للفنادق والمنتجعات
Hotels & Resorts

26 March 2026

Boursa Kuwait Company

Greetings,

Subject: Supplementary Disclosure – Results of the Board of Directors Meeting of IFA Hotels and Resorts

We would like to inform you that the Board of Directors of IFA Hotels and Resorts Company convened at 2:00 PM on Thursday, 26 March 2026, and approved the following resolutions:

- The Board reviewed and approved the consolidated financial statements for the fiscal year ended 31 December 2025.
- The Board recommended to the General Assembly the distribution of 25% bonus shares to the company's shareholders.
- The Board recommended to the General Assembly the re-appointment of Mrs. Hind Al-Saraye of Al-Qatami, Al-Aiban, and Grant Thornton & Co. as the financial auditor for the company for the fiscal year ending 31 December 2026.

Attached is the Financial Results Form for the fiscal year ended 31 December 2025.

IFA Hotels and Resorts Company is pleased to announce the date of the Quarterly Analysts/Investors Conference, which will be held via a live webcast at 1:30 PM on Thursday, 2 April 2026. Investors, analysts, and interested parties may contact the Investor Relations Department at the following email address: IR@ifahotelsresorts.com to receive the invitation and details for participating in the conference.

Best regards

Khaled Saeed Esbaitah
Chairman

Cc: Capital Markets Authority

26 مارس 2026

السادة شركة بورصة الكويت المحترمين

تحية طيبة وبعد،

الموضوع: افصاح مكمل – نتائج اجتماع مجلس إدارة شركة ايفا للفنادق والمنتجعات

نود إفادتكم بأن مجلس إدارة شركة ايفا للفنادق والمنتجعات قد اجتمع في تمام الساعة 2:00 من بعد ظهر يوم الخميس الموافق 26 مارس 2026، ووافق على القرارات التالية:

- اطلع المجلس على البيانات المالية المجمعة للسنة المالية المنتهية في 31 ديسمبر 2025، ووافق عليها واعتمدها
- رفع المجلس التوصية للجمعية العامة بتوزيع 25% أسهم منحة على مساهمي الشركة.
- رفع المجلس التوصية للجمعية العامة بإعادة تعيين السيدة هند السريع من مكتب القطامي والعيبان-جرانت ثورنتون-وشركاهم، مراقبا ماليا للشركة للسنة المالية المنتهية في 31 ديسمبر 2026.

ونرفق لكم نموذج نتائج البيانات المالية للسنة المالية المنتهية في 31 ديسمبر 2025.

ويسر شركة ايفا للفنادق والمنتجعات الاعلان عن موعد مؤتمر المحللين/المستثمرين الربع سنوي، والمقرر عقده عن طريق بث مباشر على شبكة الانترنت (Live Webcast) في تمام الساعة 1:30 من بعد ظهر يوم الخميس الموافق 2 ابريل 2026 ويمكن للمستثمرين والمحللين والمهتمين التواصل مع إدارة علاقات المستثمرين على البريد الالكتروني التالي: IR@ifahotelsresorts.com ليتم تزويدهم بالدعوة وتفاصيل المشاركة في المؤتمر.

وتفضلوا بقبول وافر التحية،

خالد سعيد اسبيته
رئيس مجلس الادارة

نسخة لهيئة أسواق المال

للفنادق والمنتجعات
Hotels & Resorts

Commercial Reg. 61718
Capital Kuwait Dinar 29,118,647.2
info@ifahotelsresorts.com
IFA Hotels & Resorts KSC (Public)
Souk Al-Kuwait Building, Gate A, Floor 8, - P.O. Box 4694 Safat - 13047 Kuwait
Tel: (+965) 1844432 / 22490218 | Fax: (+965) 22492212

سجل تجاري رقم 61718
رأس المال 29,118,647.2 دينار كويتي
Ifahotelsresorts.com
شركة ايفا للفنادق والمنتجعات ش.م.ك. (عامة)
مبنى سوق الكويت، مدخل A، الدور الثامن، ص.ب. 4694 الصفاة، 13047 الكويت
هاتف 1844432/22490218(965+) | فاكس 22492212(965+)

للفنادق والمنتجعات
Hotels & Resorts

Material Information Disclosure Form

نموذج إفصاح مكمل

Date	26 March 2026	26 مارس 2026	التاريخ
Listed company name	IFA Hotels & Resorts	شركة ايفا للفنادق والمنتجعات	اسم الشركة المدرجة
Disclosure title	Supplementary Disclosure – Results of the Board of Directors Meeting of IFA Hotels and Resorts	افصاح مكمل-نتائج اجتماع مجلس ادارة شركة ايفا للفنادق والمنتجعات	عنوان الافصاح
Previous disclosure date	24 March 2026	24 مارس 2026	تاريخ الافصاح السابق
Disclosure update	We would like to inform you that the Board of Directors of IFA Hotels and Resorts Company convened at 2:00 PM on Thursday, 26 March 2026, and approved the following resolutions: – The Board reviewed and approved the consolidated financial statements for the fiscal year ended 31 December 2025. – The Board recommended to the General Assembly the distribution of 25% bonus shares to the company's shareholders. – The Board recommended to the General Assembly the re-appointment of Mrs. Hind Al-Saraye of Al-Qatami, Al-Aiban, and Grant Thornton & Co. as the financial auditor for the company for the fiscal year ending 31 December 2026.	نود إفادتكم بأن مجلس إدارة شركة ايفا للفنادق والمنتجعات قد اجتمع في تمام الساعة 2:00 من بعد ظهر يوم الخميس الموافق 26 مارس 2026، ووافق على القرارات التالية: – اطلع المجلس على البيانات المالية المجمعة للسنة المالية المنتهية في 31 ديسمبر 2025، ووافق عليها واعتمدها – رفع المجلس التوصية للجمعية العامة بتوزيع 25% أسهم منحة على مساهمي الشركة. – رفع المجلس التوصية للجمعية العامة بإعادة تعيين السيدة هند السريع من مكتب القطامي والعيبان-جرانت ثورنتون-وشركاهم، مراقبا ماليا للشركة للسنة المالية المنتهية في 31 ديسمبر 2026.	التطور الحاصل على الافصاح
The financial impact of the development	No financial impact	لا يوجد أثر مالي	الأثر المالي للتطور الحاصل (إن وجد)

Khaled Saeed Esbaitah خالد سعيد اسبيته
Chairman رئيس مجلس الادارة

للفنادق والمنتجعات
Hotels & Resorts

Financial Results Form Kuwaiti Company (KWD)	نموذج نتائج البيانات المالية الشركات الكويتية (د.ك.)

Company Name	اسم الشركة
IFA Hotels and Resorts KPSC	إيفا للفنادق والمنتجعات ش.م.ك.ع

Select from the list	2025-12-31	اختر من القائمة

Board of Directors Meeting Date	2026-03-26	تاريخ اجتماع مجلس الإدارة

Required Documents	المستندات الواجب إرفاقها بالنموذج
Approved financial statements. Approved auditor's report This form shall not be deemed to be complete unless the documents mentioned above are provided	نسخة من البيانات المالية المعتمدة نسخة من تقرير مراقب الحسابات المعتمد لا يعتبر هذا النموذج مكتملاً ما لم يتم وإرفاق هذه المستندات

التغيير (%) Change (%)	السنة المقارنة Comparative Year	السنة الحالية Current Year	البيان Statement
	2024-12-31	**2025-12-31**	
39.6%	13,335,871	**18,617,363**	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
39.6%	45.82	**63.97**	ربحية (خسارة) السهم الأساسية والمخففة Basic & Diluted Earnings per Share
63.1%	30,480,961	**49,712,271**	الموجودات المتداولة Current Assets
(18.4%)	227,472,702	**185,660,586**	إجمالي الموجودات Total Assets
1.8%	86,661,918	**88,220,967**	المطلوبات المتداولة Current Liabilities
(31.5%)	157,790,941	**108,097,446**	إجمالي المطلوبات Total Liabilities
60.4%	31,979,027	**51,286,195**	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
23.3%	28,354,020	**34,956,408**	إجمالي الإيرادات التشغيلية Total Operating Revenue
26.8%	17,518,783	**22,216,514**	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)
-	-	**-**	الخسائر المتراكمة / رأس المال المدفوع Accumulated Loss / Paid-Up Share Capital

التغيير (%) Change (%)	الربع الرابع المقارن Fourth quarter Comparative Year 2024-12-31	الربع الرابع الحالي Fourth quarter Current Year 2025-12-31	البيان Statement
(45.2%)	3,302,735	**1,809,698**	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
(45.2%)	11.35	**6.22**	ربحية (خسارة) السهم الأساسية والمخففة Basic & Diluted Earnings per Share
(26.6%)	8,800,900	**6,460,965**	إجمالي الإيرادات التشغيلية Total Operating Revenue
(53.3%)	4,355,502	**2,033,712**	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)

- Not Applicable for First Quarter
- لا ينطبق على الربع الأول

Increase/Decrease in Net Profit (Loss) is due to	سبب ارتفاع/انخفاض صافي الربح (الخسارة)
• Net income from the sale of properties & hotel operations increased by KD 3,303,899 • Change in fair value of investments at fair value through profit or loss increased by KD 1,010,179 • Share of results of associates and joint ventures decreased by KD 7,564,624 • Gain on transfer of trading properties to investment properties decreased by KD 2,025,076 • Other operating expenses and charges increased by KD 2,053,542 • Profit for the year from discontinued operations increased by KD 10,396,510	• صافي الدخل من بيع عقارات وعمليات الفندقة ارتفع بمبلغ 3,303,899 دينار كويتي • التغير في القيمة العادلة لاستثمارات بالقيمة العادلة من خلال الأرباح أو الخسائر ارتفع بمبلغ 1,010,179 دينار كويتي • حصة من نتائج شركات زميلة وشركات محاصه انخفضت بمبلغ 7,564,624 دينار كويتي • ربح من نقل عقارات للمتاجرة إلى العقارات الاستثمارية انخفض بمبلغ 2,025,076 دينار كويتي • مصاريف وأعباء تشغيل أخرى ارتفعت بمبلغ 2,053,542 دينار كويتي • ربح السنة من العمليات المتوقفة ارتفع بمبلغ 10,396,510 دينار كويتي

Total Revenue realized from dealing with related parties (value, KWD)	6,959,394	بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)

Total Expenditures incurred from dealing with related parties (value, KWD)	425,136	بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)

Auditor Opinion				رأي مراقب الحسابات
1.	Unqualified Opinion	☒	رأي غير متحفظ	.1
2.	Qualified Opinion	☐	رأي متحفظ	.2
3.	Disclaimer of Opinion	☐	عدم إبداء الرأي	.3
4.	Adverse Opinion	☐	رأي معاكس	.4

In the event of selecting items No. 2, 3 or 4, the following table must be filled out, and this form is not considered complete unless it is filled.

بحال اختيار بند رقم 2 أو 3 أو 4 يجب تعبئة الجدول التالي، ولا يعتبر هذا النموذج مكتملاً ما لم يتم تعبئته

-	نص رأي مراقب الحسابات كما ورد في التقرير
-	شرح تفصيلي بالحالة التي استدعت مراقب الحسابات لإبداء الرأي
-	الخطوات التي ستقوم بها الشركة لمعالجة ما ورد في رأي مراقب الحسابات
-	الجدول الزمني لتنفيذ الخطوات لمعالجة ما ورد في رأي مراقب الحسابات

Corporate Actions				استحقاقات الأسهم (الإجراءات المؤسسية)
النسبة	القيمة			
-	-			توزيعات نقدية Cash Dividends
25%	7,279,661.800			توزيعات أسهم منحة Bonus Share
-	-			توزيعات أخرى Other Dividend
-	-			عدم توزيع أرباح No Dividends
-	-	علاوة الإصدار Issue Premium	-	زيادة رأس المال Capital Increase
-	-			تخفيض رأس المال Capital Decrease

ختم الشركة Company Seal	التوقيع Signature	المسمى الوظيفي Title	الاسم Name
		رئيس مجلس الإدارة	خالد سعيد إسبيتة

Grant Thornton
القطامي والعيبان وشركاهم

البيانات المالية المجمعة وتقرير مراقب الحسابات المستقل

شركة ايفا للفنادق والمنتجعات - ش.م.ك.ع

والشركات التابعة لها

الكويت

31 ديسمبر 2025

شركة ايفا للفنادق والمنتجعات - ش.م.ك.ع والشركات التابعة لها
البيانات المالية المجمعة
31 ديسمبر 2025

المحتويات

عمارة السوق الكبير
برج أ - الدور التاسع
ص.ب 2986 الصفاة 13030
دولة الكويت
تلفون 9 / 3900-2244-965+
فاكس 8451-2243-965+
www.grantthornton.com.kw

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تقرير مراقب الحسابات المستقل

السادة المساهمين
شركة ايفا للفنادق والمنتجعات - ش.م.ك.ع
الكويت

التقرير حول تدقيق البيانات المالية المجمعة

الرأي
قمنا بتدقيق البيانات المالية المجمعة لشركة ايفا للفنادق والمنتجعات - ش.م.ك.ع ("الشركة الأم") والشركات التابعة لها (يشار إليهم مجتمعين بـ"المجموعة")، التي تتضمن بيان المركز المالي المجمع كما في 31 ديسمبر 2025 وبيان الأرباح أو الخسائر المجمع وبيان الأرباح أو الخسائر والدخل الشامل الآخر المجمع وبيان التغيرات في حقوق الملكية المجمع وبيان التدفقات النقدية المجمع للسنة المنتهية في ذلك التاريخ والإيضاحات حول البيانات المالية المجمعة، بما في ذلك معلومات السياسات المحاسبية المادية.

برأينا أن البيانات المالية المجمعة المرفقة تُظهر بصورة عادلة، من كافة النواحي المادية، المركز المالي المجمع للمجموعة كما في 31 ديسمبر 2025 وأدائها المالي المجمع وتدفقاتها النقدية المجمعة للسنة المنتهية بذلك التاريخ وفقا لمعايير المحاسبة الدولية للتقارير المالية الصادرة عن مجلس معايير المحاسبة الدولية.

أساس إبداء الرأي
لقد قمنا بأعمال التدقيق وفقاً لمعايير التدقيق الدولية. إن مسؤولياتنا وفق تلك المعايير قد تم شرحها ضمن بند *مسؤوليات مراقب الحسابات حول تدقيق البيانات المالية* المجمعة الوارد في تقريرنا. إننا مستقلون عن المجموعة وفقا لمتطلبات ميثاق الأخلاقية للمحاسبين المهنيين (بما في ذلك معايير الاستقلالية الدولية) الصادر عن المجلس الدولي لمعايير أخلاقية المحاسبين ("ميثاق الأخلاقية")، والمتطلبات الأخلاقية المتعلقة بتدقيقنا للبيانات المالية المجمعة في دولة الكويت. كما التزمنا بمسؤولياتنا الأخلاقية الأخرى بما يتوافق مع تلك المتطلبات وميثاق الأخلاقية.

إننا نعتقد بأن أدلة التدقيق التي حصلنا عليها، كافية وملائمة لتكون أساسا في إبداء رأينا.

أمور التدقيق الرئيسية
إن أمور التدقيق الرئيسية، حسب تقديراتنا المهنية، هي تلك الأمور التي كانت الأكثر أهمية في تدقيقنا للبيانات المالية المجمعة للفترة الحالية. ولقد تم استعراض تلك الأمور في سياق تقريرنا حول تدقيق البيانات المالية المجمعة ككل، وإبداء رأينا المهني حولها، دون أن نبدي رأيا منفصلا حول تلك الأمور. فيما يلي تفاصيل أمور التدقيق الرئيسية وكيفية معالجتنا لكل أمر من هذه الأمور في إطار تدقيقنا له.

استبعاد شركة تابعة
أبرمت المجموعة، بتاريخ 31 مارس 2025، اتفاقية بيع وشراء لبيع كامل حصة ملكيتها في شركة تابعة مملوكة لها بشكل غير مباشر، وهي شركة ايفا للفنادق والمنتجعات 1 (جزر كايمان) (يشار إليها فيما بعد بالشركة التابعة) إلى إيه آي إم هوسبيتاليتي (كايمان) المحدودة ("الصندوق")، والمُدار من قبل طرف ذو صلة، وذلك مقابل إجمالي مبلغ 325 مليون دولار أمريكي (ما يعادل 100.2 مليون د.ك). وكما في ذلك التاريخ، توصلت المجموعة الى انها استوفت كافة شروط إتمام الصفقة واعترفت بربح يبلغ 10,471,036 د.ك. بتاريخ 7 أغسطس 2025، تم تعديل إجمالي هذا المقابل بموجب ملحق لاتفاقية البيع والشراء الأصلية المبرمة بين البائع والمشتري ليصبح 312.5 مليون دولار أمريكي (ما يعادل 96.3 مليون د.ك)، مما أدى إلى انخفاض الربح إلى 9,136,573 د.ك. تكونت حصة المجموعة من إجمالي المقابل المعدل من مكون نقدي يبلغ 6,934,677 د.ك، واكتتاب عيني في إيه آي إم هوسبيتاليتي (كايمان) المحدودة بقيمة عادلة تبلغ 7,842,991 د.ك. تم تصنيف الإكتتاب العيني في الصندوق كاستثمار بالقيمة العادلة من خلال الأرباح أو الخسائر .

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تابع/ تقرير مراقب الحسابات المستقل إلى السادة مساهمي شركة ايفا للفنادق والمنتجعات - ش.م.ك.ع

تابع / أمور التدقيق الرئيسية

تابع / استبعاد شركة تابعة
نتج عن استبعاد الشركة التابعة تصنيفها كعمليات متوقفة باعتبارها تمثل قطاع أعمال رئيسي. وبناءً عليه، قامت المجموعة بعرض نتائج أعمال الشركة التابعة بشكل منفصل في بيان الأرباح أو الخسائر ضمن العمليات المتوقفة، كما قامت بتعديل أرقام المقارنة وفقاً للمعيار الدولي للتقارير المالية رقم 5 "الموجودات غير المتداولة المحتفظ بها للبيع والعمليات المتوقفة."

تضمنت إجراءات التدقيق التي قمنا بها، من بين أمور أخرى، مراجعة اتفاقيات البيع والشراء للحصول على فهم وافٍ للمعاملة وتقييم شروط الإتمام ذات الصلة؛ كما تحققنا من تحديد تاريخ الاستبعاد بشكل ملائم، ومن تقييم المجموعة بالقيمة العادلة للوحدات المستحوذ عليها. وبالإضافة إلى ذلك، قمنا بفحص القيود المحاسبية المتعلقة باستبعاد الشركة التابعة، بما في ذلك إلغاء الاعتراف بالموجودات والمطلوبات والحصص غير المسيطرة، وإعادة احتساب الأرباح الناتجة عن استبعاد الشركة التابعة. كما قمنا بتقييم مدى كفاية إفصاحات المجموعة المتعلقة باستبعاد الشركة التابعة في إيضاح 6.3 حول البيانات المالية المجمعة .

