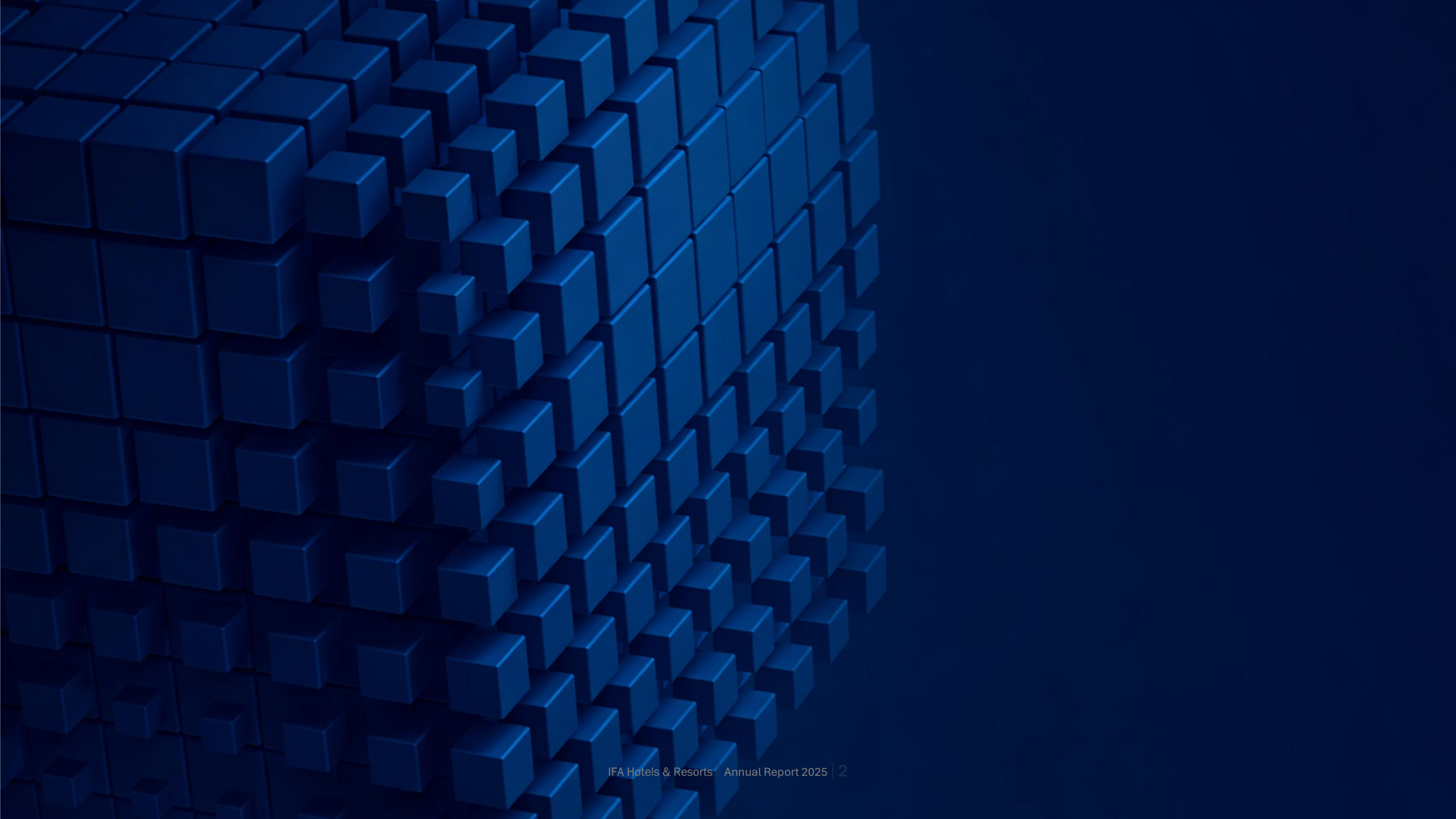




Annual Report 2025





H.H. Sheikh Meshal Al Ahmad Al Jaber Al Sabah
The Amir of Kuwait



H. H. Sheikh Sabah Al Khaled Al Hamad Al Mubarak Al Sabah
The Crown Prince



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IFA Hotels & Resorts is a leading developer of mixed-use hospitality and residential projects and is recognized as one of the first and largest foreign investors on Palm Jumeirah in the UAE.

The Company is underpinned by a diversified international portfolio of projects that combine innovation, quality execution, and a long-term strategic vision, reinforcing its ability to deliver sustainable growth and long-term value creation for its shareholders.

IFA Hotels & Resorts continues to strengthen its presence across emerging markets by delivering distinctive products and services, supported by strategic partnerships with leading regional and international groups. This approach enables the Company to respond to evolving market needs while expanding its regional and global footprint.

As a number of its developments progress into delivery and operational phases, the Company has restructured its business model to enhance operational efficiency and diversify revenue streams. This is achieved through a focused structure built around three core business segments that underpin its future growth:

Development

Focuses on the development of high-value real estate and tourism projects, particularly in the UAE and South Africa. Through this platform, the Company seeks to capture attractive investment opportunities and deliver

landmark developments that support growth and generate sustainable, long-term shareholder value. Key projects include ORLA and ORLA Infinity – Dorchester Collection in Dubai, as well as Zimbali Lakes in South Africa.

Income-Generating Assets

Comprises assets that are directly operated and managed by the Company, contributing to recurring and stable cash flows while strengthening the sustainability and predictability of revenues over the long term. Key assets include Aria Vacation Club and Strive Services Group.

Management Fees

Includes a fully integrated suite of services such as project management, asset management, sales and marketing, and facilities management, providing a stable and growing income stream. Key platforms and projects include Domus Managed Housing, Trilight Hospitality Asset Management, United Hotel Management, and Tay Hills Project.

In 2025, the Company's Extraordinary General Assembly approved a strategic decision to align its operations with the principles of Islamic Sharia. This initiative supports the Company's broader strategy to diversify its activities, enhance competitiveness across regional and global markets, and attract a wider investor and customer base, while promoting sustainable and ethically driven growth.



Company's Portfolio (Current and exited)



+4,900

Keys



+7,735

Residential Unit



50+

F&B Outlet



+44

Hotels



5+

Spa & Wellness



+3,000

Employees



Ernie Else Suites-TATALI-Zimbabwe, South Africa



Avanti Residences-Zimbabwe, South Africa



Board of Directors

Khaled Saeed Esbaitah

Talal Jassim Al-Bahar

Emad Abdullah Al-Essa

Carlos Alberto Leal

Bander Suliaman Al-Jarallah

Saad Naser Al-Muneefi

Chairman (Non-Executive)

Vice Chairman (Non-Executive)

Board Member (Independent)

Board Member (Non-Executive)

Board Member (Independent)

Board Member (Non-Executive)

Report to Shareholders

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the annual report of IFA Hotels & Resorts for the year ended 31 December 2025. Beyond reporting our financial performance, this report highlights the substantive strategic progress achieved during the year, reinforcing the Company's market position and advancing our trajectory toward sustainable growth and long-term value creation.

The year under review was characterized by a dynamic operating environment, presenting both challenges and opportunities. Against a backdrop of global economic uncertainty and shifting geopolitical conditions, the Company remained steadfast in its commitment to delivering value to shareholders, stakeholders, and the wider community. Anchored by a clear strategic vision, we delivered key milestones that have strengthened our foundations and enhanced our capacity for resilient, future-focused expansion.

Our financial performance underscores this momentum, reflecting the strength and adaptability of our business model. We achieved solid revenue growth, improved profitability, and continued expansion across selected markets, further crystallizing confidence in our long-term strategy.

Financial Performance

In 2025, IFA Hotels & Resorts delivered a strong financial and operational performance, reflecting the success of its strategy to diversify revenue streams and enhance operational efficiency, while creating sustainable value for its shareholders

despite ongoing global economic challenges and market volatility.

The company achieved a net profit of KWD 18.6 million, with earnings per share of 63.9 fils, compared to a net profit of KWD 13.5 million and EPS of 45.82 fils in 2024, representing a growth of 39.6%. This demonstrates the company's continued ability to maximize returns and deliver added value to its shareholders.

Equity attributable to the shareholders of the parent company increased significantly by 60.4%, while total operating revenues rose by 23.3% to KWD 34.95 million, compared to KWD 28.35 million in 2024. This reflects the company's solid financial position, operational efficiency, and capacity for sustainable growth.

In line with its commitment to rewarding shareholders and recognizing their continued support, the Board of Directors recommended a 25% bonus share distribution to the General Assembly, reinforcing the company's dedication to maximizing shareholder value and sharing in the success achieved.

Transition to Sharia-Compliant Operations

In line with our long-term strategic direction and commitment to sustainability, the Extraordinary General Assembly approved a landmark resolution in 2025 to transition the Company's operations and investments to fully comply with the principles of Islamic Sharia.

This transformation represents a pivotal step that aligns with our long-term vision, enhances our competitive positioning, and broadens our appeal to a wider base of investors and clients seeking Sharia-compliant products and services. It also advances our commitment to ethical and responsible business

practices while supporting balanced and sustainable growth.

Operational Performance

During 2025, the Company undertook a strategic restructuring of its operations to enhance efficiency and diversify income streams. The business is now structured around three core segments that will drive future growth:

Development – focused on high-value real estate and hospitality developments in key markets such as Dubai and South Africa.

Income-Generating Assets – comprising operational assets that provide stable and recurring cash flows.

Fee-Based Services – including asset management, project management, sales, marketing, and facilities management services.

Following is a detailed overview of the performance of each sector.



Development

Dubai's real estate development market recorded strong performance in 2025, driven by robust local and international demand. This momentum reinforced the emirate's status as a leading investment destination, supported by increased real estate activity and rising property prices and rental rates, particularly in the mid-market and luxury segments.

