

**Kuwait Emirates Holding Company K.S.C.P and its subsidiaries  
State of Kuwait**

**Interim Condensed Consolidated Financial Information  
(Unaudited)  
With Auditor's Review  
For the Three Month Period Ended 31 March 2023**

**Kuwait Emirates Holding Company K.S.C.P and its subsidiaries  
State of Kuwait**

**Interim Condensed Consolidated Financial Information (Unaudited) and Auditors  
Review  
For the Three Month Period Ended 31 March 2023**

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**NAZAR & PARTNERS**  
Authorized Auditors & Consultants

## Report on Review of Interim Condensed Consolidated Financial Information

To / Board of Directors  
Kuwait Emirates Holding Company K.S.C.P and its subsidiaries  
State of Kuwait

### Introduction

We have reviewed the accompanying interim condensed consolidated financial information of Kuwait Emirates Holding Company K.S.C.P. (the "Parent Company") and its subsidiaries (together referred to as the "Group") - which comprise the interim condensed consolidated statement of financial position as at 31 March 2023 and the interim condensed consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the three-month period then ended. The Company's 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 the 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 ("ISAs") 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 has not been prepared, in all material respects, in accordance with International Accounting Standard No. (34) "Interim Financial Reporting".

### Emphasis of Matters

Without qualifying our conclusion, as shown in Note No. (11) of the interim condensed consolidated financial information which discloses that assets amounting to KD 19,882,777 as at 31 March 2023, which comprises 81% approximately of the Group's total assets is in the Arab Republic of Syria and that the Group has assessed that the current political and economic events are not expected to have any material effect on carrying value of these assets.

### Other matter

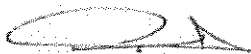
We have been appointed as the Group's auditors for the first time for the financial period ending on 31 March 2023. Accordingly, the consolidated financial statements of Kuwait Emirates Holding Company - K.S.C.P. and its subsidiaries (formerly: Kuwait Syrian Holding Company - K.S.C.P) for the financial year ending on 31 December 2022, and the interim condensed consolidated financial information for the three-month period ending on 31 March 2022 were audited by another auditor who expressed an unqualified opinion and conclusion about the consolidated financial statements and interim condensed consolidated financial information dated 23 March 2023 and 15 May 2022, respectively.



(1)

**Report on other legal and regulatory requirements**

Furthermore, and based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company, nothing has come to our attention indicating any violations of the Companies' Law No. 1 of 2016, as amended by law No.15 of 2017 and its Executive Regulations, as amended, or Law No. 7 of 2010 concerning the establishment of Capital Markets Authority and organization of securities activity and its Executive Regulations, and article of association and incorporation and its amendments during the three-months period ended 31 March 2023 that would materially affect the Group's activities or its interim condensed consolidated financial position.



**Nayer Awadh Nazar**  
**Authorized Public Auditor No. 43-Grade A.**  
**Nazar and Partners**  
**Member of Nexia International**

