

**AJIAL REAL ESTATE ENTERTAINMENT  
COMPANY K.S.C.P. AND ITS SUBSIDIARY**

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

**30 SEPTEMBER 2023**





**Ernst & Young**  
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## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF AJIAL REAL ESTATE ENTERTAINMENT COMPANY K.S.C.P.**

### ***Introduction***

We have reviewed the accompanying interim condensed consolidated statement of financial position of Ajial Real Estate Entertainment Company K.S.C.P. (the “Parent Company”) and its subsidiary (collectively, the “Group”) as at 30 September 2023, and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income for the three months and nine months period then ended, interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the nine months period then ended. The management of the Parent Company is responsible for the preparation and presentation of the 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 the 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 condensed consolidated 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 IAS 34.

### ***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 have occurred during the nine months period ended 30 September 2023 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No 7 of 2010 concerning the Capital Markets Authority and its related regulations during the nine-months period ended 30 September 2023 that might have had a material effect on the business of the Parent Company or on its financial position.

ABDULKARIM ALSAMDAN

LICENCE NO. 208 A

EY

AL AIBAN, AL OSAIMI & PARTNERS

23 October 2023  
Kuwait

Ajial Real Estate Entertainment Company K.S.C.P. and its Subsidiary  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**(UNAUDITED)**

For the period ended 30 September 2023

	Notes	<i>Three months ended</i>		<i>Nine months ended</i>	
		<i>30 September</i>		<i>30 September</i>	
		<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
		<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>
Rental income		<b>1,368,917</b>	547,547	<b>3,383,097</b>	1,312,736
Property operating expenses		<b>(235,709)</b>	(119,016)	<b>(747,676)</b>	(241,326)
<b>Net rental income</b>		<b>1,133,208</b>	428,531	<b>2,635,421</b>	1,071,410
Revenue from rendering services		<b>758,161</b>	527	<b>1,305,807</b>	2,624
Rendering services expenses		<b>(492,741)</b>	(19,030)	<b>(925,491)</b>	(56,441)
<b>Net services income (loss)</b>		<b>265,420</b>	(18,503)	<b>380,316</b>	(53,817)
Share of result from associates	6	<b>804,007</b>	936,032	<b>2,494,209</b>	2,903,588
Unrealised gain (loss) on financial assets at fair value through profit or loss		<b>5,487</b>	(42,612)	<b>104,547</b>	(134,385)
Realised gain (loss) on sale of financial assets at fair value through profit or loss		<b>1,160</b>	-	<b>1,160</b>	(54,541)
Dividend Income		<b>4,380</b>	-	<b>4,380</b>	-
<b>Net investment income</b>		<b>815,034</b>	893,420	<b>2,604,296</b>	2,714,662
<b>Total operating income</b>		<b>2,213,662</b>	1,303,448	<b>5,620,033</b>	3,732,255
Administrative expenses		<b>(244,180)</b>	(213,798)	<b>(707,957)</b>	(739,631)
<b>Net operating income</b>		<b>1,969,482</b>	1,089,650	<b>4,912,076</b>	2,992,624
Other income		<b>20,787</b>	8,279	<b>96,683</b>	11,802
Finance costs		<b>(429,114)</b>	(278,389)	<b>(1,243,750)</b>	(437,306)
<b>PROFIT FOR THE PERIOD BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS), NATIONAL LABOUR SUPPORT TAX (NLST) AND ZAKAT</b>		<b>1,561,155</b>	819,540	<b>3,765,009</b>	2,567,120
Contribution to KFAS		<b>(6,537)</b>	-	<b>(10,422)</b>	-
NLST		<b>(39,388)</b>	(21,486)	<b>(92,893)</b>	(69,390)
Zakat		<b>(8,170)</b>	252	<b>(13,622)</b>	(10)
<b>PROFIT FOR THE PERIOD</b>		<b>1,507,060</b>	798,306	<b>3,648,072</b>	2,497,720
<b>BASIC AND DILUTED EARNINGS PER SHARE</b>	4	<b>7.42 fils</b>	3.93 fils	<b>17.96 fils</b>	12.30 fils

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

Ajial Real Estate Entertainment Company K.S.C.P. and its Subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 September 2023