استثمارات يتم المحاسبة عنها بموجب طريقة حقوق الملكية
إن لدى المجموعة استثمارات في شركات زميلة وشركات المحاصة يتم المحاسبة عنها باستخدام طريقة حقوق الملكية والتي تعتبر ذات أهمية بالنسبة للبيانات المالية المجمعة للمجموعة. وفقا لطريقة حقوق الملكية، يتم تسجيل استثمار المجموعة مبدئيا بالتكلفة، ويتم تعديلها بعد ذلك لتغيرات ما بعد الشراء في حصة المجموعة من صافي أصول هذه الاستثمارات ناقصا أي انخفاض في القيمة. لقد كان تعقيد بيئة ضوابط المجموعة وقدرتنا كمراقب حسابات للمجموعة على الحصول على قدر ملائم من الاستيعاب لتلك المنشآت بما في ذلك أي معاملات مع أطراف ذات صلة أمرًا جوهريًا في عملية التدقيق. وبناءا على هذه العوامل وأهمية الاستثمارات في الشركات الزميلة وشركات المحاصة بالنسبة للبيانات المالية المجمعة للمجموعة، فإننا نرى أن هذا من أمور التدقيق الرئيسية.

تضمنت إجراءات التدقيق التي قمنا بها، من بين الأمور الأخرى، تحديد طبيعة ومدى إجراءات التدقيق التي سيتم تنفيذها لهذه الاستثمارات. خلال عملية التدقيق، قمنا بالتواصل مع مراقبي حسابات الشركات الزميلة وشركات المحاصة. كما زودنا مراقبي الحسابات بتعليمات تشمل الجوانب الهامة والمخاطر الواجب معالجتها بما في ذلك تحديد الأطراف والمعاملات ذات الصلة. إضافةً إلى ذلك، قمنا بتقييم منهجية المجموعة واختبرنا الافتراضات الرئيسية التي تستخدمها المجموعة في تحديد القيمة القابلة للاسترداد استنادا إلى القيمة العادلة ناقصا تكلفة البيع والقيمة قيد الاستخدام أيهما أعلى. قمنا أيضا بتقييم مدى ملاءمة إفصاحات المجموعة ضمن إيضاح رقم 15 حول البيانات المالية المجمعة.

معلومات أخرى
إن الإدارة مسؤولة عن المعلومات الأخرى. تتضمن المعلومات الأخرى تقرير مجلس الإدارة (ولكنها لا تشمل البيانات المالية المجمعة وتقرير مراقب الحسابات بشأنها) والذي حصلنا عليه قبل تاريخ تقرير مراقب الحسابات هذا، والتقرير السنوي الكامل للمجموعة والذي من المتوقع أن يتوفر لدينا بعد ذلك التاريخ.

إن رأينا حول البيانات المالية المجمعة لا يتضمن الجزء الخاص بالمعلومات الأخرى، ولا نعبر عن أي نوع من نتائج التأكيد بشأنها.

فيما يتعلق بتدقيقنا للبيانات المالية المجمعة، فإن مسؤوليتنا هي الاطلاع على المعلومات الأخرى وأثناء القيام بذلك، نقوم بالنظر فيما إذا كانت المعلومات الأخرى غير متطابقة جوهريا مع البيانات المالية المجمعة المرفقة أو مع معلوماتنا التي تم الحصول عليها أثناء عملية التدقيق أو غير ذلك من الأمور التي قد يشوبها فروقات مادية. وإذا ما توصلنا، بناء على الأعمال التي قمنا بها على المعلومات الأخرى التي حصلنا عليها قبل تاريخ تقرير مراقب الحسابات، بأن هناك فعلا فروقات مادية ضمن تلك المعلومات الأخرى، فالمطلوب منا بيان تلك الأمور. ليس لدينا أي شيء للتقرير عنه في هذا الصدد.

عند اطلاعنا على التقرير السنوي الكامل للمجموعة، إذا توصلنا إلى وجود فروقات مادية به، فإننا ملزمون بإبلاغ المسؤولين عن الحوكمة بهذا الأمر.

تابع/ تقرير مراقب الحسابات المستقل إلى السادة مساهمي شركة ايفا للفنادق والمنتجعات - ش.م.ك.ع

مسؤولية الإدارة والمسؤولين عن تطبيق الحوكمة حول البيانات المالية المجمعة

إن الإدارة هي الجهة المسؤولة عن إعداد وعرض البيانات المالية المجمعة بشكل عادل وفقا لمعايير المحاسبة الدولية للتقارير المالية الصادرة عن مجلس معايير المحاسبة الدولية، وعن نظام الضبط الداخلي الذي تراه مناسبا لتمكينها من إعداد البيانات المالية المجمعة بشكل خالٍ من فروقات مادية سواء كانت ناتجة عن الغش أو الخطأ.

لإعداد هذه البيانات المالية المجمعة، تكون الإدارة مسؤولة عن تقييم قدرة المجموعة على تحقيق الاستمرارية، والإفصاح، عند الحاجة، عن الأمور المتعلقة بتحقيق تلك الاستمرارية وتطبيق مبدأ الاستمرارية المحاسبي، ما لم يكن بنية الإدارة تصفية المجموعة أو إيقاف أنشطتها، أو عدم توفر أي بديل آخر واقعي سوى اتخاذ هذا الإجراء.

إن المسؤولين عن تطبيق الحوكمة هم الجهة المسؤولة عن مراقبة عملية إعداد التقارير المالية للمجموعة.

مسؤوليات مراقب الحسابات حول تدقيق البيانات المالية المجمعة

إن أهدافنا هي الحصول على تأكيدات معقولة بأن البيانات المالية المجمعة، ككل، خالية من فروقات مادية، سواء كانت ناتجة عن الغش أو الخطأ، وإصدار تقرير التدقيق الذي يحتوي على رأينا. إن التأكيدات المعقولة هي تأكيدات عالية المستوى، ولكنها لا تضمن بأن مهمة التدقيق المنفذة وفق متطلبات المعايير الدولية للتدقيق، سوف تكتشف دائما الفروقات المادية في حالة وجودها. يمكن أن تنشأ الفروقات من الغش أو الخطأ وتعتبر مادية سواء كانت منفردة أو مجتمعة، عندما يكون من المتوقع أن تؤثر على القرارات الاقتصادية للمستخدم بناء على ما ورد في هذه البيانات المالية المجمعة.

وكجزء من مهام التدقيق وفقا لمعايير التدقيق الدولية، نقوم بممارسة التقديرات المهنية والاحتفاظ بمستوى من الشك المهني طيلة أعمال التدقيق. كما قمنا بما يلي:

- تحديد وتقييم مخاطر الفروقات المادية في البيانات المالية المجمعة، سواء كانت ناتجة عن الغش أو الخطأ، ووضع وتنفيذ إجراءات التدقيق الملائمة لتلك المخاطر، وكذلك الحصول على أدلة تدقيق كافية ومناسبة لتقديم أساس يمكننا من إبداء رأينا. إن مخاطر عدم اكتشاف الفروقات المادية الناتجة عن الغش تعتبر أعلى من تلك المخاطر الناتجة عن الخطأ، حيث أن الغش قد يشمل تواطؤ أو تزوير أو حذوفات مقصودة أو عرض خاطئ أو تجاوز لإجراءات الضبط الداخلي.
- فهم إجراءات الضبط الداخلي التي لها علاقة بالتدقيق لغرض تصميم إجراءات التدقيق الملائمة حسب الظروف، ولكن ليس لغرض إبداء الرأي حول فعالية إجراءات الضبط الداخلي للمجموعة.
- تقييم ملاءمة السياسات المحاسبية المتبعة ومعقولية التقديرات المحاسبية المطبقة والإيضاحات المتعلقة بها والمعدة من قبل الإدارة.
- الاستنتاج حول ملاءمة استخدام الإدارة للأسس المحاسبية في تحقيق مبدأ الاستمرارية، وبناء على أدلة التدقيق التي حصلنا عليها، سوف نقرر فيما إذا كان هناك عدم تأكد مادي مرتبط بأحداث أو ظروف قد تثير شكوكاً جوهرية حول قدرة المجموعة على مواصلة أعمالها على أساس مبدأ الاستمرارية. وإذا ما توصلنا إلى وجود تلك الشكوك الجوهرية، فإن علينا أن نلفت الانتباه لذلك ضمن تقرير التدقيق وإلى الإفصاحات المتعلقة بها ضمن البيانات المالية المجمعة، أو في حالة ما إذا كانت تلك الافصاحات غير ملائمة، سوف يؤدي ذلك إلى تعديل رأينا. إن استنتاجاتنا سوف تعتمد على أدلة التدقيق التي حصلنا عليها حتى تاريخ تقرير التدقيق. ومع ذلك فإنه قد يكون هناك أحداث أو ظروف مستقبلية قد تؤدي إلى عدم قدرة المجموعة على مواصلة أعمالها على أساس مبدأ الإستمرارية.

تابع/ تقرير مراقب الحسابات المستقل إلى السادة مساهمي شركة ايفا للفنادق والمنتجعات - ش.م.ك.ع

تابع/ مسؤوليات مراقب الحسابات حول تدقيق البيانات المالية المجمعة

- تقييم الإطار العام للبيانات المالية المجمعة من ناحية العرض والتنظيم والفحوى، بما في ذلك الإفصاحات، وفيما إذا كانت تلك البيانات المالية المجمعة تعكس المعاملات والأحداث المتعلقة بها بشكل يحقق العرض بشكل عادل.
- تخطيط وتنفيذ أعمال تدقيق المجموعة للحصول على أدلة تدقيق كافية ومناسبة فيما يتعلق بالمعلومات المالية للكيانات أو وحدات الأعمال داخل المجموعة كأساس لتكوين رأي حول البيانات المالية المجمعة. إننا مسؤولون عن التوجيه والاشراف والمراجعة على أعمال التدقيق المنفذة لغرض تدقيق أعمال المجموعة. ونتحمل المسؤولية فقط عن رأي التدقيق.

نقوم بالعرض على المسؤولين عن تطبيق الحوكمة، وضمن أمور أخرى، خطة وإطار وتوقيت التدقيق والأمور الجوهرية الأخرى التي يتم اكتشافها، بما في ذلك نقاط الضعف الجوهرية في نظام الضبط الداخلي التي تلفت انتباهنا أثناء عملية التدقيق.

كما نقوم بتزويد المسؤولين عن تطبيق الحوكمة بما يفيد التزامنا بمتطلبات أخلاقية المهنة المتعلقة بالاستقلالية، وتزويدهم بكافة ارتباطاتنا والأمور الأخرى التي قد تشير إلى وجود شكوك في استقلاليتنا والتدابير التي يتم اتخاذها، حيثما وجدت.

ومن بين الأمور التي يتم التواصل بها مع المسؤولين عن تطبيق الحوكمة، تلك الأمور التي يتم تحديدها من قبلنا على أنها الأكثر أهمية في تدقيق البيانات المالية المجمعة للسنة الحالية ويتم اعتبارها بذلك، من أمور التدقيق الرئيسية. ولقد قمنا بالإفصاح عن تلك الأمور ضمن تقرير التدقيق، ما لم تكن القوانين أو التشريعات المحلية تحد من الإفصاح عن أمر معين، أو في حالات نادرة جدا، قررنا عدم الإفصاح عنها ضمن تقريرنا تجنبا لنتائج عكسية قد تحدث نتيجة الإفصاح عنها والتي قد تطغى على المصلحة العامة.

التقرير حول المتطلبات القانونية والرقابية الأخرى

برأينا أيضاً أن الشركة الأم تحتفظ بسجلات محاسبية منتظمة وأن البيانات المالية المجمعة، والبيانات الواردة في تقرير مجلس إدارة الشركة الأم فيما يتعلق بهذة البيانات المالية المجمعة، متفقة مع ما هو وارد في تلك السجلات. كذلك فقد حصلنا على كافة المعلومات والإيضاحات التي رأيناها ضرورية لأغراض التدقيق، وأن البيانات المالية المجمعة تتضمن كافة المعلومات التي يتطلبها قانون الشركات رقم 1 لسنة 2016، ولائحته التنفيذية وتعديلاتهما، وعقد التأسيس والنظام الأساسي للشركة الأم وتعديلاتهما، وأن الجرد قد أجري وفقًا للأصول المرعية، ولم يرد لعلمنا وجود أية مخالفات لأحكام قانون الشركات ولائحته التنفيذية، أو لعقد التأسيس والنظام الأساسي للشركة الأم، وتعديلاتهم، خلال السنة المنتهية في 31 ديسمبر 2025، على وجه قد يكون له تأثير مادي على نشاط الشركة الأم أو مركزها المالي.

كذلك، بناء على تدقيقنا، لم يرد لعلمنا وجود أية مخالفات لأحكام القانون رقم 7 لسنة 2010 بشأن هيئة أسواق المال واللوائح المتعلقة به خلال السنة المنتهية في 31 ديسمبر 2025 على وجه قد يكون له تأثير مادي على نشاط الشركة الأم أو مركزها المالي.

هند عبدالله السريع
مراقب الحسابات رقم 141 فئة "أ"
جرانت ثورنتون – القطامي والعيبان وشركاهم

الكويت
26 مارس 2026

بيان الأرباح أو الخسائر المجمع

	إيضاح	السنة المنتهية في 31 ديسمبر 2025 د.ك	السنة المنتهية في 31 ديسمبر 2024 د.ك
العمليات المستمرة			
الإيرادات	7	**23,928,093**	17,713,608
تكلفة الإيرادات		**(13,441,383)**	(10,530,797)
		10,486,710	7,182,811
صافي الإيرادات من مبيعات التذاكر والخدمات ذات الصلة		**466,033**	442,938
التغير في القيمة العادلة لاستثمارات بالقيمة العادلة من خلال الأرباح أو الخسائر		**1,010,179**	-
التغير في القيمة العادلة للعقارات الاستثمارية	14	**(15,441)**	62,006
ربح من تحويل عقارات للمتاجرة إلى عقارات استثمارية	14	-	2,025,076
حصة من نتائج شركات زميلة وشركات محاصة	15	**11,030,067**	18,594,691
رد الانخفاض في القيمة	15	**1,363,124**	-
إيرادات فوائد		**853,271**	680,543
الإيرادات الأخرى		**726,671**	364,196
		25,920,614	29,352,261
المصاريف والأعباء الأخرى			
تكاليف الموظفين		**(3,367,841)**	(2,913,412)
مصاريف مبيعات وتسويق		**(618,547)**	(485,820)
مصاريف وأعباء تشغيل أخرى		**(5,996,958)**	(4,017,506)
صافي خسائر انخفاض القيمة ومصاريف المخصصات		-	(153,739)
الاستهلاك والاطفاء		**(816,246)**	(914,282)
تكاليف التمويل	8	**(1,940,302)**	(2,350,478)
		(12,739,894)	(10,835,237)
ربح السنة قبل الضرائب		**13,180,720**	18,517,024
الضريبة	9	**(1,073,317)**	(1,134,638)
ربح السنة من العمليات المستمرة	10	**12,107,403**	17,382,386
العمليات المتوقفة			
ربح /(خسارة) السنة من العمليات المتوقفة	6.3	**9,762,465**	(634,045)
ربح السنة		**21,869,868**	16,748,341
الخاصة بـ:			
مالكي الشركة الأم		**18,617,363**	13,335,871
الحصص غير المسيطرة		**3,252,505**	3,412,470
		21,869,868	16,748,341
ربحية/ (خسارة) السهم الأساسية والمخففة الخاصة بمالكي الشركة الأم (فلس)			
- من العمليات المستمرة		**30.43 فلس**	48.00 فلس
- من العمليات المتوقفة		**33.54 فلس**	(2.18) فلس
	12	**63.97 فلس**	45.82 فلس

إن الإيضاحات المبينة على الصفحات 11 - 58 تشكل جزءًا لا يتجزأ من هذه البيانات المالية المجمعة.

بيان الأرباح أو الخسائر والدخل الشامل الآخر المجمع

	السنة المنتهية في 31 ديسمبر 2025 د.ك	السنة المنتهية في 31 ديسمبر 2024 د.ك
ربح السنة	**21,869,868**	16,748,341
إيرادات شاملة أخرى:		
بنود يجوز إعادة تصنيفها لاحقًا إلى بيان الأرباح أو الخسائر المجمع:		
فروقات ترجمة عمليات أجنبية	**426,209**	629,568
	426,209	629,568
بنود لن يتم إعادة تصنيفها لاحقًا إلى بيان الأرباح أو الخسائر المجمع:		
صافي التغير في القيمة العادلة لاستثمارات بالقيمة العادلة من خلال الدخل الشامل الآخر	**226,498**	133,053
	226,498	133,053
إجمالي الإيرادات الشاملة الأخرى للسنة	**652,707**	762,621
إجمالي الإيرادات الشاملة للسنة	**22,522,575**	17,510,962
الخاصة بـ:		
مالكي الشركة الأم	**19,307,168**	13,930,165
الحصص غير المسيطرة	**3,215,407**	3,580,797
	22,522,575	17,510,962

إن الإيضاحات المبينة على الصفحات 11 - 58 تشكل جزءًا لا يتجزأ من هذه البيانات المالية المجمعة.

بيان المركز المالي المجمع

	إيضاح	31 ديسمبر 2025 د.ك	31 ديسمبر 2024 د.ك
الأصول			
الأصول غير المتداولة			
الشهرة		**1,177,269**	1,180,534
الممتلكات والآلات والمعدات	13	**12,120,046**	82,922,485
أصول حق الاستخدام		**626,082**	1,232,127
العقارات الاستثمارية	14	**8,339,108**	6,787,903
استثمار في شركات زميلة وشركات المحاصة	15	**109,372,777**	97,192,614
الذمم المدينة والأصول الأخرى	16	**3,007,110**	5,064,762
صافي الاستثمار في عقود الإيجار التمويلي من الباطن		**-**	1,531,891
استثمارات بالقيمة العادلة من خلال الدخل الشامل الآخر		**1,305,923**	1,079,425
مجموع الأصول غير المتداولة		**135,948,315**	196,991,741
الأصول المتداولة			
الذمم المدينة والأصول الأخرى	16	**18,070,754**	15,884,365
استثمارات بالقيمة العادلة من خلال الأرباح أو الخسائر	17	**8,827,258**	-
عقارات للمتاجرة	18	**9,211,065**	5,733,304
صافي الاستثمار في عقود الإيجار التمويلي من الباطن		**1,107,903**	802,136
النقد والنقد المعادل	19	**12,495,291**	8,061,156
إجمالي الأصول المتداولة		**49,712,271**	30,480,961
إجمالي الأصول		**185,660,586**	227,472,702
حقوق الملكية والخصوم			
حقوق الملكية			
رأس المال	20	**29,118,647**	22,928,069
علاوة إصدار أسهم	20	**246,011**	246,011
أسهم الخزينة	21	**(246,011)**	(246,011)
الاحتياطيات الإجبارية والاختيارية	22	**9,600,640**	5,705,248
بنود أخرى لحقوق الملكية	23	**(12,197,807)**	(12,887,612)
الأرباح المرحلة		**24,764,715**	16,233,322
حقوق الملكية الخاصة بمالكي الشركة الأم		**51,286,195**	31,979,027
الحصص غير المسيطرة	6.2	**26,276,945**	37,702,734
إجمالي حقوق الملكية		**77,563,140**	69,681,761
الخصوم			
الخصوم غير المتداولة			
القروض	24	**6,367,091**	53,739,366
التزامات الإيجار		**97,981**	2,232,026
أسهم تفضيلية قابلة للاسترداد	25	**3,387,945**	3,240,674
دفعات مقدمة من العملاء	27	**2,499,228**	2,706,046
المستحق إلى أطراف ذات صلة	31	**6,084,294**	7,535,456
مخصص مكافأة نهاية خدمة الموظفين		**1,439,940**	1,675,455
إجمالي الخصوم غير المتداولة		**19,876,479**	71,129,023
الخصوم المتداولة			
المستحق إلى أطراف ذات صلة	31	**55,639,155**	55,433,775
الذمم الدائنة والخصوم الأخرى	26	**27,981,985**	26,049,410
التزامات الإيجار		**1,313,618**	709,766
القروض	24	**2,748,389**	3,822,505
دفعات مقدمة من العملاء	27	**537,820**	646,462
إجمالي الخصوم المتداولة		**88,220,967**	86,661,918
إجمالي الخصوم		**108,097,446**	157,790,941
إجمالي حقوق الملكية والخصوم		**185,660,586**	227,472,702

طلال جاسم محمد البحر
نائب رئيس مجلس الإدارة

إن الإيضاحات المبينة على الصفحات 11 - 58 تشكل جزءًا لا يتجزأ من هذه البيانات المالية المجمعة.

