

**Mashaer Holding Company K.S.C.P.  
and its Subsidiaries**

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

**30 SEPTEMBER 2024**



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

### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Mashaer Holding Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) as at 30 September 2024, and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income for three-month and nine-month periods then ended, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine-month period then ended. Management of the Parent Company is responsible for the preparation and 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 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 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-month period ended 30 September 2024 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 establishment of Capital Markets Authority “CMA” and organization of security activity and its executive regulations, as amended, during the nine-month period ended 30 September 2024 that might have had a material effect on the business of the Parent Company or on its financial position.



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ABDULKARIM ALSAMDAN  
LICENCE NO. 208-A

EY  
AL AIBAN, AL OSAIMI & PARTNERS

11 November 2024  
Kuwait

# Mashaer Holding Company K.S.C.P. and its Subsidiaries

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the period ended 30 September 2024

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2024	2023	2024	2023
		KD	KD	KD	KD
<b>INCOME</b>					
Rental income		287,294	325,036	914,167	976,710
Net investment income from financial assets		42,209	30,266	121,557	72,089
Share of results of associates	4	249,038	17,705	1,051,276	541,589
Reversal of impairment/ provision on investment in associate	4	-	-	423,353	988,119
Reversal of provisions no longer required		-	4,936	-	8,411
Net foreign exchange differences		-	3,339	11,216	4,261
Other income		15,357	4,056	20,450	14,358
<b>Total income</b>		<b>593,898</b>	<b>385,338</b>	<b>2,542,019</b>	<b>2,605,537</b>
<b>EXPENSES</b>					
Staff costs		(143,339)	(134,488)	(456,464)	(473,410)
General and administrative expenses		(39,315)	(42,719)	(140,234)	(141,783)
Real estate expenses		(60,743)	(93,314)	(178,097)	(186,669)
Provision for expenses		-	-	(455,780)	(145,449)
Finance costs		(40,288)	(29,725)	(103,014)	(134,703)
Depreciation expense		(2,687)	(3,402)	(4,341)	(9,926)
<b>Total expenses</b>		<b>(286,372)</b>	<b>(303,648)</b>	<b>(1,337,930)</b>	<b>(1,091,940)</b>
<b>PROFIT BEFORE TAX</b>		<b>307,526</b>	<b>81,690</b>	<b>1,204,089</b>	<b>1,513,597</b>
Taxation of overseas subsidiaries		(14,588)	(18,552)	(44,710)	(47,541)
Contribution to Kuwait Foundation for Advancement of Sciences ("KFAS")		(603)	(1,494)	(2,818)	(3,137)
National Labour Support Tax ("NLST")		(7,237)	(1,524)	(28,752)	(35,999)
Zakat		(1,180)	(1,878)	(5,013)	(5,728)
<b>PROFIT FOR THE PERIOD</b>		<b>283,918</b>	<b>58,242</b>	<b>1,122,796</b>	<b>1,421,192</b>
<b>Attributable to:</b>					
Equity holders of the Parent Company		268,882	39,037	1,073,282	1,354,061
Non-controlling interests		15,036	19,205	49,514	67,131
		<b>283,918</b>	<b>58,242</b>	<b>1,122,796</b>	<b>1,421,192</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>					
	3	<b>1.68 Fils</b>	0.22 Fils	<b>6.41 Fils</b>	7.68 Fils

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Mashaer Holding Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 September 2024

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<b>PROFIT FOR THE PERIOD</b>	<b>283,918</b>	58,242	<b>1,122,796</b>	1,421,192
<b>Other comprehensive income (loss)</b>				
<i>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of foreign operations	<b>112,956</b>	-	<b>(1,399,227)</b>	(772,650)
Share of other comprehensive loss from associates	<b>(135,396)</b>	-	<b>(135,396)</b>	-
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>				
Net gain on equity instruments at fair value through other comprehensive income	<b>465</b>	-	<b>465</b>	758
<b>Other comprehensive loss for the period</b>	<b>(21,975)</b>	-	<b>(1,534,158)</b>	(771,892)
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>	<b>261,943</b>	58,242	<b>(411,362)</b>	649,300
<b>Attributable to:</b>				
Equity holders of the Parent Company	<b>245,602</b>	39,037	<b>26,505</b>	1,247,913
Non-controlling interests	<b>16,341</b>	19,205	<b>(437,867)</b>	(598,613)
	<b>261,943</b>	58,242	<b>(411,362)</b>	649,300