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>KD</b>	<i>KD</i>	<b>KD</b>	<i>KD</i>
<b>Profit for the period</b>	<b>1,507,060</b>	798,306	<b>3,648,072</b>	2,497,720
<b>Other comprehensive income</b>				
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>				
<i>Foreign currency translation adjustments of an associate (Note 6)</i>	<b>35,817</b>	88,306	<b>73,381</b>	201,322
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>1,542,877</b>	886,612	<b>3,721,453</b>	2,699,042

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

Ajial Real Estate Entertainment Company K.S.C.P. and its Subsidiary  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL  
POSITION (UNAUDITED)**  
As at 30 September 2023

		<i>(Audited)</i>	
	<i>30 September</i>	<i>31 December</i>	<i>30 September</i>
	<i>2023</i>	<i>2022</i>	<i>2022</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	<b>1,910,281</b>	1,682,424	204,069
Investment properties	5 <b>90,014,922</b>	89,490,000	87,088,110
Investment in associates	6 <b>76,490,815</b>	75,699,932	76,213,493
	<b>168,416,018</b>	166,872,356	163,505,672
<b>Current assets</b>			
Account receivables and prepayments	<b>367,548</b>	195,449	543,790
Financial assets at fair value through profit or loss	15 <b>524,723</b>	420,971	455,927
Wakala investment deposits	<b>1,000,000</b>	3,000,000	1,500,000
Bank balances and cash	7 <b>1,864,572</b>	713,209	1,285,927
	<b>3,756,843</b>	4,329,629	3,785,644
<b>TOTAL ASSETS</b>	<b>172,172,861</b>	171,201,985	167,291,316
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	8 <b>20,420,505</b>	19,448,100	19,448,100
Share premium	<b>5,199,430</b>	5,199,430	5,199,430
Statutory reserve	<b>2,286,866</b>	2,286,866	1,872,577
Voluntary reserve	<b>2,103,235</b>	2,103,235	1,688,946
Treasury shares	9 <b>(319,250)</b>	(319,250)	(319,250)
Effect of change in accounting policy of investment properties	<b>46,118,487</b>	46,118,487	46,118,487
Foreign currency translation reserve	<b>78,476</b>	5,095	115,956
Retained earnings	<b>60,019,642</b>	58,311,084	57,632,907
<b>Total equity</b>	<b>135,907,391</b>	133,153,047	131,757,153
<b>Non-current liabilities</b>			
Employees' end of service benefits	<b>484,840</b>	432,766	417,091
Account payables and accruals	<b>983,682</b>	708,987	754,424
Murabaha payables	10 <b>30,625,000</b>	31,750,000	30,525,000
	<b>32,093,522</b>	32,891,753	31,696,515
<b>Current liabilities</b>			
Account payables and accruals	<b>2,618,470</b>	3,806,622	3,179,730
Bank overdraft	7 <b>53,478</b>	600,563	282,918
Murabaha payables	10 <b>1,500,000</b>	750,000	375,000
	<b>4,171,948</b>	5,157,185	3,837,648
<b>Total liabilities</b>	<b>36,265,470</b>	38,048,938	35,534,163
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>172,172,861</b>	171,201,985	167,291,316

  
Sheikh\ Ali Al Abdullah Al Khalifah Al Sabah  
Chairman

  
Sheikh\ Hamad Mubarak Jaber Al Ahmad Al Sabah  
Vice Chairman

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

Ajial Real Estate Entertainment Company K.S.C.P. and its Subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 September 2023