بيان التغيرات في حقوق الملكية المجمع

	حقوق الملكية الخاصة بمالكي الشركة الأم							الحصص غير المسيطرة	المجموع
	رأس المال	علاوة إصدار أسهم	أسهم الخزينة	الاحتياطيات الإجبارية والاختيارية	بنود أخرى لحقوق الملكية	الأرباح المرحلة	المجموع الفرعي		
	د.ك	د.ك	د.ك	د.ك	د.ك	د.ك	د.ك	د.ك	د.ك
الرصيد كما في 1 يناير 2025	22,928,069	246,011	(246,011)	5,705,248	(12,887,612)	16,233,322	31,979,027	37,702,734	69,681,761
أسهم منحة (إيضاح 28)	6,190,578	-	-	-	-	(6,190,578)	-	-	-
ناتج عن استبعاد شركة تابعة (إيضاح 6.3)	-	-	-	-	-	-	-	(14,641,196)	(14,641,196)
ربح السنة	-	-	-	-	-	18,617,363	18,617,363	3,252,505	21,869,868
الإيرادات الشاملة الأخرى للسنة	-	-	-	-	689,805	-	689,805	(37,098)	652,707
إجمالي الإيرادات الشاملة للسنة	-	-	-	-	689,805	18,617,363	19,307,168	3,215,407	22,522,575
المحول إلى الاحتياطيات الإجبارية والاختيارية	-	-	-	3,895,392	-	(3,895,392)	-	-	-
الرصيد كما في 31 ديسمبر 2025	29,118,647	246,011	(246,011)	9,600,640	(12,197,807)	24,764,715	51,286,195	26,276,945	77,563,140

إن الإيضاحات المبينة من صفحة 11 إلى 58 تشكل جزءًا لا يتجزأ من هذه البيانات المالية المجمعة.

بيان التغيرات في حقوق الملكية المجمع

	حقوق الملكية الخاصة بمالكي الشركة الأم							الحصص غير المسيطرة	المجموع
	رأس المال	علاوة إصدار أسهم	أسهم الخزينة	الاحتياطيات الإجبارية والاختيارية	بنود أخرى لحقوق الملكية	الأرباح المرحلة	المجموع الفرعي		
	د.ك	د.ك	د.ك	د.ك	د.ك	د.ك	د.ك	د.ك	د.ك
الرصيد كما في 1 يناير 2024	18,342,455	246,011	(246,011)	2,914,148	(13,481,906)	10,274,165	18,048,862	34,121,937	52,170,799
أسهم منحة (إيضاح 28)	4,585,614	-	-	-	-	(4,585,614)	-	-	-
ربح السنة	-	-	-	-	-	13,335,871	13,335,871	3,412,470	16,748,341
الإيرادات الشاملة الأخرى للسنة	-	-	-	-	594,294	-	594,294	168,327	762,621
إجمالي الإيرادات الشاملة للسنة	-	-	-	-	594,294	13,335,871	13,930,165	3,580,797	17,510,962
المحول إلى الاحتياطيات الإجبارية والاختيارية	-	-	-	2,791,100	-	(2,791,100)	-	-	-
الرصيد كما في 31 ديسمبر 2024	22,928,069	246,011	(246,011)	5,705,248	(12,887,612)	16,233,322	31,979,027	37,702,734	69,681,761

إن الإيضاحات المبينة من صفحة 11 إلى 58 تشكل جزءًا لا يتجزأ من هذه البيانات المالية المجمعة.

بيان التدفقات النقدية المجمع

	إيضاح	السنة المنتهية في 31 ديسمبر 2025 د.ك	السنة المنتهية في 31 ديسمبر 2024 د.ك
أنشطة التشغيل			
ربح السنة		**21,869,868**	16,748,341
تعديلات:			
الاستهلاك والاطفاء		**965,488**	3,413,761
تكاليف التمويل		**1,940,302**	7,186,779
التغير في القيمة العادلة للعقارات الاستثمارية		**15,441**	(62,006)
حصة من نتائج شركات زميلة وشركات محاصة		**(11,030,067)**	(18,594,691)
ربح من تحويل عقارات للمتاجرة إلى عقارات استثمارية		**-**	(2,025,076)
الربح الناتج من استبعاد شركة تابعة	6.3	**(9,136,573)**	-
رد الانخفاض في القيمة		**(1,363,124)**	-
صافي خسائر انخفاض القيمة ومصاريف المخصصات		**-**	153,739
إيرادات فوائد		**(853,271)**	(680,543)
خسارة من استبعاد ممتلكات والآت ومعدات		**-**	2,668
مخصص مكافأة نهاية خدمة الموظفين		**276,451**	339,529
		2,684,515	6,482,501
التغيرات في أصول وخصوم التشغيل:			
استثمارات بالقيمة العادلة من خلال الأرباح أو الخسائر		**(1,010,179)**	-
الذمم المدينة والأصول الأخرى		**4,226,891**	664,477
عقارات للمتاجرة		**(2,691,179)**	(124,285)
الذمم الدائنة والخصوم الأخرى		**5,645,372**	441,952
المستحق إلى أطراف ذات صلة		**427,650**	(705,062)
دفعات مقدمة من العملاء		**(315,460)**	44,151
صافي النقد من العمليات		**8,967,610**	6,803,734
المدفوع لمكافأة نهاية خدمة الموظفين		**(118,837)**	(305,926)
صافي النقد من أنشطة التشغيل		**8,848,773**	6,497,808
أنشطة الاستثمار			
إضافات على ممتلكات والآت ومعدات		**(1,413,386)**	(2,745,775)
المحصل من استبعاد ممتلكات والآت ومعدات		**1,012**	844
إضافات إلى عقارات استثمارية		**-**	(44,954)
المحصل من بيع عقارات استثمارية		**65,581**	6,680
صافي التدفقات النقدية الناتجة من استبعاد شركة تابعة	6.3	**(2,817,208)**	-
تحصيل الإيجار من الاستثمار في عقود الإيجار التمويلي من الباطن		**1,277,456**	1,261,907
الحركة على استثمار في شركات زميلة وشركات المحاصة		**(106,612)**	350,883
ايرادات فوائد مستلمة		**853,271**	680,543
صافي النقد المستخدم في أنشطة الاستثمار		**(2,139,886)**	(489,872)
أنشطة التمويل			
صافي زيادة في القروض		**536,979**	141,482
سداد التزامات الإيجار		**(1,425,629)**	(1,222,856)
تكاليف تمويل مدفوعة		**(1,382,426)**	(5,198,625)
صافي النقد المستخدم في أنشطة التمويل		**(2,271,076)**	(6,279,999)
الزيادة / (النقص) في النقد والنقد المعادل		**4,437,811**	(272,063)
النقد والنقد المعادل في بداية السنة	19	**7,623,519**	7,895,582
النقد والنقد المعادل في نهاية السنة	19	**12,061,330**	7,623,519

إن الإيضاحات المبينة على الصفحات 11 - 58 تشكل جزءًا لا يتجزأ من هذه البيانات المالية المجمعة.

Grant Thornton
Al-Qatami, Al-Aiban & Partners

Consolidated financial statements and auditor's report

IFA Hotels and Resorts – KPSC and Subsidiaries

Kuwait

31 December 2025

Contents

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Al-Qatami, Al-Aiban & Partners

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Independent Auditor's Report

To the Shareholders of
IFA Hotels and Resorts – KPSC
Kuwait

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of IFA Hotels and Resorts - KPSC (the "Parent Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including international independence standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code") and the ethical requirements that are relevant to our audit of the consolidated financial statements in the State of Kuwait. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below as the key audit matters.

<u>Disposal of a subsidiary</u>

On 31 March 2025, the Group entered into a sale and purchase agreement to sell its entire equity ownership in an indirectly owned subsidiary, IFA Hotels and Resorts 1 (Cayman Islands) (hereinafter referred to as subsidiary) to AIM Hospitality (Cayman) Limited ("the fund"), managed by a related party for a total consideration of USD 325 million (equivalent KD 100.2 million). As of that date, the Group determined that it satisfied all the completion conditions and recognized a gain of KD10,471,036. The total consideration was revised on 7 August 2025 by virtue of an addendum to the original sale and purchase agreement between the buyer and seller to USD 312.5 million (equivalent KD96.3 million) resulting into reduction of gain to KD9,136,573. The Group's share of the total revised consideration comprised of cash component of KD6,934,677 and the subscription in kind in the AIM Hospitality (Cayman) Limited having a fair value of KD7,842,991. The subscription in kind in the fund has been classified as investment at fair value thorough profit or loss.

Independent Auditor's Report to the Shareholders of IFA Hotels and Resorts - KPSC (continued)

Disposal of a subsidiary (continued)
The disposal of the subsidiary resulted in the subsidiary being a discontinued operation being a major line of business. Consequently, the Group has presented the results of the subsidiary separately in the statement of profit or loss as discontinued operations and restated the comparative amounts in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

Our audit procedures, among others, included review of the sale and purchase agreements to obtain an understanding of the transaction and evaluation of the related completion conditions, we checked if the disposal date has been appropriately determined and the Group's fair valuation of the units acquired. We also checked the accounting entries for the disposal of the subsidiary including derecognition of assets, liabilities and non-controlling interest and recalculation of the gain arising on disposal of the subsidiary. We also assessed adequacy of the Group's disclosures relating to the disposal of the subsidiary in Note 6.3 to the consolidated financial statements.

Investments accounted for using equity method of accounting
The Group has investments in associates and joint ventures which are accounted for using the equity method of accounting and are significant to the Group's consolidated financial statements. Under the equity method, the Group's investment is initially recorded at cost, and adjusted thereafter for the post-acquisition changes in the Group's share of the net assets of these investments, less any impairment. The complexity of the Group's control environment and our ability as Group auditor to obtain an appropriate level of understanding of these entities including any related party transactions were significant to our audit. Due to these factors and the significance of the investments in associates and joint ventures to the Group's consolidated financial statements we consider this as a key audit matter.

Our audit procedures included, among others, determining the nature and extent of audit procedures to be carried out for these investments. During our audit we communicated with the auditors of the associates and joint ventures. We also provided instructions to those auditors covering the significant areas and risks to be addressed including the identification of related parties and transactions. Furthermore, we evaluated the Group's methodology and testing of the key assumptions used by the Group in determining the recoverable amount based on the higher of fair value less cost to sell and value-in-use. We also assessed the adequacy of the Group's disclosures in Note 15 to the consolidated financial statements.

Other information
Management is responsible for the other information. The other information comprises Board of Directors' report (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the complete Group's Annual Report which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we have obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Group's complete Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Independent Auditor's Report to the Shareholders of IFA Hotels and Resorts - KPSC (continued)

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report to the Shareholders of IFA Hotels and Resorts - KPSC (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion, proper books of account have been kept by the Parent Company and the consolidated financial statements, together with the contents of the report of the Parent Company's Board of Directors relating to these consolidated financial statements, are in accordance therewith. We further report that we obtained all the information and explanations that we required for the purpose of our audit and that the consolidated financial statements incorporate all information that is required by the Companies Law No. 1 of 2016 and its Executive Regulations, as amended, and by the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, that an inventory was duly carried out and that, to the best of our knowledge and belief, no violations of the Companies Law, the Executive Regulations, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, have occurred during the year ended 31 December 2025 that might have had a material effect on the business or financial position of the Parent Company.

We further report, to the best of our knowledge and belief, no violations of provisions of the Law No. 7 of 2010 Concerning Capital Markets Authority ("CMA") and its relevant regulations have occurred during the year ended 31 December 2025 that might have had a material effect on the business or financial position of the Parent Company.

Hend Abdullah Al Surayea
License no. 141 A
of Grant Thornton – Al-Qatami, Al-Aiban & Partners

Kuwait
26 March 2026

Consolidated statement of profit or loss

	Note	Year ended 31 Dec 2025 KD	Year ended 31 Dec 2024 KD
Continuing operations			
Revenue	7	**23,928,093**	17,713,608
Cost of revenue		**(13,441,383)**	(10,530,797)
		10,486,710	7,182,811
Net income from ticket sales and related services		**466,033**	442,938
Change in fair value of investments at fair value through profit or loss		**1,010,179**	-
Change in fair value of investment properties	14	**(15,441)**	62,006
Gain on transfer of trading properties to investment properties	14	**-**	2,025,076
Share of results of associates and joint ventures	15	**11,030,067**	18,594,691
Reversal of impairment	15	**1,363,124**	-
Interest income		**853,271**	680,543
Other income		**726,671**	364,196
		25,920,614	29,352,261
Expenses and other charges			
Staff costs		**(3,367,841)**	(2,913,412)
Sales and marketing expenses		**(618,547)**	(485,820)
Other operating expenses and charges		**(5,996,958)**	(4,017,506)
Net impairment losses and provision charges		**-**	(153,739)
Depreciation and amortisation		**(816,246)**	(914,282)
Finance costs	8	**(1,940,302)**	(2,350,478)
		(12,739,894)	(10,835,237)
Profit for the year before taxation		**13,180,720**	18,517,024
Taxation	9	**(1,073,317)**	(1,134,638)
Profit for the year from continuing operations	10	**12,107,403**	17,382,386
Discontinued operations			
Profit/(loss) for the year from discontinued operations	6.3	**9,762,465**	(634,045)
Profit for the year		**21,869,868**	16,748,341
Attributable to:			
Owners of the Parent Company		**18,617,363**	13,335,871
Non-controlling interests		**3,252,505**	3,412,470
		21,869,868	16,748,341
Basic and diluted earnings/(loss) per share attributable to the owners of the Parent Company (Fils)			
- From continuing operations		**30.43 Fils**	48.00 Fils
- From discontinued operations		**33.54 Fils**	(2.18) Fils
	12	**63.97 Fils**	45.82 Fils

The notes set out on pages 11 to 64 form an integral part of these consolidated financial statements.

Consolidated statement of profit or loss and other comprehensive income

	Year ended 31 Dec 2025 KD	Year ended 31 Dec 2024 KD
Profit for the year	**21,869,868**	16,748,341
Other comprehensive income:		
Items that may be reclassified subsequently to consolidated statement of profit or loss:		
Exchange differences arising from translation of foreign operations	**426,209**	629,568
	426,209	629,568
Items that will not to be reclassified subsequently to consolidated statement of profit or loss:		
Net change in fair value of investments at FVTOCI	**226,498**	133,053
	226,498	133,053
Total other comprehensive income for the year	**652,707**	762,621
Total comprehensive income for the year	**22,522,575**	17,510,962
Attributable to:		
Owners of the Parent Company	**19,307,168**	13,930,165
Non-controlling interests	**3,215,407**	3,580,797
	22,522,575	17,510,962

Consolidated statement of financial position

	Note	**31 Dec. 2025 KD**	31 Dec. 2024 KD
ASSETS			
Non-current assets			
Goodwill		**1,177,269**	1,180,534
Property, plant and equipment	13	**12,120,046**	82,922,485
Right-of-use assets		**626,082**	1,232,127
Investment properties	14	**8,339,108**	6,787,903
Investment in associates and joint ventures	15	**109,372,777**	97,192,614
Accounts receivable and other assets	16	**3,007,110**	5,064,762
Net investment in sub-finance lease		**-**	1,531,891
Investments at fair value through other comprehensive income		**1,305,923**	1,079,425
Total non-current assets		**135,948,315**	196,991,741
Current assets			
Accounts receivable and other assets	16	**18,070,754**	15,884,365
Investments at fair value through profit or loss	17	**8,827,258**	-
Trading properties	18	**9,211,065**	5,733,304
Net investment in sub-finance lease		**1,107,903**	802,136
Cash and cash equivalents	19	**12,495,291**	8,061,156
Total current assets		**49,712,271**	30,480,961
Total assets		**185,660,586**	227,472,702
EQUITY AND LIABILITIES			
Equity			
Share capital	20	**29,118,647**	22,928,069
Share premium	20	**246,011**	246,011
Treasury shares	21	**(246,011)**	(246,011)
Statutory and voluntary reserves	22	**9,600,640**	5,705,248
Other components of equity	23	**(12,197,807)**	(12,887,612)
Retained earnings		**24,764,715**	16,233,322
Equity attributable to the owners of the Parent Company		**51,286,195**	31,979,027
Non-controlling interests	6.2	**26,276,945**	37,702,734
Total equity		**77,563,140**	69,681,761
Liabilities			
Non-current liabilities			
Borrowings	24	**6,367,091**	53,739,366
Lease liabilities		**97,981**	2,232,026
Redeemable preference shares	25	**3,387,945**	3,240,674
Advances received from customers	27	**2,499,228**	2,706,046
Due to related parties	31	**6,084,294**	7,535,456
Provision for employees' end of service benefits		**1,439,940**	1,675,455
Total non-current liabilities		**19,876,479**	71,129,023
Current liabilities			
Due to related parties	31	**55,639,155**	55,433,775
Accounts payable and other liabilities	26	**27,981,985**	26,049,410
Lease liabilities		**1,313,618**	709,766
Borrowings	24	**2,748,389**	3,822,505
Advances received from customers	27	**537,820**	646,462
Total current liabilities		**88,220,967**	86,661,918
Total liabilities		**108,097,446**	157,790,941
Total equity and liabilities		**185,660,586**	227,472,702

Talal Jassem Mohammed Al-Bahar
Vice-Chairman

The notes set out on pages 11 to 64 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

	Equity attributable to owners of the Parent Company							Non-controlling interests	Total
	Share capital KD	Share premium KD	Treasury shares KD	Statutory and voluntary reserves KD	Other components of equity KD	Retained earnings KD	Sub-total KD	KD	KD
Balance as at 1 January 2025	22,928,069	246,011	(246,011)	5,705,248	(12,887,612)	16,233,322	31,979,027	37,702,734	69,681,761
Bonus shares (Note 28)	6,190,578	-	-	-	-	(6,190,578)	-	-	-
Arising on disposal of a subsidiary (Note 6.3)	-	-	-	-	-	-	-	(14,641,196)	(14,641,196)
Profit for the year	-	-	-	-	-	18,617,363	18,617,363	3,252,505	21,869,868
Other comprehensive income for the year	-	-	-	-	689,805	-	689,805	(37,098)	652,707
Total comprehensive income for the year	-	-	-	-	689,805	18,617,363	19,307,168	3,215,407	22,522,575
Transfer to statutory and voluntary reserves	-	-	-	3,895,392	-	(3,895,392)	-	-	-
Balance as at 31 December 2025	29,118,647	246,011	(246,011)	9,600,640	(12,197,807)	24,764,715	51,286,195	26,276,945	77,563,140

The notes set out on pages 11 to 64 form an integral part of the consolidated financial statements.