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Mashaer Holding Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
(UNAUDITED)

As at 30 September 2024

		(Audited)	
	30 September	31 December	30 September
	2024	2023	2023
	KD	KD	KD
	Notes		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Furniture and equipment		2,768	5,852
Investment properties	5	13,679,861	16,652,619
Investment in associates	4	3,533,183	2,093,936
Investment securities		1,008,379	973,580
Accounts receivable and other assets		-	81,854
		<u>18,246,880</u>	<u>19,807,841</u>
<b>Current assets</b>			
Accounts receivable and other assets		453,683	561,237
Term deposits		1,428,753	1,631,050
Cash and cash equivalents		702,514	417,442
		<u>2,584,950</u>	<u>2,609,729</u>
<b>TOTAL ASSETS</b>		<u>20,831,830</u>	<u>22,417,570</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	6	16,356,535	17,942,989
Share premium		5,279,224	5,279,224
Statutory reserve		364,274	180,293
Voluntary reserve		183,981	-
Foreign currency translation reserve		(9,581,127)	(8,531,300)
Treasury shares	7	(209,965)	(209,965)
Treasury shares reserve		2,761	2,761
Fair value reserve		(117,340)	(117,805)
Retained earnings		2,253,996	1,354,061
		<u>14,532,339</u>	<u>15,900,258</u>
Non-controlling interests		1,078,171	1,497,154
<b>Total equity</b>		<u>15,610,510</u>	<u>17,397,412</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Islamic finance payables		1,355,958	1,660,056
Employees' end of service benefits		598,662	513,575
		<u>1,954,620</u>	<u>2,173,631</u>
<b>Current liabilities</b>			
Islamic finance payables		1,312,138	287,992
Amounts due to related parties	9	197,334	192,567
Accounts payable and other liabilities		1,757,228	2,022,750
Lease liabilities		-	344,400
		<u>3,266,700</u>	<u>2,846,527</u>
<b>Total liabilities</b>		<u>5,221,320</u>	<u>5,020,158</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>20,831,830</u>	<u>22,417,570</u>

  
Fahad Abdullah Al-Saleh  
Chairman

  
Abdulaziz Zaid Al-Subaie  
Chief Executive Officer

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.



Mashaer Holding Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 September 2024

	<i>Equity attributable to the equity holders of the Parent Company</i>											
	<i>Share capital</i>	<i>Share premium</i>	<i>Statutory reserve</i>	<i>Voluntary reserve</i>	<i>Foreign currency translation reserve</i>	<i>Treasury shares</i>	<i>Treasury shares reserve</i>	<i>Fair value reserve</i>	<i>Retained earnings/ (Accumulated losses)</i>	<i>Sub-total</i>	<i>Non-controlling interests</i>	<i>Total equity</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<b>As at 1 January 2024</b>	<b>17,942,989</b>	<b>5,279,224</b>	<b>364,274</b>	<b>183,981</b>	<b>(8,533,885)</b>	<b>(209,965)</b>	<b>2,761</b>	<b>(117,805)</b>	<b>1,180,714</b>	<b>16,092,288</b>	<b>1,516,038</b>	<b>17,608,326</b>
Profit for the period	-	-	-	-	-	-	-	-	<b>1,073,282</b>	<b>1,073,282</b>	<b>49,514</b>	<b>1,122,796</b>
Other comprehensive (loss) income for the period	-	-	-	-	<b>(1,047,242)</b>	-	-	<b>465</b>	-	<b>(1,046,777)</b>	<b>(487,381)</b>	<b>(1,534,158)</b>
Total comprehensive (loss) income for the period	-	-	-	-	<b>(1,047,242)</b>	-	-	<b>465</b>	<b>1,073,282</b>	<b>26,505</b>	<b>(437,867)</b>	<b>(411,362)</b>
Redemption of share capital (Note 6)	<b>(1,586,454)</b>	-	-	-	-	-	-	-	-	<b>(1,586,454)</b>	-	<b>(1,586,454)</b>
<b>At 30 September 2024</b>	<b>16,356,535</b>	<b>5,279,224</b>	<b>364,274</b>	<b>183,981</b>	<b>(9,581,127)</b>	<b>(209,965)</b>	<b>2,761</b>	<b>(117,340)</b>	<b>2,253,996</b>	<b>14,532,339</b>	<b>1,078,171</b>	<b>15,610,510</b>
As at 1 January 2023	17,942,989	10,239,344	180,293	180,293	(8,424,394)	(209,965)	2,761	(118,563)	(5,140,413)	14,652,345	2,095,767	16,748,112
Profit for the period	-	-	-	-	-	-	-	-	1,354,061	1,354,061	67,131	1,421,192
Other comprehensive loss for the period	-	-	-	-	(106,906)	-	-	758	-	(106,148)	(665,744)	(771,892)
Total comprehensive (loss) income for the period	-	-	-	-	(106,906)	-	-	758	1,354,061	1,247,913	(598,613)	649,300
Extinguishment of accumulated losses	-	(4,960,120)	-	(180,293)	-	-	-	-	(5,140,413)	-	-	-
At 30 September 2023	17,942,989	5,279,224	180,293	-	(8,531,300)	(209,965)	2,761	(117,805)	1,354,061	15,900,258	1,497,154	17,397,412