	<i>Share Capital KD</i>	<i>Share premium KD</i>	<i>Statutory reserve KD</i>	<i>Voluntary reserve KD</i>	<i>Treasury shares KD</i>	<i>Effect of change in accounting policy of investment properties KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Retained earnings KD</i>	<i>Total equity KD</i>
As at 1 January 2023	19,448,100	5,199,430	2,286,866	2,103,235	(319,250)	46,118,487	5,095	58,311,084	133,153,047
Profit for the period	-	-	-	-	-	-	-	3,648,072	3,648,072
Other comprehensive income for the period	-	-	-	-	-	-	73,381	-	73,381
Total comprehensive income for the period	-	-	-	-	-	-	73,381	3,648,072	3,721,453
Bonus Shares (Note 8)	972,405	-	-	-	-	-	-	(972,405)	-
Dividends (Note 8)	-	-	-	-	-	-	-	(967,109)	(967,109)
<b>As at 30 September 2023</b>	<b>20,420,505</b>	<b>5,199,430</b>	<b>2,286,866</b>	<b>2,103,235</b>	<b>(319,250)</b>	<b>46,118,487</b>	<b>78,476</b>	<b>60,019,642</b>	<b>135,907,391</b>
As at 1 January 2022	19,448,100	5,199,430	1,872,577	1,688,946	(319,250)	46,118,487	(85,366)	56,102,298	130,025,222
Profit for the period	-	-	-	-	-	-	-	2,497,720	2,497,720
Other comprehensive income for the period	-	-	-	-	-	-	201,322	-	201,322
Total comprehensive income for the period	-	-	-	-	-	-	201,322	2,497,720	2,699,042
Dividend (Note 8)	-	-	-	-	-	-	-	(967,111)	(967,111)
As at 30 September 2022	19,448,100	5,199,430	1,872,577	1,688,946	(319,250)	46,118,487	115,956	57,632,907	131,757,153

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

Ajial Real Estate Entertainment Company K.S.C.P. and its Subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(UNAUDITED)

For the period ended 30 September 2023

	Notes	<i>Nine months ended</i>	
		<i>30 September</i>	
		<b>2023</b>	<b>2022</b>
		<b>KD</b>	<b>KD</b>
<b>OPERATING ACTIVITIES</b>			
Profit for the period before KFAS, NLST and Zakat		<b>3,765,009</b>	2,567,120
Adjustments to reconcile profit for the period before KFAS, NLST and Zakat to net cash flows:			
Depreciation		<b>106,199</b>	69,529
Share of result of associates	6	<b>(2,494,209)</b>	(2,903,588)
Unrealised (gain) loss on financial assets at fair value through profit or loss		<b>(104,547)</b>	134,385
Realised (gain) loss on sale of financial assets at fair value through profit or loss		<b>(1,160)</b>	54,541
Provision for employees' end of service benefits		<b>52,074</b>	80,037
Interest income		<b>(95,794)</b>	(9,527)
Finance costs		<b>1,243,750</b>	437,306
Dividend income		<b>(4,380)</b>	-
		<b>2,466,942</b>	429,803
Working capital adjustments:			
Account receivables and prepayments		<b>(172,099)</b>	39,124
Account payables and accruals		<b>(1,037,694)</b>	(214,405)
Cash flows from operations		<b>1,257,149</b>	254,522
Employees' end of service benefits paid		-	(5,925)
<b>Net cash flows from operating activities</b>		<b>1,257,149</b>	248,597
<b>INVESTING ACTIVITIES</b>			
Additions to furniture and equipment		<b>(334,056)</b>	(12,718)
Additions to investment properties	5	<b>(524,922)</b>	(3,754,733)
Return of capital to investment in associates	6	-	134,943
Dividends received from associates	6	<b>1,776,707</b>	1,066,024
Proceeds from sale of financial assets at fair value through profit or loss		<b>1,955</b>	1,197,108
Net movement in term deposits		<b>2,000,000</b>	(940,000)
Interest income received		<b>95,794</b>	9,527
Lease collection received		-	179,842
Dividend income received		<b>4,380</b>	-
<b>Net cash flows from (used in) investing activities</b>		<b>3,019,858</b>	(2,120,007)
<b>FINANCING ACTIVITIES</b>			
Dividends paid		<b>(959,809)</b>	(913,038)
Finance costs paid		<b>(1,243,750)</b>	(429,721)
Lease payments		-	(246,989)
Murabaha finance facilities available		<b>(375,000)</b>	3,100,000
<b>Net cash flows (used in) from financing activities</b>		<b>(2,578,559)</b>	1,510,252
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>1,698,448</b>	(361,158)
Cash and cash equivalents at the beginning of the period		<b>112,646</b>	1,364,167
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	7	<b>1,811,094</b>	1,003,009
<b>Non-cash transactions:</b>			
Retention payable		-	157,862
Additions to investment properties		-	(157,862)
Derecognition of lease liability		-	(15,832)
Derecognition of right of use assets		-	15,832

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

# Ajial Real Estate Entertainment Company K.S.C.P. and its Subsidiary

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

As at and for the period ended 30 September 2023

### 1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Ajial Real Estate Entertainment Company K.S.C.P. (the “Parent Company”) and its Subsidiary (collectively, the “Group”) for the nine months period ended 30 September 2023 was authorized for issue in accordance with a resolution of the Parent Company’s Board of Directors on 23 October 2023.