The launch of integrated, value-driven community developments contributed to diversifying supply and enhancing overall market attractiveness, with early signs of a gradual rebalancing between supply and demand. This reflects the market's growing maturity and its shift toward more sustainable growth, supported by strong investor confidence, continued capital inflows, and supportive government policies.

ORLA & ORLA Infinity-Dorchester Collection

ORLA and ORLA Infinity – Dorchester Collection projects recorded tangible progress during 2025, reflecting the Company's commitment to delivering developments in line with the highest technical and engineering standards, and within approved timelines.

At ORLA, design and regulatory approvals were finalized, while construction progressed steadily, achieving key milestones. The project reached 46.48% completion by year-end, reflecting strong execution and readiness for the next phases.

At ORLA Infinity, construction reached 38.66% completion by the end of 2025, with progress focused on core structural works and key preparatory stages. This positions the project for transition into more advanced phases, reflecting a disciplined, high-quality execution approach.

Progress in both developments reflects the successful execution of the Company's strategy, enhancing its portfolio, driving long-term value, and reinforcing its position as a leading developer regionally and internationally.

Zimbali Lakes – South Africa

South Africa's KwaZulu-Natal continues to strengthen its position as a leading coastal investment destination, driven by positive inward migration, ongoing lifestyle-oriented infrastructure development, and increasing private sector investment.

Within this context, Zimbali Lakes has emerged as a key driver of the region's appeal. The year 2025 marked a significant inflection point, as the project transitioned from infrastructure delivery to the operational activation of its lifestyle components, reinforcing its positioning as an integrated destination with strong foundations for sustainable expansion.

A major milestone during the year was the successful opening of the Ernie Els Golf Course in April 2025, which recorded strong demand with over 10,000 rounds played in its first year, enhancing the project's tourism and investment appeal. Market anticipation is also building ahead of the opening of the Club Med resort in July 2026, expected to further support tourism momentum in the area.

From a real estate perspective, the project maintained strong sales performance, supported by targeted marketing initiatives and growing demand for premium coastal living. The launch of Avanti Residences in August 2025 further diversified the residential offering and strengthened the project's positioning within the luxury, innovation-driven development segment.

During the year, land title transfers for phases one and two were completed, with ZAR 62 million in deferred revenue recognized in 2025. The Company also secured approximately ZAR 931 million in infrastructure financing, strengthening execution visibility and supporting long-term project continuity.

By year-end, construction of the Zimbali Lakes Golf Clubhouse had reached approximately 80% completion, with the official opening scheduled for April 2026. Overall, 2025 marked a year of consolidation and operational progress, strengthening market confidence and positioning the project for its next phase of expansion in 2026.



TATALI Signature Villas-Zimbali, South Africa

Zimbali Vision 2030

In 2025, IFA Hotels & Resorts launched Zimbali Vision 2030, a long-term plan to transform KwaZulu-Natal’s North Coast into an integrated economic and tourism hub. The vision includes a world-class marina, enhanced coastal infrastructure, a large-scale residential estate with over 1,000 units, and environmental and marine safety initiatives. It is expected to create significant employment opportunities and drive regional development, marking a new phase in positioning Zimbali as a leading real estate and tourism destination.

Legends

During the year, Legends Development Company, a subsidiary of IFA Hotels & Resorts, implemented a series of strategic adjustments to its investment portfolio as part of an ongoing initiative to optimize asset structuring and enhance investment efficiency.

In this context, the Company exited its stake in Entabeni Private Game Reserve while retaining access to “Big Five” wildlife experiences and also divested its golf course operations for repositioning under new ownership. Following this portfolio optimization, the Company is accelerating development at Legends Golf & Safari Resort, positioning it as a core strategic asset,

supported by a broader portfolio within the reserve.

These investments span premium nature-based accommodation, curated safari experiences, adventure tourism, and event facilities—enhancing the destination’s appeal, strengthening its market positioning, and supporting sustainable long-term value creation.

Overall, IFA Hotels & Resorts’ projects in South Africa continue to demonstrate solid progress and positive momentum, underpinned by disciplined execution and a clear long-term vision. Achievements across key developments—particularly in enhancing integrated experiences, strengthening market positioning, and optimizing the portfolio—reflect a strong and consistent upward trajectory.

Supported by favorable market fundamentals, rising investor confidence, and ongoing investment in infrastructure and product development, the Company is well-positioned to unlock further value from its South African portfolio. Its continued focus on quality, differentiated offerings, and sustainable growth provides a clear path toward enhanced performance and long-term value creation for stakeholders.

Income-Generating Assets

Aria Vacation Club

Aria Vacation Club continued to achieve notable advancement during its second full year of operations, with all key performance indicators in line with or ahead of the approved budget. The year saw greater stability, with reduced seasonal volatility, alongside a marked improvement in operational efficiency, both in overall conversion rates and net sales.

The company recorded a 15.4% growth in sales revenue, while net profitability increased by 11.5% compared to the previous year. The average order value also saw a significant rise, reflecting the ability of higher-tier membership categories within the product to generate strong and high-value sales volumes.

Investments made in core inventory assets, along with related commercial assets, delivered positive results, as revenues generated from the food and beverage segment, as well as other leased properties, exceeded expectations. Overall, the year was full of achievements, reaffirming that the vacation club model is capable of delivering attractive returns and is scalable for further expansion.

On the technology development front, Aria's mobile application was launched in the fourth quarter of the year, facilitating improved member engagement and enhancing the efficiency of collection processes. The company will continue to invest in upgrading its technology infrastructure in the coming year to reduce operating costs and enhance customer service quality.

Strive Services Group

Strive Services Group operates across income-generating assets (operating assets) and management services. Throughout the year, **Strive** delivered strong operational

performance, successfully completing the full financial year without the loss of a single facilities services contract. This achievement reflects the resilience of the Group's operating model, the strength of its client relationships, and its consistent focus on service quality. At the same time, continued investment in central support services, IT infrastructure, and a new integrated operating platform strengthened operational efficiency and established a scalable foundation for future growth.

During the year, Strive expanded its footprint within Dubai's rapidly growing residential market, securing new contracts—particularly within the branded residences segment—while building up its position as a distinctive full-turn-key operator providing facilities services, community services, home services, property management, and holiday homes. Operating as a white-label partner, the Group collaborated with several international brands and entered advanced discussions for new projects across Dubai and other Emirates. By year-end, the Group's workforce had grown to more than 1,100 employees, reflecting the continued expansion of its operations.

Management Fees (Management Services)

Domus Managed Housing

Domus Managed Housing delivered notable operational gains and key developments during the year, further strengthening its position as one of the leading operators of workforce accommodation and corporate housing solutions. This performance was supported by strong market demand and a promising pipeline of future opportunities. One of the key highlights of the year was the signing of an agreement to operate a workforce accommodation complex in Riyadh, Saudi Arabia, with a capacity of 10,000 residents, marking Domus' first expansion outside the United Arab Emirates.

On the operational front, Domus continued to develop its Domus Indigo platform across its various stages, while progressing preparations for the completion and handover of the fifth building. The group also launched the next generation of Domus room products to support customized housing projects across the region. With rising demand for high-quality accommodation solutions for employees and professionals beyond the hospitality sector where Domus originated, the company remains well positioned to redefine the standards of residential community operations and deliver integrated housing solutions at leading market benchmarks.

STRIVE Services Group, the operational arm of IFA Hotels & Resorts, provides a fully integrated suite of property management and operational services across hospitality, residential, and mixed-use real estate portfolios. The STRIVE platform combines international best practices with deep local expertise to optimize asset performance and maximize long-term value.

During 2025, STRIVE Services Group successfully achieved its primary operational objective, by concluding the financial year without the loss of any facilities management contracts.

This achievement reflects the strength of the Group's operating model, the resilience of its client relationships, and its continued focus on service quality and consistent execution across the entire portfolio. In parallel, the Group's centralized support functions continued to mature and stabilize, establishing a robust operational infrastructure that underpins day-to-day execution and enables scalable growth across the platform.



1 Bn

SQF

Assets
Undermanagement



30

Specialized Services



6,500

Property & Houses





Trilight Hospitality Asset Management

A subsidiary of IFA Hotels & Resorts, provides a specialized platform covering all stages of the hospitality asset lifecycle—from planning and feasibility studies to design, development, pre-opening, and long-term operational oversight. The company focuses on safeguarding owners’ interests by aligning financial and operational strategies to enhance performance, improve efficiency, and deliver sustainable returns through active monitoring of key performance indicators, market benchmarking, and ensuring operator efficiency.

The company also provides advisory services including brand selection, franchise negotiations, capital expenditure management, asset repositioning, and revenue optimization. It further supports the development of complex projects such as mixed-use and branded residential developments through a performance-driven approach aligned with market requirements and investor objectives.

In 2025, Trilight continued to deliver strong operational performance, reflecting the efficiency of its operations and the strength of its financial position, reaffirming its commitment to creating long-term sustainable value for its hospitality assets. The company currently manages a portfolio of nine hotels comprising a total of 2,220 rooms.

United Hospitality Management

United Hospitality Management provides a fully integrated suite of solutions covering asset development, operations, and management, contributing to enhanced performance and sustainable value creation for hospitality investments. Its services include asset management, specialized hospitality development advisory, comprehensive operational support, and revenue optimization, enabling owners, developers, and investors to efficiently achieve their strategic and financial objectives. The company also partners with leading global brands, delivering tailored strategies that combine operational excellence with market responsiveness to maximize asset value.