Consolidated statement of changes in equity

	Equity attributable to owners of the Parent Company							Non-controlling interests	Total
	Share capital KD	Share premium KD	Treasury shares KD	Statutory and voluntary reserves KD	Other components of equity KD	Retained earnings KD	Sub-total KD	KD	KD
Balance as at 1 January 2024	18,342,455	246,011	(246,011)	2,914,148	(13,481,906)	10,274,165	18,048,862	34,121,937	52,170,799
Bonus shares (Note 28)	4,585,614	-	-	-	-	(4,585,614)	-	-	-
Profit for the year	-	-	-	-	-	13,335,871	13,335,871	3,412,470	16,748,341
Other comprehensive income for the year	-	-	-	-	594,294	-	594,294	168,327	762,621
Total comprehensive income for the year	-	-	-	-	594,294	13,335,871	13,930,165	3,580,797	17,510,962
Transfer to statutory and voluntary reserves	-	-	-	2,791,100	-	(2,791,100)	-	-	-
Balance as at 31 December 2024	22,928,069	246,011	(246,011)	5,705,248	(12,887,612)	16,233,322	31,979,027	37,702,734	69,681,761

The notes set out on pages 11 to 64 form an integral part of the consolidated financial statements.

Consolidated statement of cash flows

	Notes	Year ended 31 Dec 2025 KD	Year ended 31 Dec 2024 KD
OPERATING ACTIVITIES			
Profit for the year		**21,869,868**	16,748,341
Adjustments:			
Depreciation and amortisation		**965,488**	3,413,761
Finance costs		**1,940,302**	7,186,779
Change in fair value of investment properties		**15,441**	(62,006)
Share of results of associates and joint ventures		**(11,030,067)**	(18,594,691)
Gain on transfer of trading properties to investment properties		**-**	(2,025,076)
Gain on disposal of a subsidiary	6.3	**(9,136,573)**	-
Reversal of impairment		**(1,363,124)**	-
Net impairment losses and provision charges		**-**	153,739
Interest income		**(853,271)**	(680,543)
Loss on disposal of property, plant and equipment		**-**	2,668
Provision charge for employees' end of service benefits		**276,451**	339,529
		2,684,515	6,482,501
Changes in operating assets and liabilities:			
Investments at fair value through profit or loss		**(1,010,179)**	-
Accounts receivable and other assets		**4,226,891**	664,477
Trading properties		**(2,691,179)**	(124,285)
Accounts payable and other liabilities		**5,645,372**	441,952
Due to related parties		**427,650**	(705,062)
Advances received from customers		**(315,460)**	44,151
Net cash from operations		**8,967,610**	6,803,734
Payment of employees' end of service benefits		**(118,837)**	(305,926)
Net cash from operating activities		**8,848,773**	6,497,808
INVESTING ACTIVITIES			
Additions of property, plant and equipment		**(1,413,386)**	(2,745,775)
Proceeds from disposal of property, plant and equipment		**1,012**	844
Addition to investment properties		**-**	(44,954)
Proceeds from disposal of investment properties		**65,581**	6,680
Net cash outflow on disposal of a subsidiary	6.3	**(2,817,208)**	-
Rental collection from investment in sub-finance lease		**1,277,456**	1,261,907
Movement in investment in associates and joint ventures		**(106,612)**	350,883
Interest income received		**853,271**	680,543
Net cash used in investing activities		**(2,139,886)**	(489,872)
FINANCING ACTIVITIES			
Net increase in borrowings		**536,979**	141,482
Repayment of lease liabilities		**(1,425,629)**	(1,222,856)
Finance costs paid		**(1,382,426)**	(5,198,625)
Net cash used in financing activities		**(2,271,076)**	(6,279,999)
Increase/(decrease) in cash and cash equivalents		**4,437,811**	(272,063)
Cash and cash equivalents at beginning of the year	19	**7,623,519**	7,895,582
Cash and cash equivalents at end of the year	19	**12,061,330**	7,623,519

The notes set out on pages 11 to 64 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1 General information and nature of operations

IFA Hotels and Resorts was established as a limited liability Company on 19 July 1995, under the name "Offset Consulting and Project Management Company – WLL – Najwa Ahmed Abdelaziz Al-Qatami and Partners". On 14 May 2005, the Company's name and legal status were changed to IFA Hotels and Resorts – KPSC. The Parent Company's shares are listed on Boursa Kuwait.

IFA Hotels and Resorts – KPSC ("the Parent Company") and its subsidiaries are collectively referred to as ("the Group"). Details of subsidiaries are set out in note 6.

The Parent Company is principally engaged in the following:

- Developing, managing and marketing hotels and resorts.
- Purchasing, selling and development of real estate and land on behalf of the Company within or outside the State of Kuwait. In addition, managing trust holdings, as well as trading private residential plots, in a manner that is not in violation of the laws relevant to these activities and their respective provision.
- Holding, purchasing, and selling shares and bonds of real estate companies based both in Kuwait and outside Kuwait, solely for the Company's benefit and purposes.
- Providing and presenting studies and consultations on all types of real estate issues, subject to the relevant conditions required of these services.
- Performing maintenance services relating to buildings and real estate owned by the Company including all types of maintenance work and the implementation of civil, mechanical, electrical, elevator and air conditioning related works whose purpose it is to preserve these buildings and to ensure their well-being.
- Organizing private real estate exhibitions to promote the real estate Company's projects, in accordance with the ministry's regulations.
- Preparing real estate auctions.
- Holding and managing commercial and residential complexes.
- Utilization of excess cash in the Company's possession by investing in financial and real estate portfolios which are managed by specialized and professional parties.
- Direct participation in the establishment of building foundations for residential, commercial, maintenance, touristic, urban, and athletic buildings and projects using the "Build-Operate-Transfer" (BOT) method and using BOT to manage the real estate location either for the Company's, or other parties, benefit.
- The Company is also permitted to subscribe and have interests in any activities of parties that are performing similar activities or that otherwise will help the Company realize its objectives within or outside Kuwait. The Company is permitted to participate in construction, to cooperate in joint ventures, or to purchase these parties either fully or partially.
- The Company conducts its business in accordance with Islamic Sharia and must adhere to the provisions of Islamic Sharia in all its transactions. The Company is bound in the practice of its business by the teachings and provisions of the tolerant Islamic Sharia, and under no circumstances may any of the aforementioned objectives be interpreted as permitting the Company to engage, directly or indirectly, in any usurious activities, whether in the form of interest or any other form (note 28).

The address of the Parent Company's registered office is Souk Al-Kuwait Building, Block A, Floor 8, Darwazat Al-Abdulrazzak, State of Kuwait.

The Board of Directors of the Parent Company approved these consolidated financial statements for issuance on 26 March 2026 The general assembly of the Parent Company's shareholders has the power to amend these consolidated financial statements after issuance.

Notes to the consolidated financial statements (continued)

2 Statement of compliance with IFRS and going concern assumption

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). They have been prepared under the assumption that the Group operates on a going concern basis, which assumes the Group will be able to discharge its liabilities as they fall due.

As at 31 December 2025, the Group's current liabilities exceeded its current assets by KD38,508,696 (31 December 2024: KD56,180,957). The current liabilities include instalments of borrowings of KD2,748,389 (31 December 2024: KD3,822,505) which are contractually due within 12 months from the end of the reporting period, and due to related parties of KD55,639,155 (31 December 2024: KD55,433,775), of which majority do not have any specific repayment terms.

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to meet the mandatory repayment terms of the borrowings taking into consideration the following assumptions:

- the Group generated a net profit of KD21,869,868 for the year ended 31 December 2025
- expected future operating cash inflows from ongoing projects and operations
- Dividends and equity release from joint ventures projects to be completed within next 12 months.
- the Group's ability to refinance or reschedule existing borrowings, including successful restructuring achieved in prior periods
- the availability of funding support and flexibility in settlement of related party balances

As described above, management has a reasonable expectation that the Group has taken measures and has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Had the going concern basis not been used, adjustments would be made relating to the recoverability of recorded asset amounts or to the amount of liabilities to reflect the fact that the Group may be required to realize its assets and extinguish its liabilities other than in the normal course of business, at amounts different from those stated in the consolidated financial statements.

3 Changes in accounting policies

3.1 New and amended IFRS Accounting Standards adopted by the Group

The following amendments to existing IFRS Accounting Standards were effective for the current period.

Standard or Interpretation	*Effective for annual periods beginning*
IAS 21 Amendments – Lack of exchangeability	1 January 2025

IAS 21 Amendments – Lack of exchangeability

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

- Specify when a currency is exchangeable into another currency and when it is not — a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.

Notes to the consolidated financial statements (continued)

3 Changes in accounting policies (continued)

3.1 New and amended IFRS Accounting Standards adopted by the Group (continued)

IAS 21 Amendments – Lack of exchangeability (continued)

- Specify how an entity determines the exchange rate to apply when a currency is not exchangeable — when a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing.
- Require the disclosure of additional information when a currency is not exchangeable — when a currency is not exchangeable an entity discloses information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

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

3.2 IASB Standards issued but not yet effective

At the date of authorisation of these consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Group.

Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncements. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's consolidated financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's consolidated financial statements.

Standard or Interpretation	*Effective for annual periods beginning*
IFRS 7 and IFRS 9 Classification and Measurement of Financial Instruments - Amendments	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Annual Improvements to IFRS Accounting Standards – volume 11	1 January 2026

IFRS 7 and IFRS 9 Classification and Measurement of Financial Instruments - Amendments
The amendments to IFRS 7 and IFRS 9 addresses three changes:

- derecognition of a financial liability settled through electronic transfer whereby entities are permitted to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met. An entity that elects to apply this derecognition option would be required to apply it to all settlements made through the same electronic payment system.
- Classification of financial assets based on a) contractual terms that are consistent with basic lending arrangements, b) assets with non-recourse description has been enhanced to include a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets, and c) contractually linked instruments have been clarified, and

Notes to the consolidated financial statements (continued)

3 Changes in accounting policies (continued)

3.2 IASB Standards issued but not yet effective (continued)

IFRS 7 and IFRS 9 Classification and Measurement of Financial Instruments - Amendments (continued)

- Disclosures relating to a) financial assets at FVTOCI where entities are required to disclose fair value gain or loss separately for financial assets derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period, and b) contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs.

Management does not anticipate that the adoption of the amendments in the future will have a significant impact on the Group's consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements
The new standard will replace the IAS 1 Presentation of Financial Statements though it contains a number of the current requirements in the IAS 1. IFRS 18 sets out to ensure the financial statements provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. Although IFRS 18 includes many of the requirements of IAS 1, it introduces new requirements to better structure financial statements and to provide more detailed and useful information to investors, including:

- Two new subtotals defined in the statement of profit or loss, namely (1) operating profit and (2) profit or loss before financing and income taxes
- The classification of all income and expenses within the statement of profit or loss in one of five categories
- Disclosures of management-defined performance measures (MPM)
- An improvement in the principles related to the aggregation and disaggregation of information in the financial statements and accompanying notes

Some of the disclosure requirements previously contained in IAS 1 have been transferred to IAS 8 without any material changes. This applies in particular to disclosures on accounting policies and sources of estimation uncertainty. As a result of these changes, IAS 8 will be renamed 'Basis of Preparation of Financial Statements'. The publication of IFRS 18 also results in consequential amendments to other IFRS Accounting Standards, including IAS 7.

Management is currently working to identify all of the impacts that IFRS 18 will have on the primary consolidated financial statements and notes to the consolidated financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures
IFRS 19 allows reduced disclosure requirements for an entity instead of the disclosure requirements in other IFRS Accounting Standards if the entity 1) is a subsidiary, 2) it does not have public accountability, 3) it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. An entity electing to apply is IFRS 19 is required to apply other IFRS Accounting Standards, except for the disclosure requirements.

Management does not anticipate adoption of the new standard for its consolidated financial statements of the Group.

Notes to the consolidated financial statements (continued)

3 Changes in accounting policies (continued)

3.2 IASB Standards issued but not yet effective (continued)

Annual Improvements to IFRS Accounting Standards – volume 11
The annual improvement project updates a number of standards primarily providing clarifications and removing inconsistencies.

Management does not anticipate that the adoption of the amendments in the future will have a significant impact on the Group's consolidated financial statements.

4 Material accounting policies

The material accounting policies adopted in the preparation of these consolidated financial statements are set out below.

4.1 Basis of preparation

The consolidated financial statements of the Group have been prepared under historical cost convention except for financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and investment properties that have been measured at fair value.

The consolidated financial statements have been presented in Kuwaiti Dinars ("KD") which is the functional and presentation currency of the Parent Company.

The Group has elected to present the "consolidated statement of comprehensive income" in two statements: the "consolidated statement of profit or loss" and a "consolidated statement of profit or loss and other comprehensive income".

The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

4.2 Basis of consolidation

The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The financial statements of the subsidiaries are prepared for reporting dates which are typically not more than three months from that of the Parent Company, using consistent accounting policies. Adjustments are made for the effect of any significant transactions or events that occur between that date and the reporting date of the Parent Company's financial statements.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-Group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective.

Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.2 Basis of consolidation (continued)

When a controlling interest in the subsidiaries is disposed of, the difference between the selling price and the net asset value plus cumulative translation difference and goodwill is recognised in the consolidated statement of profit or loss. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

However, changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Parent Company.

4.3 Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred. For each business combination, the acquirer measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through consolidated statement of profit or loss.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in consolidated statement of profit or loss immediately.

4.4 Investment in associates, joint ventures and joint operations

4.4.1 Investment in associates and joint ventures

Associates are those entities over which the Group is able to exert significant influence but which are neither subsidiaries nor joint ventures. Joint venture is an arrangement that the Group controls jointly with one or more other investor, and over which the Group has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities.

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.4 Investment in associates, joint ventures and joint operations (continued)

4.4.1 Investment in associates and joint ventures (continued)
Investments in associates and joint ventures are initially recognised at cost and subsequently accounted for using the equity method. Any goodwill or fair value adjustment attributable to the Group's share in the associate and joint venture is not recognised separately and is included in the amount recognised as investment in associates and joint ventures.

Under the equity method, the carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate and joint ventures, adjusted where necessary to ensure consistency with the accounting policies of the Group.

Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

The share of results of an associate and joint ventures is shown on the face of the consolidate statements of profit or loss. This is the profit attributable to equity holders of the associate and joint venture and therefore is profit after tax and non-controlling interests in the subsidiaries of the associate and joint venture.

The difference in reporting dates of the associates and joint ventures and the Group is not more than three months. Adjustments are made for the effects of significant transactions or events that occur between that date and the date of the Group's financial statements. The associate's and joint ventures accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate and joint ventures. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate and joint ventures is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and joint ventures and it carrying value and recognises the amount under a separate heading in the consolidated statement of profit or loss.

Upon loss of significant influence and joint control over the associate and joint ventures, the Group measures and recognises any retained investment at its fair value. Any differences between the carrying amount of the associate and joint venture upon loss of significant influence and joint control and the fair value of the retained investment and proceeds from disposal are recognised in the consolidated statement of profit or loss.

4.4.2 Investment in joint operations
A joint operator recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly
- Its liabilities, including its share of any liabilities incurred jointly
- Its revenue from the same of its share of the output by the joint operation; and
- Its expenses, including its share of any expenses incurred jointly

A joint operator accounts for the assets, liabilities, revenues and expenses relating to its involvement in a joint operation in accordance with the relevant IFRSs.

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.4 Investment in associates and joint ventures (continued)

4.4.2 Investment in joint operations (continued)
The acquirer of an interest in a joint operation in which the activity constitutes a business as defined in business combinations, is required to apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs with the exception of those principles that conflict with the guidance in IFRS 11. These requirements apply both to the initial acquisition of an interest in a joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interest are not re-measured).

4.5 Segment reporting
The Group has four operating segments: property development, hospitality, investments and others. In identifying these operating segments, management generally follows the Group's service lines representing its main products and services. Each of these operating segments is managed separately as each requires different approaches and other resources.

For management purposes, the Group uses the same measurement policies as those used in its financial statements. In addition, assets or liabilities which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

4.6 Revenue recognition
Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

The Group follows a 5-step process:

1 Identifying the contract with a customer
2 Identifying the performance obligations
3 Determining the transaction price
4 Allocating the transaction price to the performance obligations
5 Recognising revenue when/as performance obligation(s) are satisfied

The Group often enters into transactions involving a range of the Group's products and services.

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

The Group recognises revenue from the following major sources:

4.6.1 Revenue from projects under development
The Group allocates the transaction price to the performance obligations in a contract, based on the input method, which requires revenue recognition on the basis of the Group's efforts or inputs to the satisfaction of the performance obligations. The Group estimates the total costs to complete the projects in order to determine the amount of revenue to be recognised.

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.6 Revenue recognition (continued)

4.6.1 Revenue from projects under development (continued)

When the Group satisfies a performance obligation by delivering the promised goods and services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of consideration received or receivable, taking into account the contractually agreed terms of payment excluding taxes and duties. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or an agent and has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue is recognised in the consolidated financial statements to the extent that it is probable that the economic benefits will flow to the Group and the revenue and costs, if and when applicable can be measured reliably.

4.6.2 Revenue from hotel operations and other related services

Revenue from hotel operations include hotel services revenue, food and beverage and room revenue.

Revenue from rooms, food and beverage and other related services is recognised when the room is occupied, food and beverages are sold and other related services are performed.

Revenue from facility management, asset management, tenancy management, concierge, housekeeping and other similar services is recognised over time as the services are rendered, as the customer simultaneously receives and consumes the benefits provided by the Group.

4.6.3 Beach club, residential and other service income

Revenue from beach club, sports club and related services, including membership and joining fees, is recognised when the performance obligation is satisfied, which may be at a point in time when the right to the income is established or over time as the related services are rendered, depending on the nature of the arrangement.

Management fee income is recognised over time on an accrual basis in accordance with the terms of the relevant agreements as the services are provided.

Commission income is recognised when the Group satisfies its performance obligations:

- Commission income from sale of properties is recognised at a point in time when the transaction is concluded and the Group's right to consideration is established.
- Commission income from rental services is recognised over time in line with the period over which the related services are provided.

Rental income from leasing arrangements is recognised on a straight-line basis over the lease term.

4.7 Dividend income

Dividend income, other than those from investments in associates, are recognised at the time the right to receive payment is established.

4.8 Fees and commission income

Fees and commission income is recognised when earned.

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.9 Interest and similar income
Interest and other income are recognised on an accrual basis using the effective interest method.

4.10 Cost of sale of properties
Cost of sale of properties includes the cost of land and development costs. Development costs include the cost of infrastructure and construction. The cost of sales in respect of sale of condominiums is recognised on the basis of per square feet average cost of construction. Per square feet average cost of construction is derived from total saleable area and total construction cost.

Cost of revenue also includes the cost of hotel and beach club operations and is recognised when incurred.

4.11 Operating expenses
Operating expenses are recognised in consolidated statement of profit or loss upon utilisation of the service or at the date of their origin.

4.12 Finance costs
Finance costs are recognised on a time proportion basis considering the outstanding balance of borrowing payable and applicable interest rate.

Finance costs that are directly attributable to the acquisition and construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Capitalisation of finance costs ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are complete. Other finance costs are recognised as an expense in the period in which they are incurred.