**State of Kuwait**  
**15 May 2023**



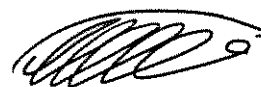
15/05/2023

**Kuwait Emirates Holding Company K.S.C.P and its subsidiaries**  
**State of Kuwait**

**Interim Condensed Consolidated of Financial Position (Unaudited)**  
**As at 31 March 2023**

	Notes	31 March 2023	31 December 2022 (Audited)	31 March 2022
		KD	KD	KD
<b>Assets</b>				
<b>Non-Current assets</b>				
Investment properties	4	12,735,865	12,725,426	12,631,473
Financial assets at fair value through statement of other comprehensive income	5	7,159,846	7,552,989	3,512,464
		<u>19,895,711</u>	<u>20,278,415</u>	<u>16,143,937</u>
<b>Currents assets</b>				
Properties held for trading	6	3,950,750	3,950,750	3,950,750
Account receivable and other debit balances		313,282	321,921	304,980
Cash and cash equivalent	7	305,614	271,830	254,725
		<u>4,569,646</u>	<u>4,544,501</u>	<u>4,510,455</u>
<b>Total assets</b>		<u>24,465,357</u>	<u>24,822,916</u>	<u>20,654,392</u>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Capital		17,627,690	17,627,690	17,627,690
Statutory reserve		139,253	139,253	139,253
Change in fair value reserve		5,396,967	5,790,110	1,749,620
Foreign currency translation reserve		(877,256)	(875,668)	(954,098)
Accumulated losses		(1,471,214)	(1,495,905)	(1,526,555)
<b>Total equity attributable to the shareholders of the Parent Company</b>		<u>20,815,440</u>	<u>21,185,480</u>	<u>17,035,910</u>
Non-controlling interest		<u>3,279,167</u>	<u>3,264,398</u>	<u>3,196,144</u>
<b>Total equity</b>		<u>24,094,607</u>	<u>24,449,878</u>	<u>20,232,054</u>
<b>Liabilities</b>				
<b>Non-Current liabilities</b>				
Provision for end of service indemnity		<u>17,413</u>	<u>16,976</u>	<u>14,102</u>
		<u>17,413</u>	<u>16,976</u>	<u>14,102</u>
<b>Current liabilities</b>				
Account payable and other credit balances	8	<u>353,337</u>	<u>356,062</u>	<u>408,236</u>
		<u>353,337</u>	<u>356,062</u>	<u>408,236</u>
<b>Total liabilities</b>		<u>370,750</u>	<u>373,038</u>	<u>422,338</u>
<b>Total equity and liabilities</b>		<u>24,465,357</u>	<u>24,822,916</u>	<u>20,654,392</u>

The accompanying notes from pages 8 to 14 an integral part of the interim condensed consolidated financial information



**Ahmad Abdulrahman Al-Sharqawi**  
Chairman

**Fahad Abdulrahman Al-Mukhaizim**  
Vice Chairman

Interim Condensed Consolidated Statement of profit or loss (Unaudited)  
For the three month period ended 31 March 2023

	Notes	Three months ended	
		31 March	
		2023	2022
		KD	KD
<b>Income</b>			
Real estate revenue		68,470	51,558
Foreign exchange gain		17,363	583
Other income		495	129
		<u>86,328</u>	<u>52,270</u>
<b>Expenses and other charges</b>			
Staff cost		12,732	11,144
General and administrative expenses		32,165	24,276
Total expenses and other charges		<u>44,897</u>	<u>35,420</u>
<b>Profit for the period before deductions</b>		41,431	16,850
National Labour Support Tax		(644)	(103)
<b>Net profit for the period</b>		<u>40,787</u>	<u>16,747</u>
<b>Attributable to:</b>			
Shareholders of the parent company		24,691	3,613
Non-controlling interest		16,096	13,134
<b>Profit for the period</b>		<u>40,787</u>	<u>16,747</u>
<b>Basic and diluted earnings per share attributable to shareholders of the Parent Company (fils)</b>	9	<u>0.14</u>	<u>0.02</u>

The accompanying notes from pages 8 to 14 an integral part of the interim condensed consolidated financial information

Interim Condensed Consolidated Statement of Other Comprehensive Income (Unaudited)  
For the three month period ended 31 March 2023

	Three months ended	
	31 March	
	2023	2022
	KD	KD
Net profit for the period	40,787	16,747
<b>Other comprehensive (loss) / income:</b>		
<b>Items that may be reclassified subsequently to the interim condensed consolidated statement profit or loss :</b>		
Foreign currency translation differences	(2,915)	63,940
<b>Items that will not be reclassified subsequently to the interim condensed consolidated statement of profit or loss:</b>		
Change in fair value	(393,143)	615,050
<b>Total other comprehensive (loss) / income</b>	<b>(396,058)</b>	<b>678,990</b>
<b>Total comprehensive (loss) / income for the period</b>	<b>(355,271)</b>	<b>695,737</b>
<b>Attributable to:</b>		
shareholders of the parent company	(370,040)	666,081
Non-controlling interest	14,769	29,656
	<b>(355,271)</b>	<b>695,737</b>

The accompanying notes from pages 8 to 14 an integral part of the Interim condensed consolidated financial information

Kuwait Emirates Holding Company K.S.C.P and its subsidiaries  
State of Kuwait

Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)  
For the three month period ended 31 March 2023