The consolidated financial statements of the Group for the year ended 31 December 2022 were approved by the shareholders of the Parent Company at the Annual General Assembly Meeting (AGM) held on 5 April 2023.

The Parent Company is a Kuwaiti Public Shareholding Company registered and incorporated in Kuwait on 26 October 1996. The Group is engaged in real estate, contracting and entertainment activities and all related real estate trading activities, which includes renting, purchasing and selling lands and buildings. The Parent Company’s shares are listed on Boursa Kuwait.

The registered head office of the Parent Company is located at Hawally, Block 5, Beirut Street, Al-Andalus Complex, 16th Floor, P.O. Box 44301, Hawally 32058, Kuwait.

### 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The interim condensed consolidated financial information of the Group has been prepared in accordance with IAS 34 Interim Financial Reporting (“IAS 34”), ‘*Interim Financial Reporting*’.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars (“KD”), which is also the functional currency of the Parent Company.

The interim condensed consolidated financial information does not contain all information and disclosures required for annual consolidated financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2022. In addition, results for the Nine months ended 30 September 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

### 3 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 2022, except for the adoption of new standards effective as of 1 January 2023. 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 2023, but do not have an impact on the interim condensed consolidated financial information of the Group.

#### **Definition of Accounting Estimates - Amendments to IAS 8**

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Group’s interim condensed consolidated financial information.

#### **Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2**

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

Ajjal Real Estate Entertainment Company K.S.C.P. and its Subsidiary  
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
 INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2023

**3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP  
 (continued)**

**Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 (continued)**

The amendments had no impact on the Group's interim condensed consolidated financial statements but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

**Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12**

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Group's interim condensed consolidated financial information, as it does not have assets or liabilities in scope of IAS 12 as at the reporting date.

**4 BASIC AND DILUTED EARNINGS PER SHARE**

Basic EPS amounts are calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period (excluding treasury shares). Diluted EPS is calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period (excluding treasury shares) plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<b>2023</b>	2022	<b>2023</b>	2022
Profit for the period (KD)	<b>1,507,060</b>	798,306	<b>3,648,072</b>	2,497,720
Weighted average number of shares outstanding (Shares)*	<b>203,094,687</b>	203,094,687	<b>203,094,687</b>	203,094,687
Basic and diluted earnings per share (fils)	<b>7.42 fils</b>	3.93 fils	<b>17.96 fils</b>	12.30 fils

\* The weighted average of shares takes into account the weighted average effect of changes in treasury shares during the period.

Basic and diluted earnings per share for the comparative period presented has been adjusted to reflect the effect of bonus shares (Note 8).

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of the authorization of this interim condensed consolidated financial information.

**5 INVESTMENT PROPERTIES**

	<i>30 September</i>	<i>(Audited)</i>	<i>30 September</i>
	<i>2023</i>	<i>31 December</i>	<i>2022</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
As at the beginning of the period / year	<b>89,490,000</b>	83,175,515	83,175,515
Additions	<b>524,922</b>	6,006,868	3,912,595
Change in fair value of investment properties	-	1,964,780	-
Transfer to property and equipment	-	(1,657,163)	-
As at the end of the period / year	<b>90,014,922</b>	89,490,000	87,088,110

Ajjal Real Estate Entertainment Company K.S.C.P. and its Subsidiary  
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
 INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2023

**5 INVESTMENT PROPERTIES (continued)**

As at 30 September 2023, investment properties with a carrying value of KD 64,794,836 (31 December 2022: KD 64,340,000 and 30 September 2022: KD 83,266,431) is pledged as a security against Murabaha payables of KD 32,125,000 (31 December 2022: KD 32,500,000 and 30 September 2022: KD 30,900,000) (Note 10) and bank overdraft of KD 53,478 (31 December 2022: KD 600,563 and 30 September 2022: KD 282,918) (Note 7).