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

# Mashaer Holding Company K.S.C.P. and its Subsidiaries

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

For the period ended 30 September 2024

	Notes	<i>Nine months ended</i>	
		<i>30 September</i>	
		<b>2024</b>	2023
		<b>KD</b>	<b>KD</b>
<b>OPERATING ACTIVITIES</b>			
Profit before tax		<b>1,204,089</b>	1,513,597
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Net investment income from financial assets		<b>(117,057)</b>	(65,589)
Dividend income		<b>(4,500)</b>	(6,500)
Share of results of associates	4	<b>(1,051,276)</b>	(541,589)
Reverse of impairment/ provision on investment in associates	4	<b>(423,353)</b>	(988,119)
Employees' end of service benefits		<b>70,905</b>	106,918
Finance costs on debts and borrowings		<b>103,014</b>	134,703
Net foreign exchange difference		<b>(11,216)</b>	(4,261)
Reversal of provisions no longer required		<b>-</b>	(8,411)
Provision for expenses		<b>455,780</b>	145,449
Depreciation of furniture and equipment		<b>4,341</b>	9,926
		<b>230,727</b>	296,124
<i>Working capital adjustments:</i>			
Accounts receivable and other assets		<b>1,207,272</b>	323,511
Accounts payable and other liabilities		<b>(558,325)</b>	493,659
Amounts due to related parties		<b>6,293</b>	(32,311)
Net cash flows from operations		<b>885,967</b>	1,080,983
Taxes paid		<b>(48,545)</b>	(115,315)
<b>Net cash flows from operating activities</b>		<b>837,422</b>	965,668
<b>INVESTING ACTIVITIES</b>			
Purchase of furniture and equipment		<b>(27,030)</b>	(2,265)
Net movement in term deposits		<b>302,296</b>	(635,790)
Dividend income received from investment securities		<b>4,500</b>	6,500
Profit received from term deposits and saving accounts		<b>117,057</b>	65,589
<b>Net cash flows from (used in) investing activities</b>		<b>396,823</b>	(565,966)
<b>FINANCING ACTIVITIES</b>			
Finance costs paid		<b>(103,014)</b>	(134,703)
Redemption of share capital	6	<b>(1,304,702)</b>	-
Islamic finance drawdown		<b>1,000,000</b>	-
Repayment of Islamic finance payables		<b>(208,522)</b>	(221,818)
<b>Net cash flows used in financing activities</b>		<b>(616,238)</b>	(356,521)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>618,007</b>	43,181
Net foreign exchange difference		<b>(323,458)</b>	(99,470)
Cash and cash equivalents at 1 January		<b>407,965</b>	473,731
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b>		<b>702,514</b>	417,442
<b>Non-cash transactions excluded from the interim condensed consolidated statement of cash flows:</b>			
Lease liabilities (adjusted with 'Accounts payable and other liabilities')		<b>344,400</b>	-

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

# Mashaer Holding Company K.S.C.P. and its Subsidiaries

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

As at and for the period ended 30 September 2024

### 1 CORPORATE INFORMATION

The interim condensed consolidated financial information of the Mashaer Holding Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) for the nine months ended 30 September 2024 was authorised for issue in accordance with a resolution of the directors of the Parent Company on 11 November 2024.

