309,504	140,837	11,894,790	10,863,745

Notes to the interim condensed consolidated financial information (continued)

15 Fair value measurement

15.1 Fair value hierarchy

Fair value represents the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date.

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

15.2 Fair value measurement of financial instruments

The carrying amounts of the Group's financial assets and liabilities as stated in the interim condensed consolidated statement of financial position may be categorized as follows:

	31 March 2025 (Unaudited) KD	31 Dec 2024 (Audited) KD	31 March 2024 (Unaudited) KD
Financial assets:			
Amortised cost:			
Cash and cash equivalents	1,208,357	1,306,992	3,271,514
Fixed deposit	50,000	50,000	-
Accounts receivable and other assets (note 9)	451,181	438,193	135,485
At fair value:			
Financial assets at fair value through profit or loss	317,539	319,172	271,114
Financial assets at fair value through other comprehensive income	107,115	107,115	66,250
	2,134,192	2,221,472	3,744,363
Financial liabilities:			
At amortised cost:			
Accounts payable and other liabilities	261,005	256,855	40,194
	261,005	256,855	40,194

Management considers that the carrying amounts of financial assets and liabilities, which are stated at amortized cost, approximate their fair values.

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

Notes to the interim condensed consolidated financial information (continued)

15 Fair value measurement (continued)

15.2 Fair value measurement of financial instruments (continued)

The financial assets and liabilities measured at fair value on a recurring basis in the interim condensed consolidated statement of financial position are grouped into the fair value hierarchy as follows:

	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
31 March 2025 (Unaudited)				
At FVTPL:				
Foreign quoted securities	8,984	-	-	8,984
Managed portfolios	-	-	308,555	308,555
At FVTOCI:				
- Unquoted securities	-	-	107,115	107,115
	8,984	-	415,670	424,654
31 December 2024 (Audited)				
At FVTPL:				
Foreign quoted securities	10,617	-	-	10,617
Managed portfolios	-	-	308,555	308,555
At FVTOCI:				
- Unquoted securities	-	-	107,115	107,115
	10,617	-	415,670	426,287
31 March 2024 (Unaudited)				
At FVTPL:				
Managed portfolios	-	-	240,256	240,256
Foreign quoted securities	16,325	-	-	16,325
Local unquoted securities	-	-	14,533	14,533
At FVTOCI:				
- Unquoted securities	-	-	66,250	66,250
	16,325	-	321,039	337,364

There have been no significant transfers between levels 1 and 2 during the reporting period.

Measurement at fair value

Valuation methods and techniques used for the purpose of measuring fair value have not been changed compared to the previous reporting period.

Notes to the interim condensed consolidated financial information (continued)

15 Fair value measurement (continued)

15.2 Fair value measurement of financial instruments (continued)

Level 3 fair value measurements

The Group's financial assets and liabilities classified in Level 3 uses valuation techniques based on significant inputs that are not based on observable market data. The financial instruments within this level can be reconciled from beginning to ending of the financial period/year as follows:

	31 March 2025 (Unaudited) KD	31 Dec 2024 (Audited) KD	31 March 2024 (Unaudited) KD
Opening balance	415,670	325,641	325,641
Additions	-	66,250	-
Gains or losses recognised in:			
-Profit or loss	-	49,164	(4,602)
-Other comprehensive income	-	(25,385)	-
Closing balance	415,670	415,670	321,039

The Group's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialists for complex valuations, where required. Valuation techniques are selected based on the characteristics of each financial instrument, with the overall objective of maximizing the use of market-based information.

16 Unutilised short-term borrowings

During the 1st quarter of 2025, the Group had utilised KD Nil from a KD3,000,000 short term loan facility obtained from a local bank which matures on 15 August 2025.

The above borrowings have been secured by investment in associate with a carrying value of KD5,311,436 (refer to note 8.1) and by short term deposits (refer to note 10 b).

17 Subsequent events

Subsequent to the reporting date on 7 April 2025 the Parent Company has acquired from a related party, 30.28% equity interest in Addax -BSC (Closed) ("Investee"), an unquoted foreign company, for a total consideration of USD 6,075,000 equivalent to KD1,873,200. The impact of this transaction will be reflected during the 2nd quarter depending on the completion of the necessary procedures by the official authorities.