With a diversified portfolio and rapid growth trajectory, UHM continues to enhance its operational capabilities and deliver multi-faceted, value-added hospitality experiences. Its methodology is grounded in execution discipline, strong leadership, and a commitment to delivering sustainable value to stakeholders across all managed assets.

During 2025, the company continued executing its expansion strategy by strengthening its portfolio and entering new locations, while increasing capacity and the number of managed assets, further expanding its regional and international presence. In the final quarter of the year, it launched the Excellence Hub, a specialized training center aimed at developing human capital and enhancing operational performance standards.

The company’s portfolio now includes more than 2,300 hotel rooms across over 16 hotels, in addition to approximately 1,600 branded residential units and five spa and wellness centers. The company continues to pursue further expansion in the coming years, enhancing its ability to deliver integrated hospitality solutions and maximize returns for investors and asset owners.

Al Tay Hills

IFA Hotels & Resorts is developing the “Al Tay Hills” project in Sharjah on a land plot owned by Kuwait Real Estate Company, spanning more than six million square feet. The project comprises approximately 1,100 villas and townhouses with diverse designs and layouts within a fully unified residential community that balances quality of life with open natural spaces. Infrastructure works have been awarded to a leading local engineering contractor, marking the commencement of the main development phase, with site works progressing steadily in line with the approved timeline. The project has adopted precast construction technology for villa structural works, enhancing execution efficiency and accelerating delivery timelines.



Al Tay Hill-Sharja, UAE



On the marketing and sales front, IFAHR successfully launched Al Tay Hills in January 2025, achieving strong demand that reflects robust interest in its residential units and boosts the growing position of Sharjah as a promising investment destination. This momentum was further strengthened through the company's prominent participation in ACRES 2025 in Sharjah, as well as its presence in several leading real estate exhibitions and events locally and internationally, where the project was showcased to a broad base of investors and buyers.

Outlook

We enter 2026 with a confident outlook anchored in clear priorities, a flexible operating structure, and a skilled workforce, supporting our ability to deliver long-term sustainable value to all stakeholders. Our achievements over

the past period have laid strong foundations that enhance our capacity for innovation and the development of high-quality projects aligned with evolving market dynamics.

We view the coming phase with measured optimism, supported by promising enlargement opportunities through portfolio expansion, partnerships, and continued investment in technologies and services that enhance operational efficiency and customer experience. Sustainability and corporate social responsibility remain central to our strategic direction, reinforcing our leadership position and supporting balanced growth.

Conclusion

The achievements of 2025 marked an important milestone in strengthening the company's resilience and sustainability

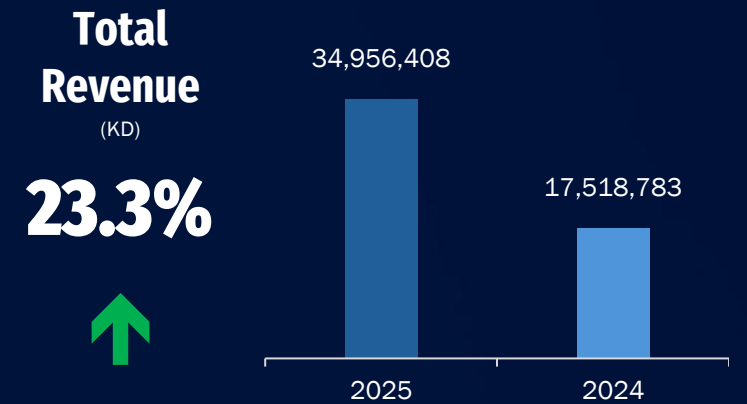
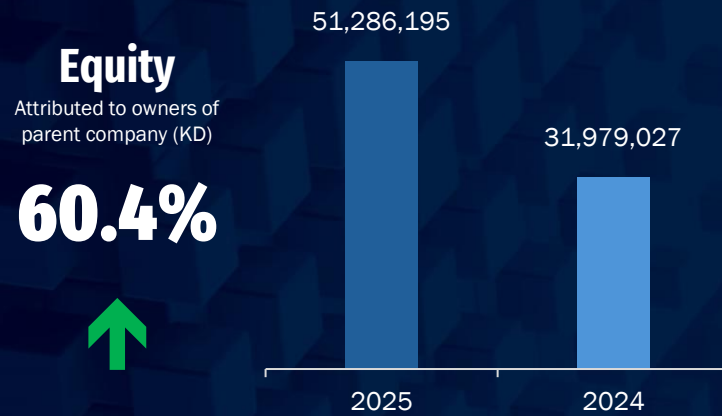
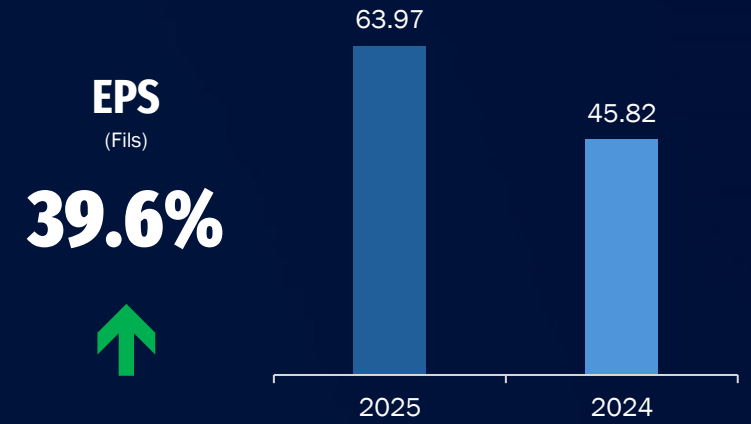
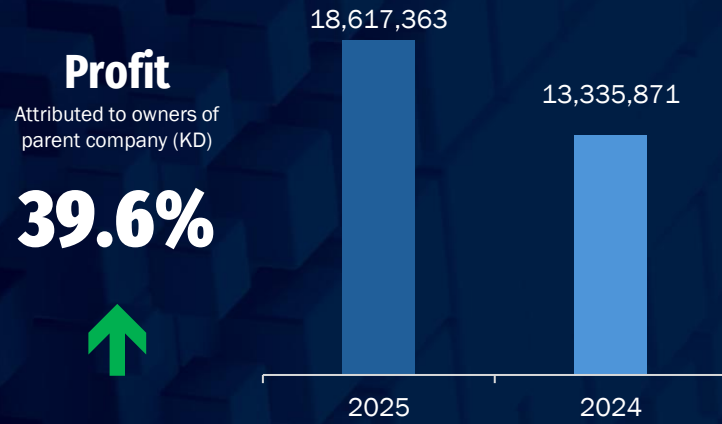
through diversification, operational discipline, and adaptability to evolving market conditions. These efforts enhanced the company's fundamentals and expanded its market presence. Looking ahead, the company remains focused on maximizing shareholder value, improving operational efficiency, and pursuing investment opportunities that support sustainable growth, while continuing to uphold strong governance practices and strategic partnerships.

We extend our sincere appreciation to our shareholders, employees, and partners for their continued support and trust, and we pray for continued success and further achievements in the years ahead.

Khaled Esbaitah
Chairman

Werner Burger
CEO

Financial Performance Indicators



Corporate Social Responsibility Report

In 2025, IFA Hotels & Resorts continued to implement impactful and high-quality corporate social responsibility initiatives, driven by its commitment to social responsibility and its aspiration to create a positive and sustainable community impact.

As part of its support for the healthcare and humanitarian sectors, the Company renewed its commitment to the Kuwait Association for the Care of Children in Hospital through a dedicated five-year donation program. This initiative supports the Association's mission to provide medical, psychological, and social care to hospitalized children and their families, reflecting the Company's belief in supporting vulnerable groups and enhancing the quality of services delivered to those most in need.

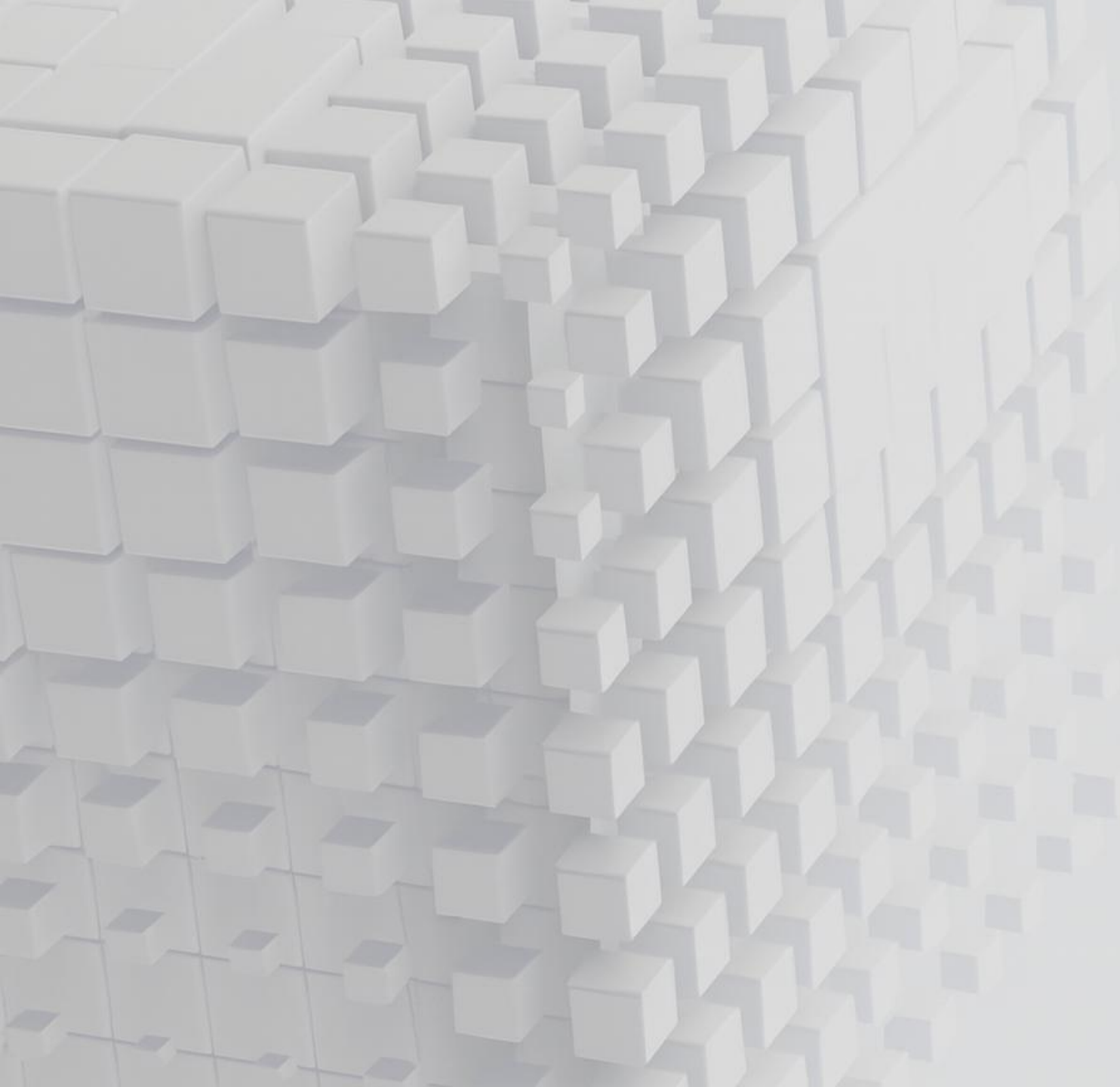
In addition, the Company participated in the Ramadan Iftar Initiative, distributing Iftar meals to individuals in need and to workers during the holy month. This initiative embodies the values of compassion and social solidarity that characterize Ramadan and reinforces the Company's commitment to community engagement.