The consolidated financial statements of the Group for the year ended 31 December 2023 were approved by the shareholders at the AGM held on 16 April 2024.

The Parent Company is a Kuwaiti public shareholding company registered and incorporated in the State of Kuwait on 12 June 2000 and is listed on 16 October 2006 at Boursa Kuwait.

The Group is principally engaged in investment and real estate activities. The principal activities of the Group are described in Note 11. All activities of the Group are conducted in accordance with the Islamic Shari‘a as approved by the Parent Company’s Fatwa and Shari‘a Supervisory Board.

The Parent Company head office is located at Gravity Tower 6<sup>th</sup> Floor, Ahmad Al Jaber Street, Sharq and its registered postal address is P.O. Box 23110, Safat 13092, State of Kuwait.

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

#### 2.1 Basis of preparation

The interim condensed consolidated financial information for the nine months ended 30 September 2024 have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The interim condensed consolidated financial information does not contain all information and disclosures required for full financial statements prepared in accordance with the International Financial Reporting Standards (“IFRS”) and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023.

### 3 EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Parent Company 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 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>2024</b>	2023	<b>2024</b>	2023
Profit for the period attributable to equity holders of the Parent Company (KD)	<b>268,882</b>	39,037	<b>1,073,282</b>	1,354,061
Weighted average number of shares outstanding (net of treasury shares)	<b>160,408,159</b>	176,272,702	<b>167,491,590</b>	176,272,702
<b>Basic and diluted EPS attributable to equity holders of the Parent Company</b>	<b>1.68 fils</b>	0.22 fils	<b>6.41 fils</b>	7.68 fils

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



## Mashaer Holding Company K.S.C.P. and its Subsidiaries

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

As at and for the period ended 30 September 2024

#### 4 INVESTMENT IN ASSOCIATES

Details of the Group's associates are as follows:

	<b>30 September 2024 KD</b>	<i>(Audited)</i> <b>31 December 2023 KD</b>	<b>30 September 2023 KD</b>
Hajar Tower Real Estate Company – K.S.C. (Closed) – (“Hajar”)	<b>2,640,440</b>	1,923,158	2,093,936
Rawahel Holding Company K.S.C. (Closed) – (“Rawahel”)	<b>892,743</b>	-	-
	<b>3,533,183</b>	1,923,158	2,093,936

#### *Rawahel*

The Group had fully impaired its investment in Rawahel in 2021, based on poor financial performance and significant decline in the results of the associate. During the current period, Rawahel's operations have recovered greatly and the associate has recorded profits and accordingly, the Group has decided to reverse the impairment previously recorded amounting to KD 423,353 and account its share of results for the current period.

#### **Reconciliation to carrying amounts:**

A reconciliation of the carrying value of the associates is set out below:

	<b>30 September 2024 KD</b>	<i>(Audited)</i> <b>31 December 2023 KD</b>	<b>30 September 2023 KD</b>
<b>Opening net assets 1 January</b>	<b>1,923,158</b>	564,228	564,228
Share of profit	<b>1,051,276</b>	370,811	541,589
Reversal of impairment/ provision	<b>423,353</b>	988,119	988,119
Exchange differences	<b>135,396</b>	-	-
<b>At the end of the period/year</b>	<b>3,533,183</b>	1,923,158	2,093,936

#### 5 INVESTMENT PROPERTIES

	<b>30 September 2024 KD</b>	<i>(Audited)</i> <b>31 December 2023 KD</b>	<b>30 September 2023 KD</b>
As at the beginning of the period/year	<b>15,026,422</b>	17,325,799	17,325,799
Capital expenditure	-	500	-
Disposals	-	(1,762,236)	-
Net gain from fair value remeasurement	-	135,539	-
Exchange differences	<b>(1,346,561)</b>	(673,180)	(673,180)
<b>At the end of the period/year</b>	<b>13,679,861</b>	15,026,422	16,652,619

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2024

**5 INVESTMENT PROPERTIES (continued)**

The valuations of investment properties were performed at 31 December by two accredited independent valuers for local properties and by at least one accredited independent valuer for foreign properties, with recognised and relevant professional qualification and experience in the locations and categories of the investment properties being valued. As required by the Capital Market Authority (CMA), the Group has selected the lower of these valuations. The valuation models applied are consistent with the principles in IFRS 13 and fair value is determined using a mix of the income capitalisation method and the market comparison approach considering the nature and usage of each property. Valuation of the Group's investment property portfolio is performed on an annual basis as management believes that there are no significant circumstances that have arisen during the interim reporting period, which may have a material impact on fair value.