The fair value of investment properties has been determined based on valuations performed by two independent professional real estate valuers, who are industry specialize in valuing such type of investment properties. One of these valuers is a local bank and the other is a local reputable accredited valuer. As required by the Capital Market Authority (CMA), the Group has selected the lower of these valuations.

The Management believes that there is no significant change in the fair value of investment properties since the latest valuation performed as at 31 December 2022.

Fair value hierarchy disclosures for investment properties are provided in Note 15.

**6 INVESTMENT IN ASSOCIATES**

Movement in the carrying value of investment in associates during the period /year is as follows:

	<i>30 September</i> <i>2023</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2022</i> <i>KD</i>	<i>30 September</i> <i>2022</i> <i>KD</i>
At the beginning of the period / year	<b>75,699,932</b>	74,309,550	74,309,550
Share of results	<b>2,494,209</b>	2,608,457	2,903,588
Return of capital	-	(242,512)	(134,943)
Dividends received	<b>(1,776,707)</b>	(1,066,024)	(1,066,024)
Foreign currency translation adjustments	<b>73,381</b>	90,461	201,322
At the end of the period / year	<b>76,490,815</b>	75,699,932	76,213,493

The share of results of an associate for the period ended 30 September 2023 have been recorded based on the management accounts.

**7 CASH AND CASH EQUIVALENTS**

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents are comprised of the following:

	<i>30 September</i> <i>2023</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2022</i> <i>KD</i>	<i>30 September</i> <i>2022</i> <i>KD</i>
Bank balances and cash	<b>1,864,572</b>	713,209	1,285,927
Less: Bank overdraft	<b>(53,478)</b>	(600,563)	(282,918)
<b>Total cash and cash equivalents</b>	<b>1,811,094</b>	112,646	1,003,009

Bank overdraft represent facilities granted by local bank in Kuwaiti Dinars and carries an effective interest rates of 1.25% (31 December 2022: 1.25% and 30 September 2022: 1.25 %) per annum over the Central Bank of Kuwait discount rate which is secured against certain investment properties (Note 5).

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**8 SHARE CAPITAL**

	<b>30 September 2023</b>	<i>(Audited)</i> 31 December 2022	30 September 2022
	<b>KD</b>	<b>KD</b>	<b>KD</b>
Authorized, issued and paid up share capital			
204,205,050 shares of 100 fils each (31 December 2022:			
194,481,000 shares of 100 fils each and 30 September 2022:			
194,481,000 shares of 100 fils each) fully paid in cash	<b>20,420,505</b>	19,448,100	19,448,100

On 5 April 2023, the Annual General Assembly meeting of the Parent Company's shareholders approved distribution of dividends for the year ended 31 December 2022 as follows:

- ▶ Cash dividends of 5 fils per share (31 December 2021: 5 fils per share) to the eligible shareholders as detailed in the schedule approved by Annual General Assembly, after excluding treasury shares; and
- ▶ Bonus shares of 5% (31 December 2021: Nil) to the eligible shareholders as detailed in the schedule approved by Annual General Assembly.

On 5 April 2023, the Extra-Ordinary General Assembly ("EGM") of the Parent Company's shareholders approved the increase of the Parent Company's authorised, issued, and paid up share capital by issuing 9,724,050 bonus shares amounting to KD 972,405 to the shareholders registered in the Parent Company's records. The issuance of bonus shares were made from the Group's retained earnings.

**9 TREASURY SHARES**

	<b>30 September 2023</b>	<i>(Audited)</i> 31 December 2022	30 September 2022
	<b>KD</b>	<b>KD</b>	<b>KD</b>
Number of treasury shares	<b>1,110,363</b>	1,057,489	1,057,489
Percentage of ownership	<b>0.54%</b>	0.54%	0.54%
Market value (KD)	<b>275,370</b>	306,672	289,752
Cost (KD)	<b>319,250</b>	319,250	319,250

The weighted average market price of the Parent Company's shares for the period ended 30 September 2023 was 248 fils per share (31 December 2022: 290 fils per share and 30 September 2022: 274 fils per share)

Reserves equivalent to the cost of treasury shares are not available for distribution throughout the period/year these shares are held by the Group as per CMA guidelines.