In support of social inclusion, IFA Hotels & Resorts acted as a supporting sponsor of the "Ishrakat Amal" (A Ray of Hope) Festival, held in the State of Kuwait in 2025. The festival aimed to empower individuals with special needs by showcasing their talents and creative abilities through artistic, cultural, and recreational activities, promoting inclusivity and active community participation.

Furthermore, reflecting its focus on employee well-being and fostering a healthy work environment, the Company partnered with the Kuwait Heart Foundation to implement a workplace health awareness initiative. The program included on-site medical screenings for employees, such as blood pressure and blood glucose tests, with the objective of raising health awareness, promoting early detection of cardiovascular risk factors, and enhancing overall quality of work life.

Collectively, these initiatives underscore IFA Hotels & Resorts' commitment to a sustainable approach to corporate social responsibility and its continued contribution to community development and social well-being across diverse segments of society.





Governance Report

For Financial Year Ended 31 December 2025

Chairman's Statement

Dear Shareholders and Stakeholders,

I am pleased to present the Corporate Governance Report of IFA Hotels & Resorts for the financial year ended 31 December 2025. This report has been prepared in full compliance with the requirements of Module Fifteen – Corporate Governance of the Executive Bylaws of Law No. (7) of 2010 concerning the establishment of the Capital Markets Authority and the regulation of securities activities, as amended.

Throughout 2025, the Company remained firmly committed to the application of sound corporate governance principles, recognizing governance as a core element of effective management and sustainable value creation, rather than merely a regulatory requirement. Accordingly, the Company continued to strengthen its governance framework to promote transparency, accountability, integrity, and the protection of the rights of shareholders and stakeholders.

In this context, the Company ensured:

- Timely and comprehensive disclosure of quarterly and annual financial statements, as well as disclosures related to meetings and resolutions of the Board of Directors, in accordance with CMA requirements.
- Regular updating of the insiders' register to ensure full compliance with CMA regulations and to mitigate potential conflicts of interest.
- Ongoing review and enhancement of corporate governance policies, procedures, and internal control systems in line with regulatory developments and recognized best practices.

These measures reflect the Company's commitment to maintaining full regulatory compliance while adopting robust governance practices that support business continuity, effective risk management, and long-term shareholder value.

The Board of Directors considers corporate governance a fundamental pillar of the Company's strategic direction, as it enhances institutional resilience, strengthens risk management capabilities, and supports the Company's competitive position across local, regional, and international markets.

Looking ahead, the Company remains focused on executing its strategic objectives in a

disciplined and prudent manner, including measured expansion, continued investment in digital transformation, and the integration of environmental and social sustainability considerations into its operations, in line with regulatory expectations and sustainable development principles.

In closing, I would like to express my sincere appreciation to the Board of Directors, executive management, and all employees for their dedication throughout 2025, and to our shareholders and stakeholders for their continued trust and support. IFA Hotels & Resorts remains committed to upholding the highest standards of governance and transparency in the years ahead.

Chairman of the Board

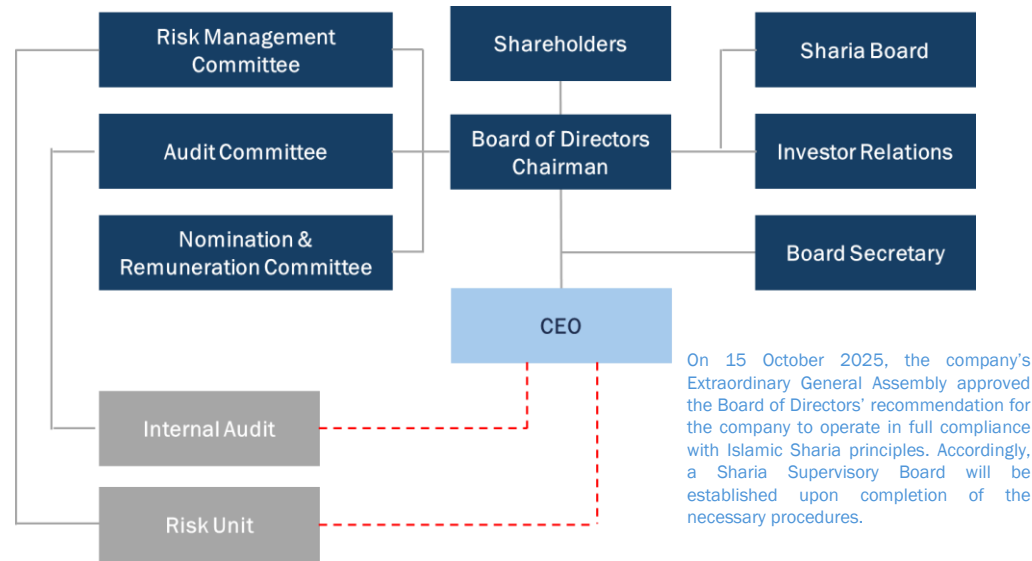
Introduction

IFA Hotels & Resorts affirms its firm commitment to the application of sound corporate governance rules and principles in accordance with best practices and relevant international standards, and in full compliance with the regulatory requirements issued by the Capital Markets Authority, Boursa Kuwait, and the Ministry of Commerce and Industry. This commitment aims to ensure the orderly conduct of the Company's business, enhance its ability to effectively address ongoing challenges, and maintain balanced and equitable relationships with all stakeholders.

The Company is committed to the highest standards of disclosure and transparency by continuously providing financial and material information to investors and stakeholders through approved official disclosure channels, in particular Boursa Kuwait and the Company's official website. This approach ensures that stakeholders have access to the information necessary to make informed investment decisions on a sound basis.

Furthermore, the Company adopts the principles of equality and fairness in the treatment of all shareholders without discrimination, ensuring that they enjoy their full rights as stipulated in applicable laws, executive regulations, and the Company's Articles of Association. The Company also ensures that shareholders are provided with all information related to their rights, including the dates of General Assembly meetings, thereby reinforcing transparency and strengthening mutual trust between the Company and its shareholders.

Governance Structure



Rule One: Building a Balanced Board Structure

The Board of Directors of IFA Hotels and Resorts serves as the supreme authority responsible for managing the company's affairs and possesses all necessary powers to conduct its operations, except for those exclusive authorities reserved for the General Assembly under Companies Law No. (1) of 2016 and the Company's Articles of Association.

The Board plays a pivotal role in supporting the management structure and maintaining the company's strategic direction, ensuring operational efficiency and effectiveness while enhancing the company's competitive position. The Board is committed to upholding principles of integrity,

transparency, and accountability, in addition to responding to shareholders' requests in accordance with relevant laws and regulations.

The Board ensures the regular convening of meetings to discuss material matters related to the company's business and to approve the necessary decisions. It is also responsible for reviewing and discussing risk management reports and following up on their recommendations, thereby contributing to the improvement of operational efficiency across the company and its subsidiaries.

Through these practices, the Board reinforces the application of effective governance principles, safeguards the interests of shareholders and stakeholders, and strengthens institutional sustainability while supporting the achievement of the company's long-term objectives.

Board Formation

The management of IFA Hotels and Resorts is entrusted to a Board of Directors composed of six members elected by the company's General Assembly through a secret ballot, in accordance with Article (13) of the Company's Articles of Association. Board membership lasts for three years. The Board also elects a Chairman and a Vice-Chairman by secret ballot, pursuant to Article (18) of the Articles of Association.

All Board members are non-executive and do not hold operational or executive responsibilities within the company. Independent members constitute one-third of the Board, ensuring a balance between independence and expertise, and enhancing the Board's ability to perform its supervisory and oversight functions in line with sound governance requirements.