4.13 Leased assets

The Group as a lessee
For any new contracts entered into on or after 1 January 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Measurement and recognition of leases as a lessee
At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet measured as follows:

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.13 Leased assets (continued)

The Group as a lessee (continued)

Right-of-use asset
The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent to initial measurement, the Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

Lease liability
At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability is reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group as a lessor
The Group enters into lease agreements as a lessor with respect to some of its investment properties. The Group classifies its leases as either operating or finance leases. When the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head-lease and sub-lease as two separate contacts. The sub-lease is classified as finance lease or operating lease by reference to the right-of-use of asset arising from the head-lease.,

Rental income from operating leases is recognised on a straight-line basis over lease term. Initial direct cost incurred in arranging and negotiating a lease are added to the carrying amount of the lease assets and recognised on a straight-line basis over the lease term.

Amounts due under finance leases are recognised as receivables. Finance lease income is allocated to the accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding for the finance lease.

Net investment in sub-finance lease
The Group accounts for subleases of right-of-use assets in the same way as other leases. The Group separately accounts for the head lease and sublease unless it is relieved of its primary obligation under the head lease. The Group would not be relieved of its obligations under the head lease unless it is contractually replaced in the head lease with the sub lessee.

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.14 Property, plant and equipment and depreciation

Property, plant and equipment, are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated to write-off the cost less the estimated residual value of property, plant and equipment on a straight-line basis over their estimated useful lives as follows:

Buildings	50 years
Motor vehicles	4-5 years
Furniture, fixtures and equipment	5-7 years
Kitchen equipment and accessories	3-10 years

Leasehold property is depreciated over the period of the lease.

No depreciation is provided on freehold land. Properties in the course of construction for production or administrative purposes are carried at cost, less any recognised impairment loss. Depreciation of these assets, which is on the same basis as other property assets, commences when the assets are ready for their intended use.

4.15 Capital work in progress

Capital work-in-progress includes land which is stated at cost less impairment in value, if any. The carrying value of land is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the value of land is written down to its recoverable amount.

Capital work-in-progress also includes the cost of construction, design and architecture and other related expenditures such as professional fees, project management fees and engineering costs attributable to the project, which are capitalised as and when activities that are necessary to get the assets ready for the intended use are in progress. Direct costs from the start of the project up to completion of the project are capitalised.

4.16 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation, and are accounted for using the fair value model.

Investment properties are initially measured at cost, including transaction costs. Subsequently, investment properties are re-measured at fair value on an individual basis based on valuations by independent real estate valuers where the market value are not readily available and are included in the consolidated statement of financial position. Where the market values are readily available, the fair value is ascertained based on latest transactions deal in the open market. Changes in fair value are taken to the consolidated statement of profit or loss.

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the consolidated statement of for profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

4.17 Property under development

Property under development represents properties under development/construction for trade, which are stated lower of cost or net realisable value.

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.17 Property under development (continued)
Cost includes the cost of land, construction, design and architecture, and other related expenditures such as professional fees, project management fees and engineering costs attributable to the project, which are accrued as and when activities that are necessary to get the assets ready for the intended use are in progress. Direct costs from the start of the project up to completion of the project are accrued to property under development. Completion is defined as the earlier of the issuance of the certificate of practical completion, or when management considers the project to be completed. Net realisable value is estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make sale. Upon completion, unsold properties, if any, are transferred to trading properties. Properties under development is disclosed net of transfer to cost of properties sold under IFRS 15.

4.18 Trading properties
Trading properties include purchase and development costs of completed unsold real estate properties. Development costs include planning, maintenance and service costs. Trading properties are recorded at the lower of cost and net realizable value.

Costs are those expenses incurred in bringing each property to its present condition. Net realisable value is based on estimated selling price less any further cost expected to be incurred on disposal.

4.19 Impairment testing of goodwill and non-financial assets
For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from the asset or each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each asset or cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds it carrying amount.

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.20 Financial instruments

4.20.1 Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

All 'regular way' purchases and sales of financial assets are recognised on the trade date i.e. the date that the entity commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

A financial asset (or, where applicable a part of financial asset or part of Group of similar financial assets) is primarily derecognised when:

- rights to receive cash flows from the assets have expired;
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either
  - (a) the Group has transferred substantially all the risks and rewards of the asset or
  - (b) the Group has neither transferred nor retained substantially all risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass- through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement.

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in consolidated statement of profit or loss.

4.20.2 Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- financial assets at amortised cost
- financial assets at fair value through profit or loss (FVTPL)
- financial assets at fair value through other comprehensive income (FVTOCI)

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.20 Financial instruments (continued)

4.20.2 Classification and subsequent measurement of financial assets (continued)
The Group may make the following irrevocable designation at initial recognition of a financial asset:
- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch. No such designation has been made.

4.20.3 Subsequent measurement of financial assets

Financial assets at amortised cost
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):
- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest rate method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

The Group's financial assets at amortised cost comprise of the following:

- Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

- Receivables and other financial assets

Trade receivable are stated at original invoice amount less allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Receivables which are not categorised under any of the above are classified as "Other receivables/other financial assets"

Financial assets at FVTPL
Financial assets that do not meet the criteria for measurement at amortised cost or FVTOCI are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below). The category also contains investments in equity shares.

Assets in this category are measured at fair value with gains or losses recognised in consolidated statement of profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The Group's financial assets at FVTPL comprise of foreign funds.

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.20 Financial instruments (continued)

4.20.3 Financial assets at amortised cost (continued)

Financial assets at FVTOCI

The Group's financial assets at FVTOCI comprise of investments in equity shares: These represent investments in equity shares of various companies and include both quoted and unquoted.

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. The cumulative gain or loss is transferred to retained earnings within the consolidated statement of changes in equity.

Dividends on these investments in equity instruments are recognised in the consolidated statement of profit or loss.

4.20.4 Impairment of financial assets

The Group computes expected credit losses (ECL) on the following financial instruments that are not measured at fair value through profit or loss:

- Bank balances and short-term deposits
- Accounts receivables and other financial assets

The Group recognises ECL on investment in debt instruments measured at amortised cost on balances and deposits with banks and other assets. Equity instruments are not subject to Expected Credit Losses.

Expected Credit Losses

The Group applies three-stage approach to measuring expected credit losses (ECL) as follows:

Stage 1: 12 months ECL

The Group measures loss allowances at an amount equal to 12-month ECL on financial assets where there has not been significant increase in credit risk since their initial recognition or on exposures that are determined to have a low credit risk at the reporting date. The Group considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Stage 2: Lifetime ECL – not credit impaired

The Group measures loss allowances at an amount equal to lifetime ECL on financial assets where there has been a significant increase in credit risk since initial recognition but are not credit impaired.

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.20 Financial instruments (continued)

4.20.4 Impairment of financial assets (continued)

Stage 3: Lifetime ECL – credit impaired
The Group measures loss allowances at an amount equal to lifetime ECL on financial assets that are determined to be credit impaired based on objective evidence of impairment.

Life time ECL is ECL that result from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of life time expected credit loss that result from default events that are possible within the 12 months after the reporting date. Both life time ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis depending on the nature of the underlying portfolio of financial instruments.

Determining the stage of impairment
At each reporting date, the Group assesses whether a financial asset or group of financial assets is credit impaired. The Group considers a financial asset to be credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred or when contractual payments are 120 days past due.

At each reporting date, the Group also assesses whether there has been significant increase in credit risk since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date with the risk of default at the date of initial recognition. The quantitative criteria used to determine a significant increase in credit risk is a series of relative and absolute thresholds. All financial assets that are 30 days past due are deemed to have significant increase in credit risk since initial recognition and migrated to stage 2 even if other criteria do not indicate a significant increase in credit risk.

Measurement of ECLs
ECLs are probability weighted estimates of credit losses and are measured as the present value of all cash shortfalls discounted at the effective interest rate of the financial instrument. Cash shortfall represent the difference between cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive. The key elements in the measurement of ECL include probability of default (PD), loss given default (LGD) and exposure at default (EAD). The Group estimates these elements using appropriate credit risk models taking into consideration the internal and external credit ratings of the assets, nature and value of collaterals, forward looking macro-economic scenarios etc.

The Group has applied simplified approach to impairment for trade receivables and other assets as permitted under the standard. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

4.20.5 Classification and subsequent measurement of financial liabilities
The Group's financial liabilities include borrowings, Due to related parties and accounts payable and other financial liabilities.

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.20 Financial instruments (continued)

4.20.5 Classification and subsequent measurement of financial liabilities (continued)
The subsequent measurement of financial liabilities depends on their classification as follows:

- ***Financial liabilities at amortised cost***

These are stated at amortised cost using effective interest rate method. The Group categorises financial liabilities other than at FVTPL into the following categories:

- *Borrowings*

All borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

- *Due to related parties*

Due to related parties are financial liabilities arising in the normal courses of the business and are not quoted in an active market.

- *Accounts payable and other financial liabilities*

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not, and classified as trade payables. Financial liabilities other than at FVTPL which are not categorised under any of the above are classified as "other financial liabilities"

4.21 Amortised cost of financial instruments
This is computed using the effective interest method less any allowance for impairment. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

4.22 Trade and settlement date accounting
All 'regular way' purchases and sales of financial assets are recognised on the trade date i.e. the date that the entity commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

4.23 Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.24 Fair value of financial instruments
The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 32.

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.25 Advances received from customers

Advances received from customers represent money received from customers towards instalments for properties in accordance with the terms of the sale agreements as wells as for the membership at beach club. Advances received from customers are stated net of revenue recognised during the period under IFRS15.

4.26 Equity, reserves and dividend payments

Share capital represents the nominal value of shares that have been issued and paid up.

Share premium includes any premium received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Statutory and voluntary reserves comprise appropriations of current and prior period profits in accordance with the requirements of the Companies' law and the Parent Company's Articles of Association.

Other components of equity include the following:

- foreign currency translation reserve – comprises foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities into KD.
- Cumulative changes in fair value reserve – comprises of gains and losses relating to investment at fair value through other comprehensive income.
- Treasury shares reserve – comprise of gains and losses from re-issuance of treasury shares.

Retained earnings include all current and prior period retained profits and losses. All transactions with owners of the Parent Company are recorded separately within equity.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting.

4.27 Treasury shares

Treasury shares consist of the Parent Company's own issued shares that have been reacquired by the Group and not yet reissued or cancelled. The treasury shares are accounted for using the cost method. Under this method, the weighted average cost of the shares reacquired is charged to a contra account in equity.

When the treasury shares are reissued, gains are credited to a separate account in equity, (the "gain on sale of treasury shares reserve"), which is not distributable. Any realised losses are charged to the same account to the extent of the credit balance on that account. Any excess losses are charged to retained earnings then to the voluntary reserve and statutory reserve. No cash dividends are paid on these shares. The issue of stock dividend shares increases the number of treasury shares proportionately and reduces the average cost per share without affecting the total cost of treasury shares.

4.28 Provisions, contingent assets and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.28 Provisions, contingent assets and contingent liabilities (continued)

Contingent assets are not recognised in the Group financial statements, but are disclosed when an inflow of economic benefits is probable.

Contingent liabilities are not recognised in the consolidated statement of financial position, but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

4.29 Foreign currency translation

4.29.1 Functional and presentation currency

The Group financial statements are presented in Kuwait Dinar (KD), which is also the functional currency of the Parent Company. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

4.29.2 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in consolidated statement of profit or loss. Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined. Translation difference on non-monetary asset classified as, "fair value through profit or loss" is reported as part of the fair value gain or loss in the consolidated statement of profit or loss and "available for sale" are reported as part of the cumulative change in fair value reserve within consolidated statement of profit or loss and other comprehensive income.

4.29.3 Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the KD are translated into KD upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into KD at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into KD at the closing rate. Income and expenses have been translated into KD at the average rate over the reporting period. Exchange differences are charged/credited to consolidated statement of profit or loss and other comprehensive income and recognised in the foreign currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to consolidated statement of profit or loss and are recognised as part of the gain or loss on disposal.

4.30 Related party transactions

Related parties are associates, major shareholders, board of directors, executive staff, their family members and the companies owned by them. All related party transactions are carried out with the approval of the Group's management.

4.31 End of service indemnity

The Parent, its local subsidiaries and the UAE subsidiary provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period in accordance with relevant labour law and the employees' contracts.

Notes to the consolidated financial statements (continued)

4 Material accounting policies (continued)

4.31 End of service indemnity (continued)

The expected costs of these benefits are accrued over the period of employment. This liability, which is unfunded, represents the amount payable to each employee as a result of termination on the reporting date.

With respect to its Kuwaiti national employees of the Parent Company, in addition to the end of service benefits, the Group makes contributions to the Public Institution for Social Security calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

4.32 Taxation

4.32.1 National Labour Support Tax (NLST)

NLST is calculated in accordance with Law No. 19 of 2000 and the Minister of Finance Resolutions No. 24 of 2006 at 2.5% of taxable profit of the Group. As per law, allowable deductions include, share of profits of listed associates and cash dividends from listed companies which are subjected to NLST.

4.32.2 Kuwait Foundation for the Advancement of Sciences (KFAS)

The contribution to KFAS is calculated at 1% of taxable profit of the Group in accordance with the modified calculation based on the Foundation's Board of Directors' resolution, which states that income from associates and subsidiaries, Board of Directors' remuneration, transfer to statutory reserve should be excluded from profit for the year when determining the contribution

4.32.3 Zakat

Contribution to Zakat is calculated at 1% of the profit of the Group in accordance with the Ministry of Finance resolution No. 58/2007 effective from 10 December 2007.

4.32.4 Taxation on overseas subsidiaries

Taxation on overseas subsidiaries is calculated on the basis of the tax rates applicable and prescribed according to the prevailing laws, regulations and instructions of the countries where these subsidiaries are incorporated.

Deferred taxation is provided in respect of all temporary differences. Deferred tax assets are recognised in respect of unutilised tax losses when it is probable that the loss will be used against future profits.

4.33 Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

4.34 Climate-related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. Risks induced by climate changes include transition risks (eg regulatory changes and reputational risks) and physical risks due to weather related events (e.g. storms, wildfires, rising sea levels). The Group has not identified significant risks induced by climate changes that could negatively and materially affect the Group's consolidated financial statements. Management continuously assesses the impact of climate-related matters.

5 Significant management judgements and estimation uncertainty

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Notes to the consolidated financial statements (continued)

5 Significant management judgements and estimation uncertainty (continued)

5.1 Significant management judgments

In the process of applying the Group's accounting policies, management has made the following significant judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements:

5.1.1 Business model assessment

The Group classifies financial assets after performing the business model test (please see accounting policy for financial instruments sections in note 4.20). This test includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured and the risks that affect the performance of the assets. Monitoring is part of the Groups continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

5.1.2 Satisfaction of performance obligations

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

The Group has assessed that based on the sale and purchase agreements entered into with customers and the provisions of relevant laws and regulations, where contracts are entered into to provide real estate assets to customer, the Group does not create an asset with an alternative use to the Group and usually has an enforceable right to payment for performance completed to date. In these circumstances, the Group recognises revenue over time. Where this is not the case, revenue is recognised at a point in time.

5.1.3 Significant increase in credit risk

Estimated credit losses are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define "significant" increase. Therefore, assessment whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

5.1.4 Control assessment

When determining control, management considers whether the Group has the practical ability to direct the relevant activities of an investee on its own to generate returns for itself. The assessment of relevant activities and ability to use its power to affect variable return requires considerable judgement.

5.1.5 Significant influence

Significant influence exists when the size of an entity's own voting rights relative to the size and dispersion of other vote holders, give the entity the practical ability unilaterally to direct the relevant activities of the company.

5.1.6 Classification of real estate property

Management decides on acquisition of a real estate property whether it should be classified as trading, property held for development or investment property.

The Group classifies property as trading property if it is acquired principally for sale in the ordinary course of business.

The Group classifies property as property under development if it is acquired with the intention of development.

Notes to the consolidated financial statements (continued)

5 Significant management judgements and estimation uncertainty (continued)

5.1 Significant management judgments (continued)

5.1.6 Classification of real estate property (continued)
The Group classifies property as investment property if it is acquired to generate rental income or for capital appreciation, or for undetermined future use.

5.2 Estimation uncertainty
Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

5.2.1 Percentage of completion
The Group recognises accrual for properties under development based on the percentage of completion method. The percentage of work completion is determined by the independent lead consultant of the respective projects.

The percentage of completion method is applied on a cumulative basis in each accounting year to the current estimates of accrual for properties under development. Any change in estimate for determination of accruals for properties under development is recognised in current consolidated statement of financial position.

5.2.2 Cost to complete the projects
The Group estimates the cost to complete the projects in order to determine the cost attributable to revenue being recognised. These estimates include the cost of providing infrastructure, potential claims by contractors as evaluated by the project consultant and the cost of meeting other contractual obligations to the customers.

5.2.3 Impairment of goodwill
The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

5.2.4 Impairment of financial assets
Measurement of estimated credit losses involves estimates of loss given default and probability of default. Loss given default is an estimate of the loss arising in case of default by customer. Probability of default is an estimate of the likelihood of default in the future. The Group based these estimates using reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

5.2.5 Impairment of associates and joint venture
After application of the equity method, the Group determines whether it is necessary to recognize any impairment loss on the Group's investment in its associates, at each reporting date based on existence of any objective evidence that the investment in the associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the consolidated statement of profit or loss.

5.2.6 Impairment of trading properties
Trading properties are held at the lower of cost and net realisable value. When trading properties become obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

Notes to the consolidated financial statements (continued)

5 Significant management judgements and estimation uncertainty (continued)

5.2 Estimation uncertainty (continued)

5.2.7 Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and equipment.

5.2.8 Estimation of impairment of property, plant and equipment and capital work-in progress and their useful lives

The Group's management tests annually whether property plant and equipment and capital work-in progress have suffered impairment in accordance with the accounting policies stated within note 4 above. The recoverable amounts of the assets are determined based on value-in-use method. This method uses estimated cash flow projections over the estimated useful life of the asset discounted using market rates. The Group's management determines the useful lives of property plant and equipment and the related depreciation charge. The depreciation charge for the year will change significantly if actual life is different from the estimated useful life of the asset.

5.2.9 Net realisable value of development properties

The Group carries its development properties at the lower of cost and net realisable value. In determining whether the impairment losses should be recognised in the consolidated statement of profit or loss, management assesses the current selling prices of the property units and the anticipated costs for completion of such property units for properties which remain unsold at the reporting date. If the selling proceeds are lower than the anticipated costs to complete, an impairment provision is recognised for the identified loss event or condition to reduce the cost of development properties recognised within properties under development in the consolidated statement of financial position to net realisable value.

5.2.10 Revaluation of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the consolidated statement of profit or loss.

5.2.11 Fair value of financial instruments

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

5.2.12 Provision for foreign taxation

The Group has made provision for potential tax liabilities which may arise on foreign income. These provisions have been assessed based on information available to management as of the reporting date. The actual liability which may or may not arise if and when the relevant tax authorities make an official assessment may substantially differ from the actual provision made.

Notes to the consolidated financial statements (continued)

6 Subsidiary companies

6.1 Composition of the Group

Details of the material subsidiaries held directly by the Group at the end of the reporting period are as follows:

Name of the subsidiary	Country of incorporation and principal place of business	Principal activity	Proportion of ownership interests held by the Group at year end	
			31 Dec. 2025	31 Dec. 2024
IFA Hotels & Resorts – FZE	United Arab Emirates	Real estate and hospitality	**100%**	100%
IFA HI Real Estate Services Company – WLL	Kuwait	Property management and real estate	**99%**	99%
IFA Kuwait Building General Contracting Company – WLL	Kuwait	Buildings general contracting	**85%**	85%

Significant judgements and assumptions

The Group holds 35% of the ordinary shares in S & C Group Investments L.L.C, a subsidiary of IFA HI Real Estate Services Company - WLL. The Group has power over the investee through contractual agreements with the other shareholders that gives the Group the ability to direct the relevant activities of the entity.