	Share capital		Statutory reserve		Change in fair value reserve		Foreign currency translation reserve		Accumulated losses		Sub-total		Non-controlling interest		Total equity	
	KD		KD		KD		KD		KD		KD		KD		KD	
Balance as at 1 January 2022	17,627,690		139,253		1,134,570		(1,001,516)		(1,530,168)		16,369,829		3,166,488		19,536,317	
Net profit for the period	-		-		-		-		3,613		3,613		13,134		16,747	
Total other comprehensive income	-		-		615,050		47,418		-		662,468		16,522		678,990	
Balance as at 31 March 2022	17,627,690		139,253		1,749,620		(954,098)		(1,526,555)		17,035,910		3,196,144		20,232,054	
Balance as at 1 January 2023	17,627,690		139,253		5,790,110		(875,668)		(1,495,905)		21,185,480		3,264,398		24,449,878	
Net profit for the period	-		-		-		-		24,691		24,691		16,096		40,787	
Total other comprehensive loss	-		-		(393,143)		(1,588)		-		(394,731)		(1,327)		(396,058)	
Balance as at 31 March 2023	17,627,690		139,253		5,396,967		(877,256)		(1,471,214)		20,815,440		3,279,167		24,094,607	

The accompanying notes from pages 8 to 14 an integral part of the interim condensed consolidated financial information



Kuwait Emirates Holding Company K.S.C.P and its subsidiaries  
State of Kuwait

Interim Condensed Consolidated Statement of Cash Flows (Unaudited)  
For the three month period ended 31 March 2023

	Three-month ended 31 March	
	2023 KD	2022 KD
<b>Cash flows from operating activities</b>		
Net profit for the period	40,787	16,747
<i>Adjustments:</i>		
Depreciation of property and equipment	-	139
Interest income	(495)	(129)
Provision for end of service Indemnity	437	389
	<u>40,729</u>	<u>17,146</u>
Changes in working capital:		
Account receivable and other debit balances	8,639	(5,009)
Account payable and other credit balances	(15,826)	(4,461)
<b>Net cash generated from operating activities</b>	<u>33,542</u>	<u>7,676</u>
<b>Cash flows from investing activities</b>		
Interest income received	495	129
<b>Net cash generated from investing activities</b>	<u>495</u>	<u>129</u>
<b>Cash flows from Financing activities</b>		
Dividends paid	(253)	(264)
<b>Net cash used in financing activities</b>	<u>(253)</u>	<u>(264)</u>
Net increase in cash and cash equivalent	33,784	7,541
Cash and cash equivalent at beginning of the period	271,830	247,184
Cash and cash equivalent at end of the period	<u>305,614</u>	<u>254,725</u>

The accompanying notes from pages 8 to 14 an integral part of the Interim condensed consolidated financial information

#### 1. Incorporation and objectives

The Kuwait Emirates Holding Company K.S.C.P (Formerly: Kuwait Syrian Holding Company) and its subsidiaries "the Parent Company" and its subsidiaries - the State of Kuwait - was established according to the memorandum of association of a Kuwaiti public shareholding company on 28 July 2002 and its subsequent amendments in accordance with the provisions in the State of Kuwait and under the memorandum of association and its amendments, and in accordance with the Kuwaiti Commercial Companies Law No. 15 of 1960 and its amendments. The last entry in the commercial registry is on 17 November 2022. The company is listed on Kuwait Stock Exchange.

The principal activities of the parent Company are:

- Owning stocks in Kuwaiti or Non-Kuwaiti shareholding companies and shares in Kuwaiti or non-Kuwaiti limited liability companies and participating in the establishment, lending and managing of these companies and acting as a guarantor for these companies.
- Lending money to companies in which it owns shares, guaranteeing them with other parties where the holding company owns 20% or more of the capital of the borrowing company.
- Owning industrial rights such as patents, industrial trademarks, royalties, or any other related rights, and leasing to other companies to use it inside and outside state of Kuwait.
- Owning properties and moveable property to conduct its operations within the limits as stipulated by law.
- Utilizing the company's available surplus funds in financial portfolio managed by specialized entities.

The head office of the parent company is located in Al Khaleejia Tower, Floor 3, Sharq, Kuwait.

This interim condensed consolidated financial information includes the financial information of the parent company and its subsidiaries as shown in Note No. (3) collectively referred to as the "Group".

This interim condensed consolidated financial information was approved for issue by the Board of Directors on 15 May 2023.

#### 2. Basis of preparation

The interim condensed financial information has been prepared in accordance with the International Accounting Standard No. 34 "Interim Financial Reporting". The interim condensed financial information does not include all the information and disclosures required for complete financial statements prepared in accordance with International Financial Reporting Standards (IFRSs). In the opinion of the management all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included in the interim condensed consolidated financial information.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars, which is the Group's functional and presentation currency.