Investment properties amounting to KD 8,590,000 (31 December 2023: KD 4,920,000 and 30 September 2023: KD 5,020,000) are pledged as security in order to fulfil the collateral requirements for certain Islamic finance facilities.

**6 SHARE CAPITAL**

	<i>Number of shares</i>		<i>Authorised, issued and fully paid</i>	
	<i>30 September 2024</i>	<i>31 December 2023</i>	<i>30 September 2024</i>	<i>31 December 2023</i>
			<i>KD</i>	<i>KD</i>
Shares of 100 fils each (paid in cash)	<b>163,565,347</b>	179,429,890	<b>16,356,535</b>	17,942,989

On 16 April 2024, the extra-ordinary general meeting ("EGM") of the shareholders approved a 9% reduction of the parent company's issued share capital, resulting in reduction of 15,864,543 shares amounting to KD 1,586,454 from the existing share capital. Capital will be redeemed in cash to existing shareholders on the record date of 20 May 2024. The aforementioned changes have been authenticated in the commercial register on 1 May 2024. The cash distribution paid to shareholders during the period amounted to KD 1,304,702. The remaining balance is payable as at 30 September 2024 and classified under "Accounts payables and other liabilities" in the statement of financial position.

**7 TREASURY SHARES**

	<i>(Audited)</i>		
	<i>30 September 2024</i>	<i>31 December 2023</i>	<i>30 September 2023</i>
Number of treasury shares	<b>3,157,188</b>	3,157,188	3,157,188
Percentage of issued shares	<b>1.93%</b>	1.75%	1.75%
Cost of treasury shares (KD)	<b>209,965</b>	209,965	209,965
Market value of treasury shares (KD)	<b>227,318</b>	173,645	195,745
Weighted average market value per treasury share (fils)	<b>72</b>	55	62

Reserves equivalent to the cost of treasury shares is not available for distribution throughout the holding period of such treasury shares as per CMA regulations.

**8 ANNUAL GENERAL ASSEMBLY MEETING (AGM) RESOLUTIONS**

The annual general meeting ("AGM") of the Parent Company's shareholders held on 16 April 2024 approved the consolidated financial statements of the Group for the year ended 31 December 2023 and also approved the Board of Directors' proposal of directors' remuneration of KD 56,000 (2022: KD 40,000) and not to distribute any cash dividends (2022: Nil) for the year then ended.

# Mashaer Holding Company K.S.C.P. and its Subsidiaries

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

As at and for the period ended 30 September 2024

### 9 RELATED PARTY DISCLOSURES

Related parties represent i.e. associates, major shareholders, directors and key management personnel of the Group, and companies of which they 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 following table provides the total amount of transactions that have been entered into with related parties during the nine months ended 30 September 2024 and 2023, as well as balances with related parties as at 30 September 2024, 31 December 2023 and 30 September 2023:

	<i>(Audited)</i>		
	<i>30 September</i>	<i>31 December</i>	<i>30 September</i>
	<i>2024</i>	<i>2023</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<b>Consolidated statement of financial position:</b>			
Payables to related parties			
- Associates	<b>197,334</b>	191,041	192,567

The Group was not involved in any significant transactions with related parties during the nine months ended 30 September 2024, except for key management personnel compensation as disclosed below.

#### Key management personnel

Key management personnel comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group. The aggregate value of transactions and outstanding balances related to key management personnel were as follows:

	<i>Transactions value for the</i>		<i>Balance outstanding as at</i>		
	<i>nine months ended</i>		<i>Balance outstanding as at</i>		
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>31 December</i>	<i>30 September</i>
	<i>2024</i>	<i>2023</i>	<i>2023</i>	<i>2022</i>	<i>2022</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
				<i>(Audited)</i>	
Salaries and short-term benefits	<b>316,253</b>	304,979	<b>84,588</b>	82,525	76,795
End of service benefits	<b>55,014</b>	101,932	<b>417,972</b>	370,921	352,312
	<b>371,267</b>	406,911	<b>502,560</b>	453,446	429,107

### 10 COMMITMENTS AND CONTINGENCIES

#### 10.1 Capital commitments

The Group had no capital commitments at the reporting date.