Accordingly, the Group has concluded that it controls the investee in accordance with IFRS 10 and has therefore accounted for the entity as a subsidiary.

Notes to the consolidated financial statements (continued)

6 Subsidiary companies (continued)

6.2 Subsidiaries with material non-controlling interests

Details of the subsidiaries with material non-controlling interests (NCI) at the end of the reporting period are as follows:

Name	Proportion of ownership interests and voting rights held by the NCI		Profit/(loss) for the year allocated to NCI		Accumulated NCI	
	31 Dec. 2025 %	31 Dec. 2024 %	**31 Dec. 2025 KD**	31 Dec. 2024 KD	**31 Dec. 2025 KD**	31 Dec. 2024 KD
IFA Kuwait Building General Contracting	**15.00%**	15.00%	**(201,143)**	280,598	**(1,968,470)**	(1,925,735)
Subsidiaries of IFA Hotels & Resorts – FZE:						
IFA Hotels & Resorts 1 (Cayman Islands) (b)	-	66.89%	**418,683**	(567,515)	-	14,208,291
C Seventeen Investments	**25.46%**	25.46%	**2,281,805**	2,160,814	**17,528,320**	15,389,021
C Sixteen Investments	**14.02%**	14.02%	**626,874**	1,405,823	**4,123,538**	3,529,599
Subsidiaries of IFA HI Real Estate Services Company – WLL:						
S&C Group Investments LLC	**65.00%**	65.00%	**128,607**	127,335	**6,970,199**	6,902,493
Others:						
Individually immaterial subsidiaries with non-controlling interests			**(2,321)**	5,415	**(374,068)**	(400,935)
			3,252,505	3,412,470	**26,279,519**	37,702,734

a) No dividends were paid to the NCI during the years ended 31 December 2025 and 2024.

b) During the first quarter of 2025, the Group disposed of its entire interest in IFA Hotels and Resorts 1 (Cayman Islands), resulting in the subsidiary's deconsolidation. The non-controlling interest attributable to this subsidiary at the beginning of the year amounted to KD14,208,291. In addition, the non-controlling interest's share of profit recognised up to the disposal date amounted to KD418,683 in the current year. Accordingly, the total non-controlling interest derecognised on disposal amounted to KD14,641,196.

Notes to the consolidated financial statements (continued)

6 Subsidiary companies (continued)

6.2 Subsidiaries with material non-controlling interests (continued)

Summarised financial information for the above subsidiaries, before intragroup eliminations, is set out below:

31 December 2025

	IFA Kuwait Building General Contracting KD	IFA Hotels & Resorts 1 Cayman Islands KD	C Seventeen Investments KD	C Sixteen Investments KD	Strive Group Investments LLC KD
Non-current assets	9,751,493	-	68,856,171	29,432,258	13,140,303
Current assets	9,487,039	-	-	582,031	6,983,363
Total assets	19,238,532	-	68,856,171	30,014,289	20,123,666
Non-current liabilities	25,754,650	-	-	-	4,252,759
Current liabilities	6,469,020	-	7,316	589,495	5,269,309
Total liabilities	32,223,670	-	7,316	589,495	9,522,068
Equity attributable to owners of the Parent	(12,957,756)	-	51,320,536	25,301,256	3,631,399
Non-controlling interests	(27,382)	-	17,528,319	4,123,538	6,970,199
Revenue	1,505,636	5,864,359	-	-	7,799,771
(Loss)/profit for the year attributable to owners of the Parent	(1,350,076)	207,209	6,684,588	3,847,625	(163,789)
(Loss)/profit for the year attributable to NCI	(1,610)	418,683	2,281,805	626,874	(46,524)
Profit for the year	(1,351,686)	625,892	8,966,393	4,474,499	(210,313)
Total comprehensive (loss)/income for the year attributable to owners of the Parent	(1,350,076)	207,209	6,684,588	3,847,625	(163,789)
Total comprehensive (loss)/income for the year attributable to NCI	(1,610)	418,683	2,281,805	626,874	(46,524)
Total comprehensive (loss)/income for the year	(1,351,686)	625,892	8,966,393	4,474,499	(210,313)

Notes to the consolidated financial statements (continued)

6 Subsidiary companies (continued)

6.2 Subsidiaries with material non-controlling interests (continued)

31 December 2024

	IFA Kuwait Building General Contracting KD	IFA Hotels & Resorts 1 FZE KD	C Seventeen Investments KD	C Sixteen Investments KD	Strive Group Investments LLC KD
Non-current assets	9,199,042	70,366,149	67,994,433	25,192,835	14,238,774
Current assets	7,461,815	5,242,042	-	587,177	5,626,305
Total assets	16,660,857	75,608,191	67,994,433	25,780,012	19,865,079
Non-current liabilities	24,230,946	49,141,725	-	-	5,210,151
Current liabilities	5,294,036	6,837,063	3,278	591,473	4,019,439
Total liabilities	29,524,982	55,978,788	3,278	591,473	9,229,590
Equity attributable to owners of the Parent	(12,838,231)	5,421,112	52,602,135	21,658,940	3,732,996
Non-controlling interests	(25,894)	14,208,291	15,389,020	3,529,599	6,902,493
Revenue	3,174,869	19,729,570	-	-	7,077,845
Profit/(loss) for the year attributable to owners of the Parent	1,870,882	(278,638)	6,324,888	8,621,444	(56,938)
(Loss)/profit for the year attributable to NCI	(230)	(567,515)	2,160,814	1,405,823	(127,335)
Profit/(loss) for the year	1,870,652	(846,153)	8,485,702	10,027,267	(184,273)
Total comprehensive income/(loss) for the year attributable to owners of the Parent	1,870,882	(278,638)	6,324,888	8,621,444	(56,938)
Total comprehensive (loss)/income for the year attributable to NCI	(230)	(567,515)	2,160,814	1,405,823	(127,335)
Total comprehensive income/(loss) for the year	1,870,652	(846,153)	8,485,702	10,027,267	(184,273)

6.3 Disposal of a subsidiary

During the year, the Group entered into a share purchase agreement with AIM Hospitality (Cayman) Limited for the sale of its subsidiary, IFA Hotels and Resorts 1. The final agreed consideration for this transaction amounted to USD 312.5 million in accordance with the original sale purchase agreement and the related addendum. As part of this transaction, existing financial loan obligations are to be settled. The share purchase agreement was executed and control was transferred on 31 March 2025.

Notes to the consolidated financial statements (continued)

6 Subsidiary companies (continued)

6.3 Disposal of a subsidiary (continued)

The net assets of IFA Hotels and Resorts 1 derecognised at the date of disposal, 31 March 2025, are summarised below:

	31 March 2025 (date of disposal) KD
Property, plant and equipment	69,830,735
Right of use assets	223,495
Accounts receivable and other assets	183,973
Total non-current assets	70,238,203
Accounts receivable and other assets	2,395,076
Cash and cash equivalents	2,817,208
Total current assets	5,212,284
Borrowings	48,265,646
Lease liabilities	264,577
Provision for employees' end of service benefits	385,252
Total non-current liabilities	48,915,475
Accounts payable and other liabilities	3,439,623
Borrowings	1,070,542
Lease liabilities	69,124
Due to related parties	1,673,432
Total current liabilities	6,252,721
Net asset value	20,282,291
Less: Non-controlling interests	(14,641,196)
Net asset value attributable to shareholders of the Parent Company	5,641,095
Total consideration (a)	14,777,668
Net gain on disposal	9,136,573

a) Net consideration comprises of the following:

	KD
Cash consideration*	6,934,677
Fair value of shares acquired (Note 17)	7,842,991
Total sale consideration	14,777,668

* At 31 December 2025, an amount of KD1,854,523 relating to the cash consideration is included within accounts receivable and other assets as at the reporting date (Note 16).

Notes to the consolidated financial statements (continued)

6 Subsidiary companies (continued)

6.3 Disposal of a subsidiary (continued)

a) Net consideration comprises of the following: (continued)
Profit from discontinued operations comprise of the following:

	Year ended 31 Dec. 2025 KD	Year ended 31 Dec. 2024 KD
Gain on disposal of a subsidiary	**9,136,573**	-
Profit/(loss) for the year (refer below)	**625,892**	(634,046)
	9,762,465	(634,046)

The interim consolidated statement of comprehensive income of IFA Hotels and Resorts 1, from 1 January 2025 to March 31, 2025 (until disposal date) is as follows:

	Period ended 31 March. 2025 KD	Year ended 31 Dec. 2024 KD
Revenue	**5,864,359**	19,729,570
Cost of revenue	**(1,661,176)**	(6,000,786)
	4,203,183	13,728,784
Staff costs	**(184,870)**	(713,322)
Sales and marketing expenses	**(337,883)**	(1,113,793)
Other operating expenses and charges	**(1,477,131)**	(5,168,425)
Depreciation and amortisation	**(732,054)**	(2,499,479)
Finance costs	**(784,882)**	(4,836,300)
Taxation	**(60,471)**	(31,511)
Profit/(loss) from the period/year	**625,892**	(634,046)
Attributable to:		
Owners of the Parent Company	**207,209**	(209,909)
Non-controlling interests	**418,683**	(424,137)
Profit/(loss) from the period/year	**625,892**	(634,046)

7 Revenue

	Year ended 31 Dec. 2025 KD	Year ended 31 Dec. 2024 KD
Property development	**1,511,849**	3,036,202
Hospitality operations	**6,146,075**	4,844,753
Property management	**11,127,923**	7,943,580
Rental and leasing income	**1,114,508**	1,066,778
Project commissions and other income	**4,027,738**	822,295
	23,928,093	17,713,608

Notes to the consolidated financial statements (continued)

7 Revenue (continued)

Revenue includes an amount of KD3,690,983 (31 December 2024: nil) arising from project commissions and related costs, representing commissions and staff costs charged to Qaryat Al Nakheel (a related party) under the project sales and management agreement entered into between the parties.

The Group's revenue disaggregated by pattern of revenue recognition is as follows:

	Year ended 31 Dec. 2025 KD	Year ended 31 Dec. 2024 KD
Revenue recognised over time	**14,972,971**	6,806,166
Revenue recognised at a point in time	**8,955,122**	10,907,442
	23,928,093	17,713,608

8 Finance costs

	Year ended 31 Dec. 2025 KD	Year ended 31 Dec. 2024 KD
On financial liabilities at amortised costs:		
Borrowings and redeemable preference shares	**771,046**	1,166,984
Balances with related parties	**1,032,727**	1,004,893
Lease liabilities	**136,529**	178,601
	1,940,302	2,350,478

9 Taxation

	Year ended 31 Dec. 2025 KD	Year ended 31 Dec. 2024 KD
Taxation charge on overseas subsidiaries	**213,720**	515,005
Provision for KFAS	**177,430**	131,065
Provision for Zakat	**194,905**	139,591
Provision for National Labour Support Tax	**487,262**	348,977
	1,073,317	1,134,638

10 Profit for the year

Profit for the year is stated after charging the following expenses:

	Year ended 31 Dec. 2025 KD	Year ended 31 Dec. 2024 KD
Hotel operations, maintenance and office expenses	**3,885,487**	7,121,635
Administration and management fee	**844,466**	482,461
Legal and professional fees and legal settlement costs	**774,587**	764,165
Settlement of claims by Homeowners Association in UAE	**367,110**	94,648
Rent operating leases	**115,806**	-

Notes to the consolidated financial statements (continued)

11 Net income/(loss) on financial assets and financial liabilities

Net income/(loss) on financial assets and financial liabilities, analysed by category, is as follows:

	Year ended 31 Dec. 2025 KD	Year ended 31 Dec. 2024 KD
Financial assets at amortised cost:		
- Interest income	**853,271**	680,543
- Reversal of impairment (Note 15.1)	**1,363,124**	-
Financial assets at FVTPL:		
- Change in fair value of investment at fair value through profit or loss	**1,010,179**	-
Financial assets at FVTOCI:		
- Recognised directly in consolidated statement of other comprehensive income	**226,498**	133,053
	3,453,072	813,596
Financial liabilities at amortised cost:		
Finance costs	**(1,940,302)**	(2,350,478)
	1,512,770	(1,536,882)
Net profit / (loss) recognised in the consolidated statement of profit or loss	**1,286,272**	(1,669,935)
Net profit recognised in other comprehensive income	**226,498**	133,053
	1,512,770	(1,536,882)

12 Basic and diluted earnings/(loss) per share attributable to the owners of the Parent Company

Basic and diluted earnings/(loss) per share is calculated by dividing the profit/(loss) for the year attributable to the owners of the Parent Company by the weighted average number of shares outstanding during the year as follows:

	Year ended 31 Dec. 2025 KD	Year ended 31 Dec. 2024 KD
Profit/(loss) for the year attributable to owners of the Parent Company		
- From continuing operations (KD)	**8,854,898**	13,969,916
- From discontinued operations (KD)	**9,762,465**	(634,045)
	18,617,363	13,335,871
Weighted average number of shares outstanding during the year (excluding treasury shares) – shares	**291,028,211**	291,028,211
Basic and diluted earnings/(loss) per share attributable to owners of the Parent Company (Fils)		
- From continuing operations	**30.43 Fils**	48.00 Fils
- From discontinued operations	**33.54 Fils**	(2.18) Fils
	63.97 Fils	45.82 Fils

The basic and diluted earnings per share reported during the previous year was 58.2 Fils before retroactive adjustments relating to the bonus share issue (Note 28). There were no potential dilutive shares.

Notes to the consolidated financial statements (continued)

13 Property, plant and equipment

	Land KD	Buildings on freehold land KD	Furniture and fixtures KD	Machinery and equipment KD	Motor vehicles KD	Total KD
Year ended 31 December 2025						
Cost:						
As at 1 January 2025	**6,894,695**	**98,555,644**	**8,142,117**	**7,059,736**	**120,274**	**120,772,466**
Additions	**-**	**11,809**	**653,424**	**631,461**	**116,692**	**1,413,386**
Disposals	**-**	**-**	**(989)**	**-**	**(7,377)**	**(8,366)**
Transfer to investment properties	**-**	**(1,135,488)**	**-**	**-**	**-**	**(1,135,488)**
Arising on disposal of a subsidiary (note 6.3)	**(6,416,355)**	**(81,212,141)**	**(6,502,202)**	**(5,734,724)**	**-**	**(99,865,422)**
Foreign exchange adjustment	**66,185**	**(45,696)**	**53,920**	**(20,210)**	**14,015**	**68,214**
As at 31 December 2025	**544,525**	**16,174,128**	**2,346,270**	**1,936,263**	**243,604**	**21,244,790**
Accumulated depreciation and impairment losses:						
As at 1 January 2025	**-**	**25,966,472**	**6,401,460**	**5,430,150**	**51,899**	**37,849,981**
Depreciation for the year	**-**	**276,439**	**192,666**	**113,861.00**	**24,024**	**606,990**
Relating to disposals	**-**	**-**	**(521)**	**-**	**(6,833)**	**(7,354)**
Arising on disposal of a subsidiary (note 6.3)	**-**	**(20,543,334)**	**(5,326,042)**	**(4,165,311)**	**-**	**(30,034,687)**
Foreign exchange adjustment	**-**	**369,721**	**160,509**	**172,365**	**7,219**	**709,814**
As at 31 December 2025	**-**	**6,069,298**	**1,428,072**	**1,551,065**	**76,309**	**9,124,744**
Net book value						
As at 31 December 2025	**544,525**	**10,104,830**	**918,198**	**385,198**	**167,295**	**12,120,046**
Year ended 31 December 2024						
Cost:						
As at 1 January 2024	6,877,216	98,244,179	6,630,631	5,832,954	119,071	117,704,051
Additions	-	56,917	1,490,882	1,194,328	3,648	2,745,775
Disposals	-	(5,183)	(8,746)	-	-	(13,929)
Impairment	-	(167,709)	-	-	-	(167,709)
Foreign exchange adjustment	17,479	427,440	29,350	32,454	(2,445)	504,278
As at 31 December 2024	6,894,695	98,555,644	8,142,117	7,059,736	120,274	120,772,466
Accumulated depreciation and impairment losses:						
As at 1 January 2024	-	23,948,851	6,035,917	4,688,290	34,203	34,707,261
Depreciation for the year	-	1,907,079	344,919	719,764	18,768	2,990,530
Relating to disposals	-	(3,500)	(6,917)	-	-	(10,417)
Foreign exchange adjustment	-	114,042	27,541	22,096	(1,072)	162,607
As at 31 December 2024	-	25,966,472	6,401,460	5,430,150	51,899	37,849,981
Net book value						
As at 31 December 2024	6,894,695	72,589,172	1,740,657	1,629,586	68,375	82,922,485

Certain property, plant and equipment with an aggregate carrying value of Nil (2024: KD69,953,536) have been pledged as security against borrowings (Note 24).

Notes to the consolidated financial statements (continued)

14 Investment properties

	31 Dec. 2025 KD	31 Dec. 2024 KD
Property and land - South Africa	**4,713,054**	4,262,204
Commercial and retail real estate properties – UAE	**3,626,054**	2,525,699
	8,339,108	6,787,903

The movement in investment properties is as follows:

	31 Dec. 2025 KD	31 Dec. 2024 KD
Balance at the beginning of the year	**6,787,903**	2,581,275
Additions	**-**	44,954
Transferred from property, plant, and equipment	**1,135,488**	-
Transferred from trading properties	**-**	2,160,910
Disposal during the year	**(65,581)**	(6,680)
Gain on transfer of trading properties to investment properties	**-**	2,025,076
Change in fair value arising during the year	**(15,441)**	62,006
Foreign currency adjustment	**496,739**	(79,638)
Balance at end of the year	**8,339,108**	6,787,903

a) Certain properties with an aggregate carrying value of KD3,404,882 (2024: 2,302,572) have been pledged as security against borrowings (Note 24).

b) Details of fair valuation of investment properties are disclosed in note 33.2

15 Investment in associates and joint ventures

	31 Dec. 2025 KD	31 Dec. 2024 KD
Investment in associates (note 15.1)	**11,075,076**	11,553,982
Investment in joint ventures (Note 15.2)	**98,297,701**	85,638,632
	109,372,777	97,192,614

15.1.1 Details of the Group's associates are as follows:

Name of the associate	Country of Incorporation and principal place of business	Principal activity	Proportion of ownership interests held by the Group at the year end	
			31 Dec. 2025	31 Dec. 2024
Legend and IFA Developments	South Africa	Property development, resorts accommodation and related services	**50%**	50%
United Hospitality Management	UAE	Hospitality management	**49%**	49%
Vacation Club Venture Company	UAE	Time share	**35.23%**	35.23%

Notes to the consolidated financial statements (continued)

15 Investment in associates and joint ventures (continued)

15.1 Investment in associates

15.1.1 Details of the Group's associates are as follows: (continued)
The carrying value of investment in associates comprise of the following:

	31 Dec. 2025 KD	31 Dec. 2024 KD
- Legend and IFA Development (including shareholders' loan)	**3,424,271**	3,973,793
- United Hospitality Management	**127,495**	33,924
- Vacation Club Venture Company	**7,523,310**	7,546,265
	11,075,076	11,553,982

15.1.2 The movement in the carrying value of investment in associates during the year is as follows:

	31 Dec. 2025 KD	31 Dec. 2024 KD
Balance as at 1 January	**11,553,982**	11,875,848
Increase/(decrease) in shareholders' loans	**106,612**	(350,883)
Share of results (see below)	**(2,421,727)**	76,095
Reversal of expected credit losses (see below)	**1,363,124**	-
Foreign currency translation adjustments	**473,085**	(47,078)
Balance at the end of the year	**11,075,076**	11,553,982

As at 31 December 2024, the Group's equity investments in Legend and IFA Developments (Pty) Ltd were fully written down to nil as the Group's cumulative share of losses exceeded the carrying amount of the investment. Accordingly, the Group had discontinued recognising further losses in accordance with IAS 28 Investments in Associates and Joint Ventures. However, as the Group had provided loans to the associate, it had made total provision for impairment against the loan amounting to KD1,539,096 up to 31 December 2024 that indirectly covered part of the share of the unrecognised losses.