A brief overview of the Board members in the next page

	Khaled Esbaitah	Talal Al-Bahar	Emad Al-Essa	Carlos Leal	Bander Al-Jarallah	Saad Al-Muneefi
Directorship	Chairman	Vice Chairman	Board Member	Board Member	Board Member	Board Member
Election / appointment Date	1 May 2024	1 May 2024	30 April 2024	1 May 2024	30 April 2024	4 July 2024
Qualifications	Bachelor of Science Architecture University of Florida	Bachelor Degree in Business Administration Loyola Marymount University	Bachelor Degree in Business Administration California State Polytechnic University	Business Management Diploma Damelin Management School Building Surveying Diploma Natalse Technikon Natal	Bachelor Degree in Business Administration California State University	Bachelor Degree – Finance Florida State University
Current Positions	Board Member Kuwait Real Estate Co Board Member ACICO Industrial Co	Vice Chairman & CEO Kuwait Real Estate Co Board Member Commercial Real Estate Board Member Boursa Kuwait Chairman Arzan Financial Group	Board Member Arzan Financial Group for Finance and Investment Chairman National Slaughterhouse. Chairman ACICO Industrial Co.	General Manager United investments Portugal	CEO Kuwait Cotton Products Company Board Member Sanam Holding Co Board Member ACICO Industrial Co Board Member 1 st Takaful Insurance Co	Vice Chairman & CEO ACTIVE Holding Co Board Member Sanam Holding Co Board Member Eradat International Real Estate Co

Declaration of Independent Board Members

I, the undersigned, in my capacity as an independent member of the Board of Directors of IFA Hotels & Resorts, hereby declare that I have no relationship with the company, any of its executive management personnel, its auditors, the parent company, subsidiaries, or affiliates that could result in any financial or non-financial benefit affecting my decisions. I further declare that nothing negates my status as an independent member as outlined in Articles (2-3), Principle One, Book Fifteen (Corporate Governance) of the Executive Regulations issued by the Capital Markets Authority, and in particular the following:

- I do not own 5% or more of the company's shares.
- I have no first-degree kinship with any member of the company's Board of Directors, executive management, or any company within its group, or with any related key parties.
- I am not a member of the Board of Directors of any company within the group.
- I am not employed by the company, any company within its group, or by any of its stakeholders.
- I am not employed by any legal entities holding controlling shares in the company.
- As an independent member, I possess the qualifications, experience, and skills relevant to the company's activities in accordance with the Executive Regulations of the Capital Markets Authority.
- I meet all conditions of independence, and nothing conflicts with my independence; the above points are illustrative and not exhaustive.
- I undertake to immediately notify the company if I lose any of the above independence conditions or any conditions prescribed by regulatory authorities (Ministry of Commerce and Industry and/or the Capital Markets Authority).

The company reserves the right to take necessary measures if any of the declarations above are found to be untrue.

Signed: Bandar Suleiman Al-Jarallah

Date:

I, the undersigned, in my capacity as an independent member of the Board of Directors of IFA Hotels & Resorts, hereby declare that I have no relationship with the company, any of its executive management personnel, its auditors, the parent company, subsidiaries, or affiliates that could result in any financial or non-financial benefit affecting my decisions. I further declare that nothing negates my status as an independent member as outlined in Articles (2-3), Principle One, Book Fifteen (Corporate Governance) of the Executive Regulations issued by the Capital Markets Authority, and in particular the following:

- I do not own 5% or more of the company's shares.
- I have no first-degree kinship with any member of the company's Board of Directors, executive management, or any company within its group, or with any related key parties.
- I am not a member of the Board of Directors of any company within the group.
- I am not employed by the company, any company within its group, or by any of its stakeholders.
- I am not employed by any legal entities holding controlling shares in the company.
- As an independent member, I possess the qualifications, experience, and skills relevant to the company's activities in accordance with the Executive Regulations of the Capital Markets Authority.
- I meet all conditions of independence, and nothing conflicts with my independence; the above points are illustrative and not exhaustive.
- I undertake to immediately notify the company if I lose any of the above independence conditions or any conditions prescribed by regulatory authorities (Ministry of Commerce and Industry and/or the Capital Markets Authority).

The company reserves the right to take necessary measures if any of the declarations above are found to be untrue.

Signed: Emad Abdullah Al-Essa

Date:

Board of Directors Meetings of IFA Hotels & Resorts During the Financial Year Ended 31 December 2025

In accordance with Article (21) of the Company’s Articles of Association, the Board of Directors convenes its meetings upon the invitation of the Chairman, his deputy, or at least two of its members. The Board is required to hold no fewer than six meetings during each financial year.

During the financial year ended 31 December 2025, the Board of Directors of IFA Hotels & Resorts held **nine meetings**. The details of these meetings are as follows:

Name	Meeting No.								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Khaled Esbaitah	●	●	●	●	●	●	●	●	●
Talal Al-Bahar	●	●	●	●	●	●	●	●	●
Emad Al-Essa	●	●	●	○	●	●	●	●	●
Carlos Leal	●	●	●	●	●	●	●	●	●
Bander Al-Jarallah	●	●	●	●	●	●	●	●	●
Saad Al-Muneefi	●	●	●	●	●	●	●	●	●

Recording, Coordination, and Preservation of Board of Directors’ Meeting Minutes

The Board of Directors of IFA Hotels & Resorts has established a dedicated register in which all Board meeting minutes are recorded sequentially according to the year in which the meeting is held. The register includes the meeting’s location, date, start and end times, in compliance with relevant legal and regulatory requirements.

Board Secretary

The Board Secretary acts as the key liaison among Board members, particularly in coordinating meeting schedules and ensuring regular convening of meetings. The Secretary is appointed by the Board and may only be removed by a decision of the Board itself.

The Secretary is responsible for documenting Board meetings by preparing accurate minutes that record discussions, deliberations, decisions, and voting outcomes. These minutes are maintained in an organized register, signed by all attending members. Each record must include the meeting’s date, time, location, attendees, and any reservations or objections noted by members. The Secretary is also responsible for maintaining all reports submitted to the Board and those issued by it, and for providing Board members with all necessary information and documentation to perform their duties, including the agenda, working papers, relevant documents, and copies of meeting minutes.

Furthermore, the Secretary manages the disclosure register for Board members and executive management in accordance with the requirements of Law No. (7) of 2010 regarding the establishment of the Capital Markets Authority and regulation of securities activities, and its amendments.

On 1 May 2024, the Board reappointed Ms. Heba Jaber Ibrahim as Board Secretary and Secretary to its committees.

Rule Two: Establish Appropriate Roles and Responsibilities

The Board of Directors of IFA Hotels & Resorts serves as the supervisory body responsible for balancing shareholders’ interests and monitoring the performance of the company’s executive management. The Board ensures that the executive management performs its assigned tasks efficiently and effectively, in alignment with the company’s approved strategic objectives.

Through its practices, the Board seeks to enhance the company’s competitiveness, achieve sustainable growth rates, and maximize returns in a manner that positively impacts shareholders’ rights and investment value. The Board also ensures that all decisions and actions of the executive management are consistent with shareholder interests and comply with applicable laws and regulations.

Responsibilities of the Board of Directors

<p>Approving the Company's objectives, strategies, key plans, and policies</p>	<p>Ensuring the Company's compliance with policies and procedures</p>	<p>Ensuring the accuracy and integrity of data and information subject</p>	<p>Establishing effective communication channels with shareholders</p>	<p>Monitoring the performance of Board members and executive management</p>	<p>Preparing an annual report</p>
<p>including the approval of the annual estimated budgets and the interim and annual financial statements.</p>	<p>that guarantee adherence to applicable laws, regulations, and internal bylaws.</p>	<p>to disclosure in accordance with the approved disclosure and transparency policies and systems.</p>	<p>that enable them to remain continuously informed of the Company's activities and material developments.</p>	<p>based on objective key performance indicators (KPIs).</p>	<p>to be presented to the General Assembly, outlining the extent of compliance with corporate governance rules and the procedures for their implementation.</p>
<p>Ensuring clarity and transparency of approved policies and</p>	<p>Defining the authorities delegated to executive management</p>	<p>Supervising and overseeing</p>	<p>Approving a policy</p>	<p>Establishing a clear mechanism</p>	<p>Periodically ensuring the effectiveness and adequacy</p>
<p>regulations in a manner that supports sound decision-making, promotes good governance principles, and reinforces the separation of powers between the Board of Directors and executive management.</p>	<p>decision-making mechanisms, and delegation durations, while specifying matters reserved for Board approval, and reviewing periodic reports submitted by executive management regarding such delegated authorities.</p>	<p>the performance of executive management and ensuring the proper execution of its duties.</p>	<p>governing relations with stakeholders in a manner that safeguards their rights.</p>	<p>to regulate related-party transactions so as to limit conflicts of interest.</p>	<p>of internal control systems applied within the Company and its subsidiaries.</p>

Achievements of the Board of Directors during 2025

- Oversaw the performance of the Board of Directors and executive management.
- Approved the estimated budget for the financial year ended 31 December 2025.
- Discussed and approved strategic transactions related to entering strategic projects and divesting from subsidiary companies.
- Approved the interim and annual financial statements.
- Recommended to the General Assembly the distribution of dividends to shareholders.
- Recommended to the General Assembly the reappointment of the external auditor.
- Approved risk-related reports.
- Approved the report on the review and evaluation of internal audit activities.

Duties of the Chairman of the Board

The Chairman of the Board leads the Company toward achieving its strategic objectives and oversees the management of the Board’s activities, including approving the agendas of Board meetings. The Chairman also engages Board members in discussions on strategic recommendations and initiatives, estimated budgets, and available investment opportunities. In addition, the Chairman ensures that the Board carries out its assigned responsibilities and regularly follows up on the Company’s overall affairs with the members, while also ensuring the existence of a mechanism to evaluate the performance of Board members and enhance effective communication with shareholders.