Operating results for the three-month period ended 31 March 2023 are not necessarily indicative of the results that may be expected for the year ended 31 December 2023. For further information, refer to the consolidated financial statements and notes thereto for the financial year ended 31 December 2022.

Notes to the interim condensed consolidated interim financial information (Unaudited)  
For the three month period ended 31 March 2023

**Significant accounting policies**

The accounting policies applied in the preparation of the Interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements of the Group for the year ended on 31 December 2022, except for the application of new standards that are effective from 1 January 2023, and which have no impact on the interim condensed consolidated financial information of the Group.

**Standards, interpretation and amendments issued and adopted by the Group**

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The new standards and amendments that are effective for annual reporting periods beginning on or after 1 January 2023. These amendments did not have material impact on the financial position or the performance of the Group.

**3. Basis of consolidation**

The interim condensed consolidated financial information has been consolidated on the basis of financial information prepared by management for the three-month period ended on 31 March 2023. The interim condensed consolidated financial information the "Parent Company" and its subsidiaries is as follows:

Company name	Main activities	Country of incorporation	Ownership percentage (direct and indirect) (%)		
			31 March 2023	31 December 2022 (Audited)	31 March 2022
Kuwait Syrian Real Estate Company – W.L.L	Real Estate Trading and services	Kuwait	100	100	100
Syrian Kuwait Limited Company – W.L.L.	Tourism	Syria	100	100	100
Al-Naser Gardens Holding Company – K.S.C Holding	Holding	Kuwait	60.9	60.9	60.9
Al-Naser Gardens Real Estate Company – W.L.L.	Real Estate	Kuwait	99	99	99
Al-Naser Garden Syrian Company – Shareholding	General Trading	Syria	97.9	97.9	97.9

The subsidiaries total assets amounted to KD 17,227,815 as at 31 March 2023 (KD 17,177,462 as at 31 December 2022, KD 17,051,860 as at 31 March 2022) and its profits amounted to KD 63,990 for the period ended 31 March 2023 (KD 35,792 for the period ended 31 March 2022).

Notes to the interim condensed consolidated interim financial information (Unaudited)  
For the three month period ended 31 March 2023

4. Investment properties

	31 March 2023	31 December 2022 (Audited)	31 March 2022
	KD	KD	KD
Balance at beginning of the period/year	12,725,426	12,568,838	12,568,838
Foreign currency translation differences	10,439	156,588	62,635
Balance at end of the period/year	<u>12,735,865</u>	<u>12,725,426</u>	<u>12,631,473</u>

Investment properties of the group are located in the Arab Syrian Republic.

5. Financial assets at fair value through statement of other comprehensive income

	31 March 2023	31 December 2022 (Audited)	31 March 2022
	KD	KD	KD
Foreign quoted shares	6,319,564	6,700,944	2,599,269
Local unquoted shares	195,690	203,743	264,930
Foreign unquoted shares	644,592	648,302	648,265
	<u>7,159,846</u>	<u>7,552,989</u>	<u>3,512,464</u>

The fair value of the financial assets at fair value through the statement of other comprehensive income was reached in accordance with the evaluation principles as shown in Note No. (13).

6. Properties held for trading

This note represents the cost of purchasing investment properties for the purpose of resale. The properties are managed by a real estate company, and the net rents of those properties are included in the interim condensed consolidated statement of profit or loss.

7. Cash and cash equivalent

	31 March 2023	31 December 2022 (Audited)	31 March 2022
	KD	KD	KD
Term deposits	55,641	55,170	54,405
Cash at banks	249,973	216,660	200,320
	<u>305,614</u>	<u>271,830</u>	<u>254,725</u>

8. Account payable and other credit balances

	31 March 2023	31 December 2022 (Audited)	31 March 2022
	KD	KD	KD
Trade payables	323,987	326,525	339,989
Accrued dividends	21,976	22,229	26,271
National Labour Support Tax	1,641	997	26,595
Zakat	139	139	10,597
Other credit balances	5,594	6,172	4,784
	<u>353,337</u>	<u>356,062</u>	<u>408,236</u>



Notes to the interim condensed consolidated interim financial information (Unaudited)  
For the three month period ended 31 March 2023

11. Operating segments

The management has determined the operating segments based on the reports submitted to the Board of Directors for the purpose of making strategic decisions.