During the year, based on the findings from the Capital Markets Authority, management reassessed the investment in the associate including the loans advanced to the associate. As a result, the Group fully recognised its share of previously unrecognised losses of the associate amounting to KD2,446,067. Further, the Group performed an ECL assessment of the loans to the associate in accordance with IFRS 9, including a valuation of the underlying assets of the associate, and reversed impairment of KD1,363,124. The Group continues to recognise a provision for expected credit loss of KD275,996.

Details of shareholders' loan is set as follows:

	31 Dec. 2025 KD	31 Dec. 2024 KD
Gross shareholders' loans	**6,308,475**	5,512,874
Less: provision for expected credit losses	**(275,996)**	(1,539,096)
Net shareholders' loans	**6,032,479**	3,973,778

Notes to the consolidated financial statements (continued)

15 Investment in associates and joint ventures (continued)

15.1 Investment in associates (continued)

15.1.3 Summarised financial information of material associates:
Summarised financial information in respect the Group's material associates are set out below. The summarised financial information below represents the amounts presented in the financial statements of the associates (and not the Group's share of those amounts) adjusted for any differences in accounting policies between the Group and the associate.

	Legend and IFA Development		Vacation Club Venture	
	31 Dec. 2025 KD	31 Dec. 2024 KD	**31 Dec. 2025 KD**	31 Dec. 2024 KD
Summarised statement of financial position				
Total assets	**7,719,334**	6,998,735	**24,867,023**	22,659,660
Total liabilities	**(12,931,865)**	(11,483,611)	**(5,734,934)**	(3,503,382)
Equity attributable to the owners of the associate	**(5,212,531)**	(4,484,876)	**19,132,089**	19,156,278
Group's ownership interest	**50%**	50%	**35.23%**	35.23%
Group's share of net assets of the associate	**(2,606,266)**	-	**6,740,235**	6,748,757
Shareholders' loans	**6,032,479**	3,973,778	**-**	-
	3,426,213	3,973,778	**6,740,235**	6,748,757
Other adjustments	**(1,942)**	15	**783,075**	797,508
Carrying value	**3,424,271**	3,973,793	**7,523,310**	7,546,265

	Legend and IFA Development		Vacation Club Venture	
	31 Dec. 2025 KD	31 Dec. 2024 KD	**31 Dec. 2025 KD**	31 Dec. 2024 KD
Summarised statement of profit or loss				
Revenue	**94,488**	78,463	**827,209**	519,260
(Loss)/profit for the year	**(162,143)**	(235,565)	**122,950**	299,158
Total comprehensive (loss)/income for the year	**(162,143)**	(235,565)	**122,950**	299,158

15.2 Investment in joint ventures

15.2.1 Details of the Group's joint ventures are as follows:

Name of the joint venture	Country of incorporation and principal place of business	Principal activity	Proportion of ownership interests held by the Group at the year end	
			31 Dec. 2025	31 Dec. 2024
C Seventeen	Cayman Island	Ownership, development, management, sales and marketing of residential properties	**50%**	50%
C Sixteen	Cayman Island	Ownership, development, management, sales and marketing of residential properties	**50%**	50%
ZUCO Electrical (PTY) LTD	South Africa	Supply of Electricity	**50%**	-

The principal activities of C Seventeen and C Sixteen are carried out in the United Arab Emirates.

Notes to the consolidated financial statements (continued)

15 Investment in associates and joint ventures (continued)

15.2 Investment in joint ventures (continued)

15.2.1 Details of the Group's joint ventures are as follows: (continued)
The carrying value of joint ventures comprise of the following:

	31 Dec. 2025 KD	31 Dec. 2024 KD
- C Seventeen	**68,853,819**	60,445,797
- C Sixteen	**29,432,258**	25,192,835
- ZUCO Electrical (Pty) Ltd	**11,624**	-
	98,297,701	85,638,632

15.2.2 The movement in the carrying value of joint ventures during the year is as follows:

	31 Dec. 2025 KD	31 Dec. 2024 KD
Balance as at 1 January	**85,638,632**	66,741,978
Share of results *	**13,451,794**	18,518,596
Foreign currency translation adjustments	**(792,725)**	378,058
Balance at the end of the year	**98,297,701**	85,638,632

* Share of results of C Seventeen amounting to KD8,966,393 (31 December 2024: KD8,487,092) is allocated between the joint venture partners based on terms and conditions in the Joint Venture agreement.

15.2.3 Summarised financial information of material joint ventures:
Summarised financial information in respect the Group's material joint ventures are set out below. The summarised financial information below represents the amounts presented in the financial statements of the joint ventures (and not the Group's share of those amounts) adjusted for any differences in accounting policies between the Group and the joint ventures.

	C Seventeen		C Sixteen	
	31 Dec. 2025 KD	31 Dec. 2024 KD	31 Dec. 2025 KD	31 Dec. 2024 KD
Summarised statement of financial position				
Total assets	**171,719,425**	154,285,818	**57,158,282**	55,505,057
Total liabilities	**(40,869,736)**	(48,806,537)	**(13,315,210)**	(20,273,633)
Net assets	**130,849,689**	105,479,281	**43,843,072**	35,231,424
Summarised statement of profit or loss				
Income	**70,633,946**	45,863,423	**25,234,816**	38,124,170
Expenses	**(44,262,202)**	(20,901,387)	**(16,285,818)**	(18,061,163)
Profit for the year	**26,371,744**	24,962,036	**8,948,998**	20,063,007

Notes to the consolidated financial statements (continued)

16 Accounts receivable and other assets

	31 Dec. 2025 KD	31 Dec. 2024 KD
Financial assets:		
Trade receivables (a)	**13,686,551**	14,678,992
Provision for doubtful debts	**(256,874)**	(268,273)
	13,429,677	14,410,719
Value Added Tax receivables	**322,808**	346,282
Receivable on sale of a subsidiary (Note 6.3)	**1,854,523**	-
Due from related parties (Note 31)	**999,412**	1,382,826
Other financial assets	**2,874,574**	2,605,752
	19,480,994	18,745,579
Non-financial assets:		
Advance to contractors	**-**	189,270
Deferred tax assets	**152,384**	361,103
Other non-financial assets	**1,444,486**	1,653,175
	1,596,870	2,203,548
Total accounts receivable and other assets	**21,077,864**	20,949,127
Less: current portion	**(18,070,754)**	(15,884,365)
Non-current portion (b)	**3,007,110**	5,064,762

a- Trade receivables include project-related receivables amounting to KD1,261,656 (31 December 2024: KD2,752,286) which will be received as per the payment plan agreed in sale and purchase agreements.

b- Non-current receivables include a receivable from a joint venture partner amounting to AED32,431,862 equivalent to KD2,696,622 (31 December 2024: AED54,591,932, equivalent to KD4,579,302). Out of the initial amount receivable of AED159,000,000, receivable from the joint arrangement, AED122,000,000 has been collected to date and the remaining balance of AED37,000,000 is contractually due upon completion of the project. The receivable has been recognised at its present value, initially measured at AED48,387,893 (equivalent to KD4,023,322) which is subject to change in the future reporting periods as a result of unwinding of the discount portion.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses on trade receivables. The loss rates are based on days past due for groupings of different debtor segments with similar loss patterns. The calculation also considers the past default experience of the debtor, current and forward-looking factors affecting the debtor's ability to settle the amount outstanding, general economic condition of the industry in which the debtor operates and an assessment of both current as well as the forecast direction of conditions at the reporting date.

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery.

17 Investments at fair value through profit or loss

This represents the Group's investment in a Hospitality Fund managed by AIM GP Sàrl (the General Partner), in which the Group participates as a Limited Partner (LP). As an LP, the Group holds a passive ownership interest with limited liability and no direct involvement in the management of the fund. The ultimate parent of the General Partner has a common directorship with the ultimate parent of the Group.

Notes to the consolidated financial statements (continued)

17 Investments at fair value through profit or loss (continued)

The investment was acquired as part of the consideration received in connection with the disposal of a subsidiary (Note 6.3). The Group's share of the initial purchase consideration amounted to KD14,777,668 comprising of cash consideration of KD6,934,677 and a non-cash consideration of KD7,842,991 representing the fair value of the fund units received at initial recognition.

The fund uses NAV of the investee(s) to value its investments in its books. NAV is mainly driven by the fair value of underlying property with carrying value of other assets and liabilities estimated to approximate fair value. Based on the valuation report as at 31 December 2025, there was a gain on fair value through profit or loss amounting to KD1,010,179.

The fair value of investment is categorised within Level 3 of the fair value hierarchy under IFRS13 (Note 33.2).

18 Trading properties

	31 Dec. 2025 KD	31 Dec. 2024 KD
Properties in the UAE	**1,344,456**	114,884
Properties in South Africa	**7,866,609**	5,618,420
	9,211,065	5,733,304

Management obtained independent valuations for its trading properties and determined that no impairment loss is required.

Trading properties with an aggregate carrying value of KD7,866,609 (2024: KD5,618,420) that have been pledged as security for term loan facilities (Note 24).

19 Cash and cash equivalents

	31 Dec. 2025 KD	31 Dec. 2024 KD
Cash and bank balances	**12,061,330**	7,623,519
Term deposits	**433,961**	437,637
Cash and cash equivalents as per consolidated statement of financial position	**12,495,291**	8,061,156
Less: blocked deposits	**(433,961)**	(437,637)
Cash and cash equivalents as per consolidated statement of cash flows	**12,061,330**	7,623,519

Term deposits of KD433,961 (2024: KD437,637) is held with a bank as a guarantee for a real estate brokerage license issued by the Dubai Real Estate Regulatory Agency. The deposit carries a markup of 2.38% per annum.

20 Share capital and share premium

As of 31 December 2025, the authorized, issued and paid-up share capital of the Parent Company consists of 291,186,472 shares of 100 fils each (31 December 2024: 229,280,687 shares of 100 fils each). All shares are in cash.

During the year, the Parent Company's share capital was increased by KD6,190,578 as a result of the issuance of bonus shares (Note 28). The capital increase was registered in the commercial register on 25 May 2025.

Share premium is not available for distribution.

Notes to the consolidated financial statements (continued)

21 Treasury shares

	31 Dec. 2025	31 Dec. 2024
Number of shares	**158,261**	124,483
Percentage of issued shares	**0.05%**	0.05%
Market value (KD)	**161,426**	230,294
Cost (KD)	**246,011**	246,011

Share premium equivalent to the cost of treasury shares have been classified as non-distributable.

22 Statutory and voluntary reserves

	Statutory reserve KD	voluntary reserve KD	Total KD
Balances as at 1 January 2025	**2,852,624**	**2,852,624**	**5,705,248**
Transferred from retained earnings	**1,947,696**	**1,947,696**	**3,895,392**
Balances as at 31 December 2025	**4,800,320**	**4,800,320**	**9,600,640**
Balances as at 1 January 2024	1,457,074	1,457,074	2,914,148
Transferred from retained earnings	1,395,550	1,395,550	2,791,100
Balances as at 31 December 2024	2,852,624	2,852,624	5,705,248

Statutory reserve

In accordance with the Companies Law and the Parent Company's Articles of Association, 10% of the profit for the year before KFAS, NLST, Zakat and directors' remuneration attributable to the owners of the Parent Company is to be transferred to statutory reserve. The Parent Company may resolve to discontinue such annual transfers when the reserve totals 50% of the paid-up share capital.

Distribution of the statutory reserve is limited to the amount required to enable the payment of a dividend of 5% of paid-up share capital to be made in years when retained earnings are not sufficient for the distribution of a dividend of that amount.

Voluntary reserve

According to the Parent Company's articles of association, 10% of the profit for the year attributable to the owners of the Parent Company before KFAS, NLST, Zakat and directors' remuneration is transferred to the voluntary reserve at the discretion of the board of directors subject to the approval of the general assembly. There are no restrictions on distribution of voluntary reserve.

No transfer to reserves is required in a year in which the Group has incurred a loss or where accumulated losses exist.

Notes to the consolidated financial statements (continued)

23 Other components of equity

	Cumulative changes in fair value KD	Foreign currency translation reserve KD	Total KD
Balances as at 1 January 2025	**(80,346)**	**(12,807,266)**	**(12,887,612)**
Change in fair value of investments at FVTOCI	**226,498**	**-**	**226,498**
Arising on translation of foreign operations	**-**	**463,307**	**463,307**
Other comprehensive income	**226,498**	**463,307**	**689,805**
Balances as at 31 December 2025	**146,152**	**(12,343,959)**	**(12,197,807)**
Balances at 1 January 2024	(213,399)	(13,268,507)	(13,481,906)
Change in fair value of investments at FVTOCI	133,053	-	133,053
Arising on translation of foreign operations	-	461,241	461,241
Other comprehensive income	133,053	461,241	594,294
Balances at 31 December 2024	(80,346)	(12,807,266)	(12,887,612)

24 Borrowings

Borrowings represent terms loans and Islamic financing facilities obtained by the Group as follows:

	31 Dec. 2025 KD	31 Dec. 2024 KD
Borrowings obtained in UAE		
- Term loans - AED	**4,396,366**	54,255,154
- Islamic financing facilities - AED	**751,851**	1,422,942
- Bank overdraft- AED	**2,157,264**	1,883,775
	7,305,481	57,561,871
Borrowings obtained in South Africa	**1,809,999**	-
	9,115,480	57,561,871
Less: amounts due within one year	**(2,748,389)**	(3,822,505)
Amounts due after one year	**6,367,091**	53,739,366

The Group's borrowings comprise term loans, Islamic financing facilities and bank overdrafts obtained by subsidiaries in the United Arab Emirates and South Africa. These facilities are denominated primarily in AED and ZAR and carry variable interest/profit rates linked to EIBOR or other applicable market benchmarks.

Borrowings are measured at amortised cost and are repayable over agreed terms. Bank overdrafts are repayable on demand and form part of the Group's cash management arrangements.

The facilities are secured by corporate guarantees, mortgages over certain properties, assignment of rental income and other customary collateral arrangements.

During the year, due to the disposal and deconsolidation of a subsidiary (Note 6.3), the portion of the term loan attributable to the subsidiary amounting to AED587,586,694 (equivalent to KD48,856,247) was derecognised. The Group also obtained new borrowings in South Africa during the year.

Notes to the consolidated financial statements (continued)

25 Redeemable preference shares

One of the Group's subsidiaries, under an agreement, issued preference share to a related party. These shares are issued with no voting rights and are cumulative, redeemable and non-convertible. These shares carry fixed dividend with a term of five years.

26 Accounts payable and other liabilities

	31 Dec. 2025 KD	31 Dec. 2024 KD
Financial liabilities:		
Trade payables	**7,436,295**	8,208,526
Accruals	**1,388,465**	3,884,412
Deferred tax	**1,621,285**	1,318,196
Dividend payable	**163,818**	508,818
Provisions for taxation (a)	**5,964,250**	5,326,010
Other payables	**3,650,714**	1,688,185
	20,224,827	20,934,147
Non-financial liabilities:		
Prepayments and deposits	**7,573,916**	4,979,558
VAT payable	**183,242**	135,705
	7,757,158	5,115,263
	27,981,985	26,049,410

a- Provision for taxation includes provision for KFAS charged during the year amounting to KD177,430 (31 December 2024: KD131,065).

The Company's management believes that the legislature has not issued a law on the contribution to KFAS and thus it is not a tax. KFAS is a private institution in accordance with the law. There is no provision in the Companies' Law or in the Parent Company's memorandum of association and article of association obligating the Parent Company to apply this deduction. In spite of the above, the Ministry of Commerce and Industry (MOCI) has recently issued instructions requiring inclusion of this deduction until it is approved to hold the general assembly.

Therefore, the Group's management decided to charge a provision as a precautionary procedure only even though it believes no amount is due from the Group, particularly because the Ministry of Commerce and Industry had issued similar instructions which were previously reversed.

27 Advances received from customers

Advances received from customers against sale of residential properties under development in various projects in the UAE and South Africa. Advances that are related to the projects that are expected to be transferred to revenue within next twelve months have been classified as current liabilities.

The movement in advances received from customers is as follows:

	31 Dec. 2025 KD	31 Dec. 2024 KD
Balance at the beginning of the year	**3,352,508**	4,001,409
Advances received during the year	**-**	18,197
Revenue recognised during the year	**(676,640)**	(601,151)
Foreign exchange adjustment	**361,180**	(65,947)
Balance at end of the year	**3,037,048**	3,352,508
Less: current portion	**(537,820)**	(646,462)
Non-current portion	**2,499,228**	2,706,046

Notes to the consolidated financial statements (continued)

28 Annual general assembly, dividends and directors' remuneration

The board of directors of the Parent Company proposed to issue 25% bonus shares and an amount of KD45,000 as remuneration of the Parent Company's Board of Directors for the year ended 31 December 2025. This proposal is subject to the approval of the annual general assembly of shareholders.

Annual General Assembly

The Annual General Assembly of the shareholders of the Parent Company held on 7 May 2025 approved the consolidated financial statements of the Group for the year ended 31 December 2024 and the board of directors' proposal to issue 27% bonus shares and an amount of KD45,000 as remuneration to the Board of Directors for the year ended 31 December 2024.

The Annual General Assembly of the shareholders of the Parent Company held on 30 April 2024 approved the consolidated financial statements of the Group for the year ended 31 December 2023 and the board of directors' proposal to issue 25% bonus shares and an amount of KD45,000 as remuneration to the Board of Directors for the year ended 31 December 2023.

Extra-Ordinary General Assembly

The Extraordinary General Assembly of the shareholders of the Parent Company held on 15 October 2025, approved the board of directors' proposal to conduct the activities of the Parent Company in accordance with Islamic Sharea'a, which was registered in the commercial register on 28 October 2025 (Note 1).

29 Segmental information

The Group's activities are concentrated in four main segments: property development, hotelier operations, investments and others. The segment's results are reported to the senior management in the Group. In addition, the segments revenue, assets are reported based on the geographic locations which the Group operates in.

Notes to the consolidated financial statements (continued)

29 Segmental information (continued)

The following is the segments information, which conforms with the internal reporting presented to management.