**10 MURABAHA PAYABLE**

Murabaha payable is obtained from a local bank, denominated in Kuwaiti Dinar, mature on various dates, carry an average profit rate of 1.25% (31 December 2022: 1.25% and 30 September 2022: 1.417%) per annum over the Central Bank of Kuwait's discount rate and secured against certain investment properties with carrying value of KD 64,794,836 as at 30 September 2023 (31 December 2022: KD 64,340,000 and 30 September 2022: KD 83,266,431) (Note 5).

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**11 RELATED PARTY DISCLOSURES**

These represent transactions with major shareholders, directors, executive officers and key management personnel of the Group, close members of their families and companies of which they are principal owners or over which they are able to exercise control or significant influence entered into by the Group in the ordinary course of business. Pricing policies and terms of these transactions are approved by the Parent Company's management.

Transactions with related parties included in the interim condensed consolidated financial information are as follows:

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Rent and other expense (included in property operating expenses and administrative expenses)	-	1,125	-	3,369

Balances with related parties included in the interim condensed consolidated financial information are as follows:

	<i>30 September</i>		<i>(Audited)</i>	<i>30 September</i>
	<b>2023</b>	<b>2022</b>	<i>31 December</i>	<i>2022</i>
	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>
Amounts due to related party	-	-	-	101,532
Lease liabilities	-	-	-	192,673

Amounts due to a related party is interest free and is payable within one year from the reporting date.

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>
<b>Compensation of key management personnel:</b>				
Salaries and short-term benefits	<b>46,907</b>	39,278	<b>141,623</b>	139,519
Employees' end of service benefits	<b>7,344</b>	7,343	<b>21,791</b>	43,411
	<b>54,251</b>	46,621	<b>163,414</b>	182,930

On 6 February 2023, the Board of Directors of the Parent Company proposed directors' remuneration of KD 75,000 for the year ended 31 December 2022 (2021: KD 75,000). This proposal was subject to the approval of the shareholders at the AGM of the Parent Company.

The Annual General Assembly of the Parent Company's shareholders held on 5 April 2023 approved the board of directors' recommendation to distribute a directors' remuneration of KD 75,000 (2021: KD 75,000).

**12 CONTINGENT LIABILITIES**

As at 30 September 2023, the Group has contingent liabilities representing letter of guarantee amounting to KD 21,399 (31 December 2022: KD 21,399 and 30 September 2022: KD 21,399) issued to the Ministry of Finance in respect of its investment properties, from which it is anticipated that no material liability will arise.

**13 CAPITAL COMMITMENTS**

The Group has entered into construction contracts with third parties and is consequently committed to future capital expenditure in respect of properties under construction of KD Nil (31 December 2022: KD Nil and 30 September 2022: KD 2,727,751).

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**14 SEGMENT INFORMATION**

For management purposes, the Group is organized into business units based on their products and services, and has two reportable operating segments as follows:

- ▶ Real estate investing activities comprises investment and trading in real estate and construction or development of real estate for the sale in the ordinary course of business and other related real estate services.
- ▶ Equities and other investing activities comprise participation in financial and real estate funds and managing the Group's liquidity requirements.

Segment reporting information is as follows:

	<i>Real estate activities KD</i>	<i>Other operating activities KD</i>	<i>Equities and other investing activities KD</i>	<i>Unallocated KD</i>	<i>Total KD</i>
<b><i>Period ended 30 September 2023</i></b>					
Segment revenue	<b>3,383,097</b>	<b>1,305,807</b>	<b>2,604,296</b>	<b>96,683</b>	<b>7,389,883</b>
Segment expenses	<b>(1,612,519)</b>	<b>(925,491)</b>	<b>(378,907)</b>	<b>(824,894)</b>	<b>(3,741,811)</b>
Segment results	<b>1,770,578</b>	<b>380,316</b>	<b>2,225,389</b>	<b>(728,211)</b>	<b>3,648,072</b>
<b><i>Period ended 30 September 2022</i></b>					
Segment revenue	1,312,736	2,624	2,714,662	11,802	4,041,824
Segment expenses	(241,326)	(56,441)	(437,306)	(809,031)	(1,544,104)
Segment results	1,071,410	(53,817)	2,277,356	(797,229)	2,497,720
<b><i>As at 30 September 2023</i></b>					
Segment assets	<b>86,531,873</b>	<b>5,393,247</b>	<b>77,015,538</b>	<b>3,232,203</b>	<b>172,172,861</b>
Segment liabilities	<b>23,162,160</b>	<b>230,795</b>	<b>10,000,000</b>	<b>2,872,515</b>	<b>36,265,470</b>
<b><i>As at 31 December 2022 (audited)</i></b>					
Segment assets	86,040,000	3,450,000	76,120,903	5,591,082	171,201,985
Segment liabilities	23,809,550	3,083	10,000,000	4,236,305	38,048,938
<b><i>As at 30 September 2022</i></b>					
Segment assets	83,266,432	3,821,678	76,669,420	3,533,786	167,291,316
Segment liabilities	21,452,905	82,765	10,000,000	3,998,493	35,534,163