The Chairman may delegate some of his powers to Board members, Board committees, or the Chief Executive Officer, as deemed appropriate. He also maintains ongoing coordination with the Chief Executive Officer regarding the financial and human resources required to achieve the desired objectives and monitors the Company’s overall performance through reports submitted by the Chief Executive Officer.

Duties of the Board Members

Non-executive Board members are responsible for providing independent views and proposals on strategic matters and for developing related recommendations. They also review the performance of executive management in achieving the approved objectives and monitor its compliance therewith. In addition, they oversee the development of governance procedural rules and ensure that the interests of the Company and its shareholders are prioritized in the event of any conflict of interest.

Board members also review the integrity of information, controls, and financial systems, and ensure their efficiency and reliability. They contribute their diverse expertise and skills through active participation in Board and General Assembly meetings and seek to consider shareholders’ views in a balanced manner during the decision-making process.

Code of Conduct of the Board of Directors

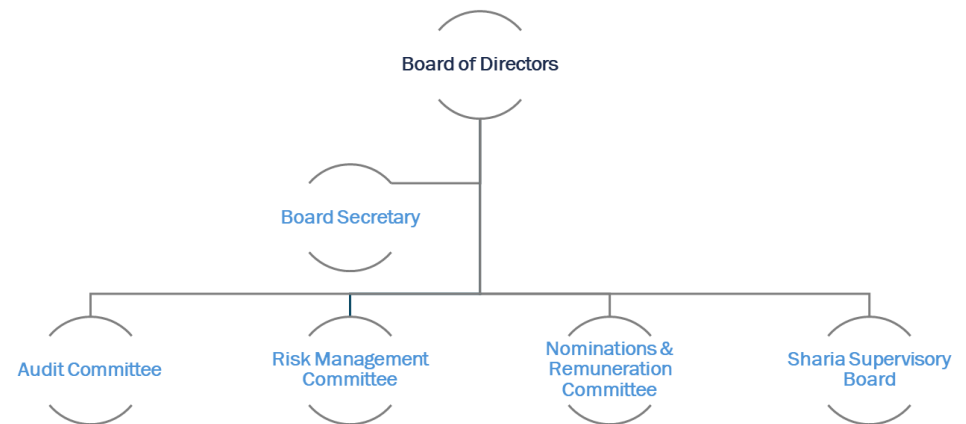
The Board of Directors is committed to the highest standards of integrity, professional conduct, and business ethics, and to applying the Company’s values and codes of ethics and professional behavior in all its dealings. As the representative of shareholders’ interests, all Board members are required to act in good faith and in the best interests of the Company and its shareholders, while promoting a culture of ethical conduct and corporate responsibility.

Board of Directors Charter

The Company has prepared a “Board of Directors Charter” to support the Board in exercising its powers and fulfilling its duties. The Charter sets out the purpose, composition, role, and responsibilities of the Board, in addition to regulating meeting procedures, quorum requirements, and decision-making mechanisms.

Board of Directors Committees

The Board of Directors adopts a flexible governance model based on three main committees emanating from the Board, namely:



Each committee is assigned specific responsibilities that contribute to supporting the Board in effectively fulfilling its duties, and each submits periodic reports to the Board of Directors on its work and its recommendations.

On 15 October 2025, the Extraordinary General Assembly approved the recommendation of the Company's Board of Directors for the Company to conduct its activities in accordance with the provisions of Islamic Sharia. This requires the establishment of a Sharia Supervisory Board upon completion of the relevant procedures. Accordingly, the Sharia Supervisory Board has been added to the governance structure, pending its formal formation at a General Assembly meeting.

Mechanisms for Board Members' Access to Information

The Company has established mechanisms and tools that enable Board members to obtain accurate and timely information and data, through the development of information technology systems and the enhancement of direct communication channels between the Board Secretariat and Board members. Board members are also provided with the meeting agenda, working papers, and relevant documents sufficiently in advance of meetings, allowing them adequate time to review the matters and make informed and appropriate decisions.

Rule Three: Recruit Highly Qualified Candidates for the Members of a Board of Directors and the Executive Management

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is composed of three members, one of whom is an independent member, and is chaired by a non-executive Board member. The Committee is responsible for preparing recommendations relating to nominations for Board and executive management positions, as well as recommendations on the policies and regulations governing the granting of compensation and remuneration.

Formation Date	1/5/2024
Committee Members	Talal Jassim Al-Bahar (Chairman) Bander Sulaiman Al-Jarallah (Member) Saad Naser Al-Muneefi (Member)
No. of meetings	(1)
Responsibilities	<ul style="list-style-type: none"> - Recommending the acceptance of nominations and re-nominations for members of the Board of Directors and executive management. - Establishing a clear remuneration policy for members of the Board of Directors and executive management. - Conducting an annual review of the skills and competencies required for Board membership. - Attracting and soliciting applications to fill executive positions when needed. - Defining employee remuneration bands, including fixed remuneration and performance-based incentives. - Ensuring that independent Board members meet the required independence criteria. - Preparing a detailed annual report outlining all remuneration granted to members of the Board of Directors and executive management, whether in the form of cash payments, benefits, or other privileges.
Achievements	<ul style="list-style-type: none"> - Ensured that the independence criteria are met by the independent member of the Board of Directors. - Prepared a detailed annual report covering all remuneration granted to members of the Board of Directors and executive management, whether in the form of cash payments, benefits, or other privileges. - Recommended the distribution of remuneration to members of the Board of Directors for the year 2024.

Nomination Policy

Pursuant to the provisions of Article (15) of the Company's Articles of Association, any candidate for membership of the Board of Directors must meet the following requirements:

- Must have full legal capacity.
- Must not have been convicted by a final judgment of a felony punishable by a custodial sentence, or of bankruptcy by negligence or fraud, or of a crime involving dishonesty or breach of trust or sentenced to a custodial penalty for violating the provisions of the Companies Law, unless rehabilitated.
- Must satisfy the integrity and financial soundness criteria applicable to members of the Board of Directors, the Chief Executive Officer, and positions reporting directly thereto within the organizational structure, in accordance with the Capital Markets Authority (CMA) requirements.
- Must obtain a criminal record certificate issued by the General Department of Criminal Evidence at the Ministry of Interior, in accordance with CMA requirements.
- Must obtain a "To Whom It May Concern" certificate confirming the sound legal standing issued by the Capital Markets Authority, including any disciplinary sanctions issued by the CMA Disciplinary Board, in addition to any statement of violations currently under investigation.
- Except for independent members, Board members must be shareholders of the Company.

If a Board member ceases to meet any of the above conditions, his or her Board membership shall lapse automatically as of the date such condition is no longer fulfilled.

Remuneration Policy

Article (24) of the Company's Articles of Association stipulates that the total remuneration of the Chairman and members of the Board of Directors shall not exceed (10%) of the net profit after deducting depreciation and reserves, and after distributing dividends of not less than (5%) of the Company's capital to shareholders.

The Articles of Association also permit the distribution of annual remuneration not exceeding six thousand Kuwaiti Dinars (KWD 6,000) to each of the Chairman and Board members if the Company does not achieve profits, until such time as profits are realized that allow for the distribution of remuneration. By resolution of the Ordinary General Assembly, an independent Board member may be exempted from the prescribed maximum remuneration limit. In 2023, the Board approved a comprehensive, regulation-compliant remuneration policy, with the Committee preparing an annual detailed report on remuneration paid to Board members and executive management.

Rule Four: Safeguard the Integrity of Financial Reporting

Written Undertakings

Executive management submits a written undertaking to the Board of Directors confirming the accuracy and integrity of the prepared financial reports, their compliance with International Financial Reporting Standards (IFRS), and that such reports fully reflect all financial aspects of the Company.

In turn, the Board of Directors provides a written undertaking to shareholders ensuring the accountability of executive management before the Board, and the accountability of the Board before the shareholders.

Audit Committee

The Audit Committee is composed of three members, all of whom are non-executive directors, including one independent member. The Chairman of the Board and any executive member may not serve on the Committee.

The Board has defined the Committee's term of office, powers, and responsibilities under a dedicated charter that is consistent with the nature of the Company's activities and ensures its full independence. During the year 2025, no conflict arose between the recommendations of the Audit Committee and the decisions of the Board of Directors.

Independence and Objectivity of the External Auditor

The Ordinary General Assembly appoints the Company's external auditor based on a recommendation of the Board of Directors derived from the proposal of the Audit Committee, provided that the auditor is registered with the Capital Markets Authority.

The Ordinary General Assembly convened on 7 May 2025 approved the appointment of Ms. Hind Al-Suraie from Grant Thornton - Al-Qatami, Al-Ayban & Partners as the Company's external auditor for the financial year ending 31 December 2025.

The Company affirms its commitment to ensuring the independence of the external auditor from the Company and its Board of Directors and to preventing the auditor from performing any non-audit services for the Company, thereby safeguarding objectivity and enhancing integrity and independence.

1/5/2024	1/5/2024
Committee Members	Talal Jassim Al-Bahar (Chairman) Bander Sulaiman Al-Jarallah (Member) Saad Naser Al-Muneefi (Member)
No. of meetings	(7)
Responsibilities	<ul style="list-style-type: none"> - Reviewing the periodic financial statements before presenting them to the Board of Directors and providing opinions and recommendations. - Recommending to the Board of Directors the appointment or reappointment of the external auditor, while ensuring the auditor's independence. - Monitoring the work of the external auditor and reviewing their observations on the financial statements. - Reviewing the adopted accounting policies and providing opinions and recommendations. - Assessing the adequacy of the internal control systems implemented within the company. - Supervising the Internal Audit Department. - Reviewing and approving the proposed internal audit plans. - Reviewing the results of internal audit reports. - Reviewing the results of regulatory authorities' reports and following up on the implementation of required actions. - Ensuring the company's compliance with laws and regulations.
Achievements	<ul style="list-style-type: none"> - Reviewed the periodic financial statements prior to submission to the Board of Directors and provided opinions and recommendations. - Recommended to the Board of Directors the appointment or reappointment of the external auditor, while ensuring their independence. - Monitored the work of the external auditor and reviewed their observations on the financial statements.