#### 10.2 Legal claim contingencies

The Group is a plaintiff in legal proceedings brought against a portfolio manager in respect of an investment transaction executed by the portfolio manager in a fiduciary capacity in prior years.

On 12 April 2021, the Court of First Instance has ruled in favour of the Group. Subsequently, the portfolio manager appealed the verdict before the Court of Appeal. On 10 February 2022, an appeal judgment was handed down in favour of the Group against the portfolio manager in respect of the legal claim made by the Group.

The portfolio manager appealed the verdict before the Court of Cassation, which issued a ruling on 7 June 2022 to suspend the execution of the previous judgement, which required the portfolio manager to pay compensation to the Group, until the Court of Cassation reviews the case and issues a verdict. On 21 May 2024, the Court of Cassation issued a ruling in favour of the Group cancelling the suspension of the previous judgment issued and accordingly, the portfolio manager is now required to pay an amount of KD 1,087,589, to the Group. The amounts will be recorded once collected from the portfolio manager.

Further, the Group operates in the real estate industry and is subject to legal disputes with tenants in the normal course of business. Management does not believe that such proceedings will have a material effect on its results and financial position.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2024

**11 SEGMENT INFORMATION**

The Group's primary basis for segmental reporting is by business segments which is subject to risks and rewards that are different from those of other segments. The business segments comprises of:

- ▶ ***Real estate activities*** – Investments in real estate properties either by way of purchase, sale, development and renting of residential and commercial properties (including land and land development) in various geographical locations.
- ▶ ***Hajj and Umrah services*** – Ticketing, hotel accommodation, travel and logistic services relating to Hajj and Umrah.
- ▶ ***Investment activities*** - Establishing companies in Kuwait and abroad, lending to subsidiaries and associates and investing excess cash flows in investments managed by specialised financial institutions.

## Mashaer Holding Company K.S.C.P. and its Subsidiaries

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

As at and for the period ended 30 September 2024

#### 11 SEGMENT INFORMATION (continued)

The Board of Directors monitors the operating results of each business segment separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Accordingly, management analyses the segmental information based on their business segments as follows:

	<i>Nine months ended 30 September 2024</i>				<i>Nine months ended 30 September 2023</i>			
	<i>Real estate activities KD</i>	<i>Hajj &amp; Umrah services KD</i>	<i>Investment activities KD</i>	<i>Total KD</i>	<i>Real estate activities KD</i>	<i>Hajj &amp; Umrah services KD</i>	<i>Investment activities KD</i>	<i>Total KD</i>
Rental income	899,111	-	15,056	914,167	968,920	-	7,790	976,710
Net investment income from financial assets	91,386	-	30,171	121,557	50,845	-	21,244	72,089
Share of results of associates	717,283	-	333,993	1,051,276	541,589	-	-	541,589
Reversal of impairment / provision on investment in associate	-	-	423,353	423,353	988,119	-	-	988,119
Reversal of provisions no longer required	-	-	-	-	7,580	831	-	8,411
Net foreign exchange differences	-	-	11,216	11,216	-	-	4,261	4,261
Other income	7,159	-	13,291	20,450	14,318	-	40	14,358
<b>Total income</b>	<b>1,714,939</b>	<b>-</b>	<b>827,080</b>	<b>2,542,019</b>	<b>2,571,371</b>	<b>831</b>	<b>33,335</b>	<b>2,605,537</b>
Staff costs	(104,454)	-	(352,010)	(456,464)	(86,921)	-	(386,489)	(473,410)
General and administrative expenses	(59,624)	(4,377)	(76,233)	(140,234)	(60,512)	(5,093)	(76,178)	(141,783)
Real estate expenses	(178,097)	-	-	(178,097)	(186,669)	-	-	(186,669)
Provisions for expenses	(455,780)	-	-	(455,780)	-	-	(145,449)	(145,449)
Finance costs	(101,851)	-	(1,163)	(103,014)	(132,911)	-	(1,792)	(134,703)
Depreciation expense	(1,591)	-	(2,750)	(4,341)	(8,341)	-	(1,585)	(9,926)
Taxation of overseas subsidiaries	(44,710)	-	-	(44,710)	(47,541)	-	-	(47,541)
KFAS, NLST and Zakat	(1,081)	-	(35,502)	(36,583)	(8,865)	-	(35,999)	(44,864)
<b>Total expenses and other charges</b>	<b>(947,188)</b>	<b>(4,377)</b>	<b>(467,658)</b>	<b>(1,419,223)</b>	<b>(531,760)</b>	<b>(5,093)</b>	<b>(647,492)</b>	<b>(1,184,345)</b>
<b>PROFIT/ (LOSS) FOR THE PERIOD</b>	<b>767,751</b>	<b>(4,377)</b>	<b>359,422</b>	<b>1,122,796</b>	<b>2,039,611</b>	<b>(4,262)</b>	<b>(614,157)</b>	<b>1,421,192</b>