	Property development KD	Hospitality KD	Investments KD	Others/ Unallocated KD	Total KD
Year ended 31 December 2025					
Revenue	2,754,891	12,812,011	8,361,191	-	23,928,093
Segment gross profit	1,210,369	5,171,005	4,105,336	-	10,486,710
Net income from ticket sale and related services	-	-	-	466,033	466,033
Change in fair value of investments in fair value through profit or loss	-	-	1,010,179	-	1,010,179
Share of results of associates and joint ventures	11,030,067	-	-	-	11,030,067
Change in fair value of investment properties	-	-	(15,441)	-	(15,441)
Reversal of impairment	-	-	1,363,124	-	1,363,124
Interest income	-	-	-	853,271	853,271
Other income	-	-	-	726,671	726,671
Staff costs	(69,161)	(2,660,967)	(89,321)	(548,392)	(3,367,841)
Sales and marketing expenses	(18,128)	(477,767)	-	(122,652)	(618,547)
Other operating expenses and charges	(819,565)	(4,210,775)	(809,383)	(157,235)	(5,996,958)
Depreciation and amortisation	(269,520)	(520,642)	(22,197)	(3,887)	(816,246)
Finance costs	670	(1,428,732)	(425,136)	(87,104)	(1,940,302)
Segment profit/(loss) for the year before taxation	11,064,732	(4,127,878)	5,117,161	1,126,705	13,180,720
As at 31 December 2025					
Segment assets	138,276,386	21,282,240	25,043,602	1,058,358	185,660,586
Segment liabilities	(59,486,951)	(9,267,516)	(38,872,980)	(469,999)	(108,097,446)
Segment Net assets	78,789,435	12,014,724	(13,829,378)	588,359	77,563,140
Other information:					
Investment in associates and joint ventures					109,372,777
Goodwill					1,177,269
Taxation					(1,073,317)

Notes to the consolidated financial statements (continued)

29 Segmental information (continued)

	Property development KD	Hospitality KD	Investments KD	Others/ Unallocated KD	Total KD
Year ended 31 December 2024					
Revenue	9,254,712	6,065,302	1,661,762	731,832	17,713,608
Segment gross profit	1,572,374	3,574,632	1,303,973	731,832	7,182,811
Net income from ticket sale and related services	-	-	-	442,938	442,938
Share of results of associates and joint ventures	18,594,691	-	-	-	18,594,691
Change in fair value of investment properties	62,006	-	-	-	62,006
Gain on transfer of trading properties to investment properties	2,025,076	-	-	-	2,025,076
Interest income	-	-	-	680,543	680,543
Other income	-	-	-	364,196	364,196
Staff costs	(2,396)	(2,452,520)	(77,559)	(380,937)	(2,913,412)
Sales and marketing expenses	(665)	(485,155)	-	-	(485,820)
Other operating expenses and charges	(1,041,956)	(2,410,371)	(558,641)	(6,538)	(4,017,506)
Net impairment losses and provision charges	-	-	-	(153,739)	(153,739)
Depreciation and amortisation	(40,895)	(868,087)	(2,024)	(3,276)	(914,282)
Finance costs	62,357	(1,830,194)	(426,104)	(156,537)	(2,350,478)
Segment profit/(loss) for the year before taxation	21,230,592	(4,471,695)	239,645	1,518,482	18,517,024
As at 31 December 2024					
Segment assets	108,759,465	91,995,470	25,935,606	782,161	227,472,702
Segment liabilities	(60,765,664)	(58,329,887)	(38,375,702)	(319,688)	(157,790,941)
Segment Net assets	47,993,801	33,665,583	(12,440,096)	462,473	69,681,761
Other information:					
Investment in associates and joint ventures					97,192,614
Goodwill					1,180,534
Taxation					(1,134,638)

Notes to the consolidated financial statements (continued)

29 Segmental information (continued)

Geographical segments:
The geographical analysis is as follows:

	Assets		Revenue	
	31 Dec. 2025 KD	31 Dec. 2024 KD	**31 Dec. 2025 KD**	31 Dec. 2024 KD
Kuwait	**2,075,214**	1,866,466	**-**	-
UAE and Asia	**161,115,984**	206,117,358	**22,422,457**	14,538,739
Africa	**19,238,533**	16,663,274	**1,505,636**	3,174,869
Others	**3,230,855**	2,825,604	**-**	-
	185,660,586	227,472,702	**23,928,093**	17,713,608

30 Commitments and contingencies

	31 Dec. 2025 KD	31 Dec. 2024 KD
Finance guarantees	**4,989**	6,291

The Group expects to finance the future expenditure commitments from the following sources:
a) Sale of trading properties;
b) Deposits received from customers;
c) Repayment of advances provided by shareholders, related entities, joint ventures; and
d) Borrowings, if required.

31 Related party transactions and balances

Related parties represent associates, joint ventures, directors and key management personnel of the Group, and other related parties such as major shareholders and companies in which directors and key management personnel of the Group 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 Group's management.

Significant transactions and balances with related parties included in the consolidated financial statements are as follows:

	31 Dec. 2025 KD	31 Dec. 2024 KD
Balances included in the consolidated statement of financial position:		
Amounts due from related parties included in accounts receivable and other assets (Note 16)		
- Due from other related parties	**417,351**	795,619
- Due from joint ventures	**582,061**	587,207
	999,412	1,382,826
Redeemable preference shares	**3,387,945**	3,240,674
Amounts due to related parties:		
- Due to major shareholders	**40,916,236**	41,143,343
- Due to others	**20,807,213**	21,825,888
	61,723,449	62,969,231
Shareholders loan given to an associate – gross (included within investment in associate Note 15.1)	**6,308,475**	5,512,874

Notes to the consolidated financial statements (continued)

31 Related party transactions and balances (continued)

	Year ended 31 Dec 2025 KD	Year ended 31 Dec 2024 KD
Transactions included in the consolidated statement of profit or loss		
Revenue	**6,959,394**	-
Finance costs	**425,136**	426,104
Compensation of key management personnel of the Group		
Long and short-term employee benefits	**601,093**	384,899
Board of directors' remuneration	**45,000**	45,000

The Group holds an investment in a fund classified at FVTPL which is managed by a related party (Note 17).

The amounts due from related parties are interest free and have no specific repayment terms.

Subsequent to the reporting date, the Board of Directors of the Parent Company in their meeting held on 10 February 2026 approved to submit a proposal to fully settle the outstanding due to one of the major shareholders amounting to KD16,961,546 as of 31 December 2025 through an in-kind settlement by transferring ownership interests in one the Group's subsidiaries with the value of the transferred interests to be determined based on a fair valuation conducted by an independent specialized firm. The legal and other formalities are currently in progress.

Due to other related parties represent the following:

- KD5,529,566 payable on 30 June 2028 carrying fixed interest payable at maturity.
- KD1,470,980 carrying fixed interest with no specific repayment terms.
- KD2,909,166 after being discounted. The current portion amounts to KD2,108,700 and the non-current portion amounts to KD801,315
- KD10,382,754 carrying interest above the Central Bank of Kuwait discount rate per annum with no specific repayment date.
- KD18,571,526 non-interest bearing with no specific repayment terms.

32 Summary of financial assets and liabilities by category

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

	31 Dec. 2025 KD	31 Dec. 2024 KD
Financial assets:		
At amortised cost:		
- Accounts receivable and other assets (Note 16)	**19,480,994**	18,745,579
- Shareholders' loan to an associate (Note 15.1)	**6,032,479**	3,973,778
- Cash and cash equivalents	**12,495,291**	8,061,156
	38,008,764	30,780,513
At fair value:		
Investments at FVTPL	**8,827,258**	-
Investments at FVTOCI	**1,305,923**	1,079,425
Total financial assets	**48,141,945**	31,859,938

Notes to the consolidated financial statements (continued)

32 Summary of financial assets and liabilities by category (continued)

	31 Dec. 2025 KD	31 Dec. 2024 KD
Financial liabilities – at amortised cost:		
Borrowings	**9,115,480**	57,561,871
Redeemable preference shares	**3,387,945**	3,240,674
Due to related parties	**61,723,449**	62,969,231
Accounts payable and other liabilities (Note 26)	**20,224,827**	20,934,147
Total financial liabilities	**94,451,701**	144,705,923

33 Fair value measurement

33.1 Fair value measurement of financial instruments

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

	Note	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
31 December 2025					
Financial assets:					
Investment at FVTPL:					
- Foreign managed funds	a	-	-	**8,827,258**	**8,827,258**
Investment at FVTOCI:					
- Local unquoted securities	b	-	-	**138,823**	**138,823**
- Foreign unquoted securities	b	-	-	**1,167,100**	**1,167,100**
Total assets		-	-	**10,133,181**	**10,133,181**
31 December 2024:					
Financial assets:					
Investment at FVTOCI:					
- Local unquoted securities	b	-	-	97,055	97,055
- Foreign unquoted securities	b	-	-	982,370	982,370
Total assets		-	-	1,079,425	1,079,425

There were no transfers between Level 1 and Level 2 during the year ended 31 December 2025 or 2024.

Measurement at fair value

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

Notes to the consolidated financial statements (continued)

33 Fair value measurement (continued)

33.1 Fair value measurement of financial instruments (continued)

The method and valuation technique used for the purpose of measuring fair value is as follows:

a) Foreign managed funds

The valuation is based on net asset value (NAV) of the fund, which is primarily driven by the fair value of underlying property with the carrying value of other assets and liabilities estimated to approximate fair value. The property is valued periodically by independent external valuers. The latest valuation was performed using the 'Profits Method' in accordance with RICS Valuation standards for hotels and other similar assets.

b) Unquoted shares

These represent holdings in local and foreign unlisted securities which are measured at fair value. Fair value is estimated based on the net asset value reported in the latest available financial information, discounted cash flow model or other valuation technique which includes some assumptions that are not supportable by observable market prices or rates.

Level 3 Fair value measurements

The reconciliation of the carrying amounts of financial instruments classified within Level 3 is as follows:

	Investments at FVTPL		Investments at FVTOCI	
	31 Dec. 2025 KD	31 Dec. 2024 KD	**31 Dec. 2025 KD**	31 Dec. 2024 KD
As at 1 January	**-**	-	**1,079,425**	946,372
Additions during the year (note 6.3)	**7,842,991**	-	**-**	-
Change in fair value	**1,010,179**	-	**226,498**	133,053
Foreign exchange adjustments	**(25,912)**	-	**-**	-
	8,827,258	-	**1,305,923**	1,079,425

The significant unobservable inputs used in the valuation of Level 3 investments include discount rates, NAV reported by fund manager and net asset values of the underlying investments.

The sensitivity of the fair value to changes in these inputs is not significant, and reasonably possible changes would not have a material impact on the consolidated financial statements.

33.2 Fair value measurement of non-financial assets

The Group's non-financial assets measured at fair value consist of investment properties. All investment properties are categorised as level 3 under the fair value hierarchy on a recurring basis at 31 December 2025 and 2024.

The movement in investment properties is disclosed under note 14.

The fair value of the investment properties has been determined based on appraisals performed by independent, professionally qualified property valuers. The significant inputs and assumptions are developed in close consultation with management. The appraisals were carried out using a market comparison approach that reflects recent transaction prices for similar properties and income approach which involves the collection of data on the rents prevailing within the vicinity for similar units.

Notes to the consolidated financial statements (continued)

33 Fair value measurement (continued)

33.2 Fair value measurement of non-financial assets (continued)

Further information regarding the level 3 fair value measurements for the properties located in UAE and South Africa is set out in the table below:

Description	Valuation technique	Significant unobservable inputs	Range of unobservable inputs (2025)	Range of unobservable inputs (2024)
Residential Spaces	Market Comparable/ Income approach/ Residual value	- Price per Sq ft - Rental Growth p.a - Discount rate	**KD141 – 291** **3%** **9.5-11%**	KD210 – 341 3% 9%-9.5%
Parking Spaces	Market Comparable	- Price per unit	**KD7,899**	KD7,969

34 Risk management objectives and policies

The Group's principal financial liabilities comprise borrowings, retention payable, due to related parties, accounts payable and other liabilities, lease liabilities, redeemable preference shares and derivative financial instrument. The main purpose of these financial liabilities is to raise finance for Group operations. The Group has various financial assets such as accounts receivable and other assets, cash and cash equivalents, loans to associates and investment securities which arise directly from operations.

The Group's activities expose it to variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Parent Company's board of directors sets out policies for reducing each of the risks discussed below.

The most significant financial risks to which the Group is exposed to are described below.

34.1 Market risk

a) Foreign currency risk

Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group mainly operates in the Middle Eastern countries, South Africa & Indian Ocean region and European countries and is exposed to foreign currency risk arising from various foreign currency exposures, primarily with respect to US Dollars and Euro. The Group's statement of financial position can be significantly affected by the movement in these currencies. To mitigate the Group's exposure to foreign currency risk, non-Kuwaiti Dinar cash flows are monitored.

Generally, the Group's risk management procedures distinguish short-term foreign currency cash flows (due within twelve months) from longer-term cash flows. Foreign currency risk is managed on the basis of continuous assessment of the Groups' open positions.

Notes to the consolidated financial statements (continued)

34 Risk management objectives and policies (continued)

34.1 Market risk (continued)

a) Foreign currency risk (continued)

The Group had the following significant exposures denominated in foreign currencies at the reporting date, translated into Kuwaiti Dinars at the closing rates:

	31 Dec. 2025 *Equivalent* **KD**	31 Dec. 2024 *Equivalent* KD
US Dollars	**59,741**	60,052
Euro	**882,327**	738,593

Exposures to foreign exchange rates vary during the year depending on the volume and nature of the transactions. Nonetheless, a reasonable possible change in exchanges rates of the foreign currencies noted above would not have a significant impact on the Group's consolidated profit or loss.

b) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future profitability or the fair values of financial instruments. The Group is exposed to interest rate risk with respect to its term deposits and borrowings which are (both at fixed rate and floating interest rates). The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate term deposits and borrowings.

Positions are monitored regularly to ensure positions are maintained within established limits.

The following table illustrates the sensitivity of the loss for the year to a possible change in interest rates of + 1% and – 1% (2024: + 1% and –1%) with effect from the beginning of the year. The calculation is based on the Group's financial instruments held at each reporting date. All other variables are held constant.

	Increase in interest rates		Decrease in interest rates	
	31 Dec. 2025 1% KD	31 Dec. 2024 1% KD	**31 Dec. 2025 1% KD**	31 Dec. 2024 1% KD
Profit for the year	**(91,155)**	(575,619)	**91,155**	575,619

c) Price risk

This is a risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether these changes are caused by factors specific to individual instrument or its issuer or factors affecting all instruments, traded in the market. The Group is not exposed to any significant price risks as of 31 December 2025 as Group's investments are unquoted.

34.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group credit policy and exposure to credit risk is monitored on an ongoing basis. The Group seeks to avoid undue concentrations of risks with individuals or groups of customers in specific locations or business through diversification of its activities.

Notes to the consolidated financial statements (continued)

34 Risk management objectives and policies (continued)

34.2 Credit risk (continued)

The Group's exposure to credit risk is limited to the carrying amounts of financial assets recognised at the reporting date, as summarized below:

	31 Dec. 2025 KD	31 Dec. 2024 KD
Investments at fair value through profit or loss	**8,827,258**	-
Investments at fair value through other comprehensive income	**1,305,923**	1,079,425
Shareholders' loan to an associate (Note 15.1)	**6,032,479**	3,973,778
Accounts receivable and other assets (Note 16)	**19,480,994**	18,745,579
Cash and cash equivalents	**12,495,291**	8,061,156
	48,141,945	31,859,938

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by Group, and incorporate this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties. The Group's management considers that all the above financial assets that are neither past due nor impaired for each of the reporting dates under review are of good credit quality.

None of the Group's financial assets are secured by collateral or other credit enhancements.

The credit risk for bank balance is considered negligible, since the counterparties are reputable financial institutions with high credit quality and no history of default. Based on management assessment, the expected credit loss impact arising from such financial assets are insignificant to the Group as the risk of default has not increased significantly.

34.3 Concentration of assets

The distribution of financial assets by geographic region for 2025 and 2024 are as follows:

	Kuwait KD	Asia & Middle East KD	Africa KD	Europe KD	Total KD
At 31 December 2025					
Investments at fair value through profit or loss	**-**	**-**	**-**	**8,827,258**	**8,827,258**
Investments at fair value through other comprehensive income	**138,823**	**-**	**-**	**1,167,100**	**1,305,923**
Shareholders' loan to an associate	**-**	**-**	**6,032,479**	**-**	**6,032,479**
Accounts receivable and other assets	**1,578,332**	**16,140,258**	**580,974**	**1,181,430**	**19,480,994**
Cash and cash equivalents	**183,218**	**10,742,041**	**687,705**	**882,327**	**12,495,291**
	1,900,373	**26,882,299**	**7,301,158**	**12,058,115**	**48,141,945**
At 31 December 2024					
Investments at fair value through other comprehensive income	97,055	-	-	982,370	1,079,425
Shareholders' loan to an associate	-	-	3,973,778	-	3,973,778
Accounts receivable and other assets	1,179,034	15,629,860	832,045	1,104,640	18,745,579
Cash and cash equivalents	180,558	6,092,349	1,049,656	738,593	8,061,156
	1,456,647	21,722,209	5,855,479	2,825,603	31,859,938

Notes to the consolidated financial statements (continued)

34 Risk management objectives and policies (continued)

34.4 Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its liabilities when they fall due. To limit this risk, management has arranged diversified funding sources, manages assets with liquidity in mind, and monitors liquidity on a daily basis.

The contractual maturity of financial liabilities based on undiscounted cash flows is as follows:

	1-3 months KD	3-12 months KD	1-5 years KD	More than 5 years KD	Total KD
At 31 December 2025					
Financial liabilities					
Borrowings	**243,310**	**2,366,698**	**3,657,220**	**2,708,675**	**8,975,903**
Redeemable preference shares	**-**	**-**	**3,387,945**	**-**	**3,387,945**
Due to related parties	**55,639,155**	**-**	**6,084,294**	**-**	**61,723,449**
Accounts payable and other liabilities	**20,224,827**	**-**	**-**	**-**	**20,224,827**
	76,107,292	**2,366,698**	**13,129,459**	**2,708,675**	**94,312,124**
At 31 December 2024					
Financial liabilities					
Borrowings	2,658,148	1,545,313	23,063,973	59,861,648	87,129,082
Redeemable preference shares	-	-	3,240,674	-	3,240,674
Due to related parties	55,433,775	-	7,535,456	-	62,969,231
Accounts payable and other liabilities	20,934,147	-	-	-	20,934,147
	79,026,070	1,545,313	33,840,103	59,861,648	174,273,134

35 Capital management objectives

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, to provide returns to shareholders and to maintain an optimal capital structure.

The capital of the Group comprises equity attributable to the owners of the Parent Company and non-controlling interests. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust dividend payments, return capital to shareholders, issue new shares or dispose of assets to reduce debt.

The Group monitors capital using internal performance measures, including return on equity, which is calculated as profit attributable to the owners of the Parent Company divided by equity attributable to the owners of the Parent Company, as follows:

	31 Dec. 2025 KD	31 Dec. 2024 KD
Profit attributable to the owners of the Parent Company	**18,617,363**	13,335,871
Equity attributable to the owners of the Parent Company	**51,286,195**	31,979,027
Return on equity attributable to the owners of the Parent Company	**36.3%**	41.7%

The Group is not subject to any externally imposed capital requirements.

Notes to the consolidated financial statements (continued)

36 Comparative information

Certain comparative figures have been reclassified to conform to the presentation in the current period, and such reclassification does not affect previously reported net assets, net equity and net results for the year or net decrease in cash and cash equivalents.

37 Subsequent events

Subsequent to the reporting date, geopolitical developments in the Middle East resulted in increased uncertainty and market volatility in global and regional markets. These events are considered non-adjusting as they do not relate to conditions existing at the reporting date.

Based on information available upto the date of the issuance of these consolidated financial statements, the Group's operations continue uninterrupted and management has not identified any material financial impact on the Group's financial statements. However, the situation remains evolving and the Group continues to monitor the situation.

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