- Assessed the adequacy of the internal control systems implemented within the company.
- Supervised the Internal Audit Department.
- Reviewed and approved the proposed internal audit plans.
- Reviewed the results of internal audit reports.
- Ensured the company's compliance with laws, regulations, and instructions.

Rule Five: Applying Sound Systems of Risk Management and Internal Control Systems

Risk Management Unit

The Company has engaged a specialized and independent consultancy firm to provide risk management services. The risk management function enjoys independence through its direct reporting line to the Risk Management Committee, in addition to being granted a significant level of authority to enable it to fully perform its duties, without being granted any financial powers or authorities, in implementation of the Capital Markets Authority's resolution.

Risk Management Committee

The committee consists of three members and is chaired by a non-executive member of the Board of Directors. The Chairman of the Board is not a member of the committee. This committee is responsible for setting the policies and regulations for risk management in line with the Company's risk appetite.

1/5/2024	1/5/2024
Committee Members	Emad Abdullah Al-Essa (Chairman) Bander Sulaiman Al-Jarallah (Member) Saad Naser Al-Muneefi (Member)
No. of meetings	(6)
Responsibilities	<ul style="list-style-type: none"> - Preparing and reviewing risk management policies prior to their approval by the Board of Directors. - Assessing the systems and mechanisms for identifying, measuring, and monitoring risks of all types. - Assisting the Board of Directors in determining and evaluating the acceptable level of risk. - Ensuring the independence of risk management staff from operational activities. - Preparing periodic reports on the nature of the risks facing the Company. - Reviewing matters raised by the Audit Committee insofar as they relate to risk management.
Achievements	<ul style="list-style-type: none"> - Prepared and reviewing risk management policies prior to their approval by the Board of Directors. - Assessed the systems and mechanisms for identifying, measuring, and monitoring risks of all types. - Assisted the Board of Directors in determining and evaluating the acceptable level of risk. - Prepared periodic reports on the nature of the risks facing the Company.

Internal Control Systems

Organizational Structure

The Company's organizational structure clearly defines responsibilities, delegated authorities, and administrative relationships, in a manner that reflects the Company's strategy and investment structure. The Board of Directors appoints the Chief Executive Officer (CEO) after verifying that the

integrity, technical competence, and professional experience required for the Company's line of business are met. The appointment of the remaining executive management members, who operate under the supervision of the CEO, is subject to the Board's approval. The Board is eager to exercise its supervisory role to ensure that executive management performs its assigned duties in accordance with the approved policies and strategies.

Delegation of Authority

The Board of Directors has delegated the executive management, headed by the CEO, to manage the Company's day-to-day operations through a written delegation of financial and operational authorities. The Board has clearly specified the financial transactions that may not be delegated and that require its direct approval. The CEO remains accountable to the Board for managing and evaluating the Company's performance in accordance with the approved strategies, plans, and policies.

Information Systems

The Company relies on advanced information systems based on international standards, which contribute to enhancing the effectiveness of internal control and providing accurate and transparent data to support the decision-making process.

Internal Control Procedures

Internal control procedures include financial and accounting controls and internal control systems, which are applied on a regular basis. The Company has also established a mechanism that enables employees to communicate with the Chairman of the Board to report any potential violations, while ensuring full protection for whistleblowers and safeguarding them from any threats or penalties, even in cases where the violation is not substantiated.

Documentation of Internal Control

The Company maintains and classifies all documents related to internal control for use in employee training and in periodic inspection and testing procedures. In addition, detailed job descriptions have been prepared for all Company positions, enhancing clarity of roles and responsibilities.

Human Resources Competencies

The Company seeks to attract the best local talents to ensure the efficient and effective implementation of internal control procedures.

Internal Audit Activity

The internal audit function reports to the Audit Committee emanating from the Board of Directors, and its duties have been outsourced to a specialized external firm to ensure the soundness and effectiveness of internal control systems. The activity aims to safeguard the Company's assets and ensure the accuracy of financial data in accordance with accounting standards, in addition to ensuring compliance with applicable laws and regulations. It also contributes to improving risk management and strengthening corporate governance. All internal audit reports are submitted directly to the Audit Committee.

Independent Review of Internal Control

Internal control systems are reviewed annually by an independent consultancy firm. The review report includes an assessment of control procedures and oversight of the efficiency and effectiveness of the system in safeguarding assets and ensuring the accuracy of financial data; a comparison of risk factors with the applied systems to evaluate the efficiency of daily operations and the ability to respond to changes; an evaluation of executive management's performance in implementing internal control systems; the identification of deficiencies, failures, or emergency situations that have affected or may affect the Company's financial performance; and a statement of the corrective actions taken.

An independent audit firm has been appointed to prepare the internal control systems review report in accordance with the approved standards.

Rule Six: Promote Code of Conduct and Ethical Standards

Code of Conduct

The Board of Directors of IFA Hotels & Resorts has approved a Code of Conduct that reinforces ethical values and principles in the work environment, reflects a positive image of the Company, and enhances its corporate reputation. The rules and ethics of professional conduct emphasize the commitment of all Company personnel, including Board members, executive management, and employees, to internal policies and regulations, and to full compliance with legal and regulatory requirements.

The Code of Conduct contributes to:

- Promoting honest and ethical behavior, positively reflecting on the Company's reputation.
- Enhancing investors' confidence in the Company's integrity and the soundness of its financial system.
- Maintaining an effective institutional environment based on trust and accountability.
- Entrenching the principle of compliance with the laws and regulations governing the

Company's activities and ensuring that positions or resources are not exploited for personal gain.

Conflict of Interest

The Company has established a comprehensive policy for managing conflicts of interest in accordance with the instructions of the Capital Markets Authority and the provisions of the Companies Law. This policy aims to ensure the implementation of clear procedures to identify and effectively address material conflict of interest cases, and to ensure that all decisions issued by the Board of Directors serve the Company's interests and comply with the relevant regulatory requirements. Executive management implements this policy, as approved by the Board, with rigor and transparency.

Rule Seven: Ensure Timely and Detailed Disclosures and Transparency

Disclosure and Transparency Policy

Accurate disclosure and transparency are among the fundamental pillars of corporate governance, as they enable shareholders to effectively exercise their rights and serve as a key tool for investor protection and confidence building. The Company has adopted systems and policies for disclosure aimed at:

- Achieving fairness and transparency in the circulation of information.
- Preventing conflicts of interest and the misuse of inside information.
- Regulating the mechanisms for disclosing material information in line with corporate governance requirements.

Disclosure Channels

The Company is committed to providing Bursa Kuwait and the Capital Markets Authority with all accurate and material information in a timely manner. The Company's website serves as a primary platform for disclosure, in addition to annual reports, financial statements, and periodic press releases. The Board of Directors bears full responsibility for the accuracy and integrity of the disclosed information and for compliance with the approved disclosure policies.

The Company also maintains a dedicated register for disclosure transactions related to Board members and executive management, in addition to developing its information technology infrastructure in line with modern disclosure requirements.

Investor Relations Unit

The Company has established a dedicated Investor Relations Unit responsible for providing current and potential investors with the necessary data, information, and reports. This unit enjoys sufficient independence to enable it to perform its duties accurately and in a timely manner, thereby enhancing transparency and strengthening investor confidence.

Rule Eight: Respect the Rights of Shareholders

Shareholders' Rights Protection Policy

IFA Hotels & Resorts is committed to protecting the rights of its shareholders in a manner that achieves a balance between their interests and those of the Company, within the framework of the approved governance system. To this end, the Board of Directors has adopted a Shareholders' Rights Protection Policy aimed at ensuring the Company's commitment to respecting and safeguarding these rights in accordance with the relevant laws, instructions, and regulations, with periodic review and updating as necessary in line with legislative and regulatory developments.

The Company is eager to enable all shareholders to exercise their rights fairly and without any discrimination, and to protect their assets from any misuse or exploitation by executive management, Board members, or major shareholders. The Articles of Association also stipulate that all shareholders holding the same class of shares shall be treated equally, without discrimination or exception, in a manner that does not conflict with the law or harm the Company's interests.

Shareholders' Register

To ensure transparency and accuracy, the Company has established a dedicated register with the Kuwait Clearing Company in which the names of shareholders, their nationalities, addresses, and the number of shares owned by each are recorded. This register is updated immediately upon receipt of any changes in the data in accordance with the official documents submitted.

Shareholders' Participation in the General Assembly

The Company is committed to ensuring that shareholders exercise all their rights, including attending General Assembly meetings and voting on their resolutions, regardless of the number of

shares owned. Each shareholder is granted several votes proportionate to the shares held of the same class.

Invitations to attend General Assembly meetings are published in local newspapers, and the Company also enables participation through the electronic system provided by the Kuwait Clearing Company. The Company encourages its shareholders to actively participate in General Assembly meetings, including voting in the election of Board members. Shareholders are entitled to appoint proxies to attend meetings by virtue of a special power of attorney, and all information related to the meeting agenda is made available to them well in advance of the meeting date, including the reports of the Board of Directors and the external auditor, as well as the financial statements.

The Company further emphasizes its commitment to enhancing the role of shareholders in discussing the items listed on the agenda and raising inquiries related to the Company's various activities. The Board of Directors and the external auditor are obligated to respond to shareholders' inquiries to the extent that does not harm the Company's interests.