# Mashaer Holding Company K.S.C.P. and its Subsidiaries

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

As at and for the period ended 30 September 2024

### 11 SEGMENT INFORMATION (continued)

	<i>Real estate activities KD</i>	<i>Hajj &amp; Umrah services KD</i>	<i>Investment activities KD</i>	<i>Total KD</i>
<b>30 September 2024</b>				
Segment assets	<b>18,440,835</b>	<b>949,465</b>	<b>1,441,530</b>	<b>20,831,830</b>
Segment liabilities	<b>3,737,699</b>	<b>46,317</b>	<b>1,437,304</b>	<b>5,221,320</b>
<b>31 December 2023 (Audited)</b>				
Segment assets	18,669,927	955,317	2,123,771	21,749,015
Segment liabilities	2,709,954	47,817	1,382,918	4,140,689
<b>30 September 2023</b>				
Segment assets	18,641,588	922,450	2,853,532	22,417,570
Segment liabilities	2,965,576	47,275	2,007,307	5,020,158

### 12 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in orderly transactions between market participants at the measurement date.

#### *Fair value hierarchy*

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- ▶ 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
- ▶ Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For financial assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

#### **Reconciliation of Level 3 fair values**

The following table shows a reconciliation of all movements in the fair value of items categorised within Level 3 between the beginning and the end of the reporting period:

	<i>Non-listed equity shares</i>		
	<i>FVTPL KD</i>	<i>FVOCI KD</i>	<i>Total KD</i>
<b>As at 1 January 2024 (Audited)</b>	<b>945,719</b>	<b>62,195</b>	<b>1,007,914</b>
Remeasurement recognised in OCI	-	<b>465</b>	<b>465</b>
Remeasurement recognised in profit or loss	-	-	-
<b>As at 30 September 2024</b>	<b>945,719</b>	<b>62,660</b>	<b>1,008,379</b>

Mashaer Holding Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2024

12 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	<i>Non-listed equity shares</i>		
	<i>FVTPL KD</i>	<i>FVOCI KD</i>	<i>Total KD</i>
As at 1 January 2023 ( <i>Audited</i> )	911,385	61,437	972,822
Remeasurement recognised in OCI	-	758	758
Remeasurement recognised in profit or loss	34,334	-	34,334
As at 31 December 2023 ( <i>Audited</i> )	945,719	62,195	1,007,914

  

	<i>Non-listed equity shares</i>		
	<i>FVTPL KD</i>	<i>FVOCI KD</i>	<i>Total KD</i>
As at 1 January 2023	911,385	61,437	972,822
Remeasurement recognised in OCI	-	758	758
As at 30 September 2023	911,385	62,195	973,580

Management assessed that the carrying value of financial instruments at amortised cost is not significantly different from their fair values as most of these assets and liabilities are of short-term maturity or are re-priced immediately based on market movement in profit rates.

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

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis are as shown below:

	<i>Valuation technique</i>	<i>Significant unobservable inputs</i>	<i>Input</i>	<i>Sensitivity of the input to fair value</i>
Non-listed equity investments	Market approach	Sector PBV multiple	0.66 – 1.04	10% increase / (decrease) in the Sector PBV multiple would result in an increase / (decrease) in fair value by KD 63,511.
		DLOM	30% - 40%	10% increase / (decrease) in the DLOM would result in an (decrease) / increase in fair value by KD 116,489.

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

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