The following is a summary of the activity of each of the Group's sectors to be reported:

- Investment: Includes the Group's activities related to trading in securities and investment.
- Real estate: Includes real estate trading, development and management.

	Three months ended 31 March 2023		
	Investment	Real estate	Total
	KD	KD	KD
Sector revenue	12	86,316	86,328
Sector expenses	(39,311)	(6,230)	(45,541)
Sector results	(39,299)	80,086	40,787
Sector assets	7,237,542	17,227,815	24,465,357
Sector liabilities	359,480	11,270	370,750

	Three months ended 31 March 2022		
	Investment	Real estate	Total
	KD	KD	KD
Sector revenue	12	52,258	52,270
Sector expenses	(31,983)	(3,540)	(35,523)
Sector results	(31,971)	48,718	16,747
Sector assets	3,602,532	17,051,860	20,654,392
Sector liabilities	404,342	17,996	422,338

The following is the geographical distribution of assets and liabilities:

	31 March 2023		
	Kuwait	Syria	Total
	KD	KD	KD
Assets	4,582,580	19,882,777	24,465,357
Liabilities	370,173	577	370,750

	31 December 2022 (Audited)		
	Kuwait	Syria	Total
	KD	KD	KD
Assets	4,568,536	20,254,380	24,822,916
Liabilities	372,650	388	373,038

	31 March 2022		
	Kuwait	Syria	Total
	KD	KD	KD
Assets	4,596,530	16,057,862	20,654,392
Liabilities	409,159	13,179	422,338

**11. Operating segments (continued)**

The Group's assets amounting to KD 19,882,777 as at 31 March 2023 which represent approximately 81% from the Group's Assets is in Syria (KD 20,254,380 as at 31 December 2022 which represent approximately 82% from the Group's Assets and KD 16,057,862 as at 31 March 2022 which represents approximately 78% from the Group's Assets), the Group has assessed that the current political and economic events is unlikely to have any material effect on the carrying value of these assets, taking into consideration that these assets are recorded at its fair values which reflect the impact of the current circumstances. In addition, there are no restrictions on the disposition of these assets.

The Group's management believes that the application of IAS 29 "Financial Reporting in Hyperinflationary Economies" has no material impact on the financial statements of the subsidiaries in the Syrian Arab Republic taking into consideration the above, in addition, most of the long-term assets have been transferred and registered in these companies, so as to reflect the effect of changes in currency rates.

**12. The General Assembly of the Shareholders of the Parent Company**

As on 11 May 2023, the Ordinary General assembly of the shareholders of the Parent Company approved the consolidated financial statements for the financial year ended on 31 December 2022 and approved the Board of Directors' recommendation not to distribute dividends and not to pay compensation to members of the Board of Directors for the financial year ended on 31 December 2022.

As on 9 June 2022, the Ordinary General Assembly of the shareholders of the Parent Company approved the consolidated financial statements for the financial year ended on 31 December 2021 and approved the Board of Directors' recommendation not to distribute dividends and not to pay compensation to members of the Board of Directors for the financial year ended on 31 December 2021.

**13. Fair value measurement**

The Group measures financial assets as financial assets at fair value through statement of other comprehensive income at the end of the reporting period.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly (for example, price inputs).
- Level 3: Inputs derived from valuation techniques that include inputs for assets or liabilities that are not based on market data and are supported by identifiable sources (inputs not supported by identifiable sources).

Notes to the interim condensed consolidated interim financial information (Unaudited)  
For the three month period ended 31 March 2023

13. Fair value measurement (continued)

The following table shows an analysis of Items recorded at fair value, according to the level of the fair value hierarchy:

Financial assets at fair value through statement of other comprehensive income:	Fair value as at			fair value level	Valuation technique(s) and Key input(s)
	31 March 2023	31 December 2022 (Audited)	31 March 2022		
Foreign quoted shares	6,319,564	6,700,944	2,599,269	Level 1	Closing price
Local unquoted shares	195,690	203,743	264,930	Level 2	Comparative market price for similar assets
Foreign unquoted shares	550,642	554,350	554,313	Level 3	Discounted cash flows
Foreign unquoted shares	93,950	93,952	93,952	Level 2	Adjusted book value
<b>Total</b>	<b>7,159,846</b>	<b>7,552,989</b>	<b>3,512,464</b>		