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**15 FAIR VALUE MEASUREMENT**

Investment properties and financial assets at fair value through profit or loss have been stated at fair values. For other financial assets and financial liabilities carried at amortized cost, the carrying value is not significantly different from their fair values as most of these assets and liabilities are of short-term maturity or repriced immediately based on market movement in interest rates.

**Fair value hierarchy**

All assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial information are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ 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 the Group's assets recorded at fair value by level of the fair value hierarchy:

	<i>Level 2</i> <i>KD</i>	<i>Level 3</i> <i>KD</i>	<i>Total</i> <i>KD</i>
<b><i>As at 30 September 2023</i></b>			
Investment properties	-	<b>90,014,922</b>	<b>90,014,922</b>
Financial assets at fair value through profit or loss	<b>54,822</b>	<b>469,901</b>	<b>524,723</b>
<b><i>As at 31 December 2022 (Audited)</i></b>			
Investment properties	-	89,490,000	89,490,000
Financial assets at fair value through profit or loss	58,464	362,507	420,971
<b><i>As at 30 September 2022</i></b>			
Investment properties	61,566,432	25,521,678	87,088,110
Financial assets at fair value through profit or loss	55,653	400,274	455,927

The following table shows a reconciliation of the opening and closing amount of level 3 financial assets:

	<i>At the</i> <i>beginning</i> <i>of the period /</i> <i>year</i> <i>KD</i>	<i>Net gains (losses)</i> <i>KD</i>	<i>Net purchases,</i> <i>transfers, sales</i> <i>and settlements</i> <i>KD</i>	<i>At the</i> <i>end of the period /</i> <i>year</i> <i>KD</i>
<b><i>Investment properties</i></b>				
<b>30 September 2023</b>	<b>89,490,000</b>	-	<b>524,922</b>	<b>90,014,922</b>
31 December 2022 (Audited)	83,175,515	1,964,780	4,349,705	89,490,000
30 September 2022	83,175,515	-	3,912,595	87,088,110
<b><i>Financial assets at fair value through</i></b> <b><i>profit or loss</i></b>				
<b>30 September 2023</b>	<b>362,507</b>	<b>107,394</b>	-	<b>469,901</b>
31 December 2022 (Audited)	1,786,513	(166,467)	(1,257,539)	362,507
30 September 2022	1,786,513	(134,590)	(1,251,649)	400,274

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15 FAIR VALUE MEASUREMENT (continued)

*Description of significant unobservable inputs to valuation of financial assets:*

*Managed funds:*

Managed funds have been valued based on Net Asset Value (NAV) provided by the custodian of the fund, the sensitivity of the fair value measurement to changes in unobservable inputs is not available.

*Unquoted equity securities:*

	<i>Valuation techniques</i>	<i>Significant unobservable inputs</i>	<i>Range</i>	<i>Sensitivity of the input to fair value</i>
	Average market multiples approach	DLOM *	20%-50%	5% increase (decrease) in the discount would decrease (increase) the fair value by KD 23,495

\* Discount for lack of marketability represents the amounts that the Group has determined that market participants would take into account when pricing the investments.

*Description of valuation techniques used and key inputs to valuation of investment properties:*

*Developed properties*

Developed properties are valued using the income capitalization approach, which is based on capitalization of the discounted annual cash flows from the property. This is calculated by discounting rental income generated annually by the property using the current market discount rate.

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