Rule Nine: Recognizing the Role of Stakeholders

Stakeholder Systems and Policies

The Company is committed to recognizing and protecting the rights of stakeholders by ensuring the stability of its financial position, enhancing its competitiveness, and providing employment opportunities. The Board of Directors has adopted a Stakeholders' Protection Policy aimed at safeguarding their rights in accordance with the relevant laws, regulations, and instructions, with periodic review and updating as required.

Responsibilities of the Board of Directors Toward Stakeholders

- Appointing qualified executive management.
- Overseeing the Company's affairs efficiently and effectively.
- Adopting effective policies and supervising their implementation.
- Maintaining continuous awareness of the Company's conditions and management.
- Maintaining adequate capital for the Company.
- Complying with all applicable laws, executive regulations, and regulatory instructions.

Encouraging Stakeholders to Monitor the Company's Activities

The Company seeks to deal with all stakeholders fairly and without discrimination, while enabling them to access information related to their activities on a regular and timely basis.

The Company has also established a whistleblowing policy that sets out the procedures required to notify the competent authorities of any violations or improper conduct within the Company, ensuring that appropriate corrective actions are taken, while guaranteeing the protection of the whistleblower and safeguarding them from any harm.

The Company further affirms its commitment to using its website as a primary platform for disclosure, where annual and quarterly reports, financial statements, market disclosures, and other information required by the Capital Markets Authority and relevant regulatory bodies are published.

Rule Ten: Encourage and Enhance Performance

Evaluation of Board Members

The Company places great importance on the self-assessment process of the Board of Directors, its members, and its committees, as one of the key tools of governance. This evaluation aims to:

- Enhance the effective participation of Board members.
- Review the performance of the Board as a whole and the performance of individual members.
- Assess the contribution of committees to improving the efficiency of the Board.
- Measure the effectiveness of information flow from the committees and executive management to the Board.
- Determine the extent of the Board's compliance with its duties and responsibilities.

The self-assessment process contributes to providing a comprehensive picture of the nature of the Board's work, its culture, and its effectiveness, and ensures that members operate within an effective framework for discussing key issues and proposing recommendations.

Training Policy for Board Members and Executive Management

To enhance the capabilities of the Board of Directors and executive management, the Company has developed an induction program for new members aimed at providing them with a comprehensive understanding of the Company's business and activities. The Company also organizes specialized training programs for Board members and executive management that are directly relevant to the Company's operations, contributing to the development of their skills and expertise, keeping them abreast of new developments, and enhancing their ability to perform their duties with a high level of efficiency.

Integrated Reporting

The Board of Directors seeks to create sustainable value within the Company over the short, medium, and long term by establishing mechanisms and procedures that contribute to achieving the Company's strategic objectives and improving institutional performance. Integrated reporting systems are considered effective tools that help enhance organizational efficiency and motivate employees to adhere to the highest levels of performance, thereby ensuring the soundness of the Company's financial position.

The Company strives to continuously develop its integrated reporting systems to become more comprehensive, enabling the Board of Directors and executive management to make systematic and sound decisions that create added value for shareholders and stakeholders.

Creating Corporate Values

The Board of Directors seeks to entrench a culture of creating corporate value among the Company's employees and its subsidiaries through:

- Approving the Company's strategy, vision, policies, and objectives.
- Reviewing and approving business plans and key policies, including risk levels.
- Approving performance objectives and monitoring implementation and overall, Company performance.
- Approving organizational and functional structures and conducting periodic reviews thereof.
- Ensuring the Company's compliance with internal policies and procedures consistent with applicable laws and regulations.
- Approving and developing internal systems and regulations in a manner that ensures transparency and clarity.

Rule Eleven: Corporate Social Responsibility

IFA Hotels & Resorts places great importance on its social responsibility, through which it seeks to add real value to society and enhance its positive impact in line with the principles of corporate governance and institutional ethics.

The Company's commitments in this regard cover multiple areas, including supporting health and safety, environmental stewardship, promoting community engagement, supporting charitable work and volunteer initiatives, as well as providing employment opportunities, encouraging national workforce participation and enhancing their competencies, and contributing to the development of small projects and economic activities in line with the needs of society.

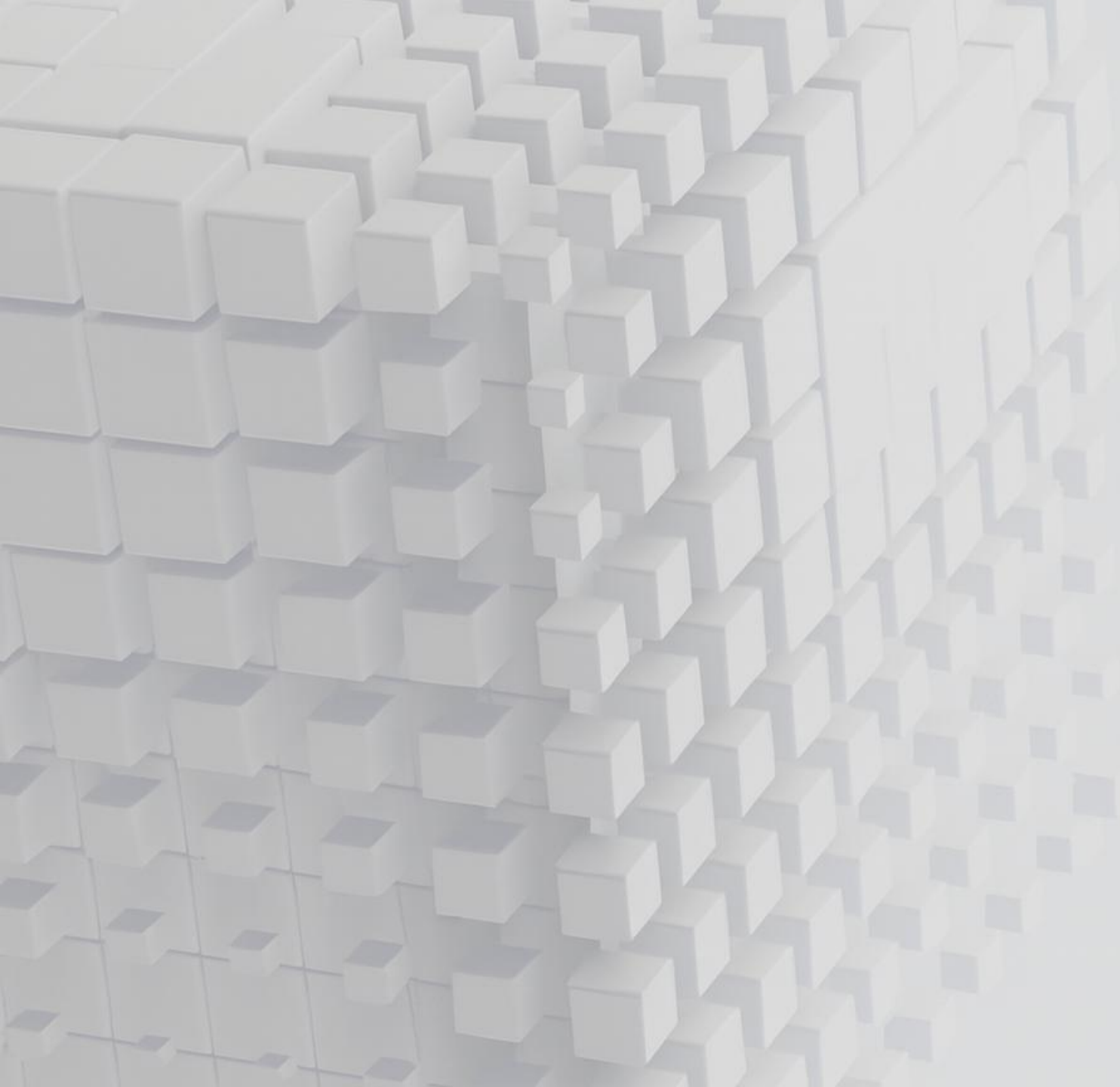
During 2025, IFA Hotels & Resorts continued to implement high-quality social responsibility programs and initiatives, stemming from its commitment to its humanitarian and social role and its keenness to create a positive and sustainable impact. In support of the health and humanitarian sector, the Company renewed its commitment to the Kuwait Association for the Care of Children in Hospital through a dedicated donation extending over five years, in support of the Association's mission to provide medical, psychological, and social care to sick children and their families. This commitment reflects the Company's belief in the importance of supporting the most vulnerable groups and enhancing the quality of services provided to them.

The Company also participated in the "Iftar for a Fasting Person" initiative during the holy month of Ramadan, distributing Iftar meals to those in need and to workers, in a gesture that reflects the values of solidarity and compassion and strengthens the spirit of social cohesion that characterizes the holy month.

As part of its efforts to support social inclusion, IFA Hotels & Resorts participated as a supporting sponsor of the "Ishrāqat Amal" (A Ray of Hope) Festival held in the State of Kuwait in 2025. The festival aimed to empower persons with disabilities and highlight their talents and creative abilities through artistic, cultural, and recreational activities, thereby promoting the concepts of inclusivity and community participation.

In line with its concern for employee health and the creation of a healthy work environment, the Company collaborated with the Kuwait Heart Association to implement a health awareness initiative that included conducting medical check-ups for employees at the Company's headquarters, covering blood pressure and blood sugar level measurements. This initiative aims to raise health awareness and enable early detection of risk factors associated with heart diseases, contributing to prevention and improving the quality of working life.

Collectively, these initiatives underscore IFA Hotels & Resorts' commitment to adopting a sustainable approach to social responsibility and to strengthening its effective contribution to serving the community and supporting its various segments.



Remuneration Report

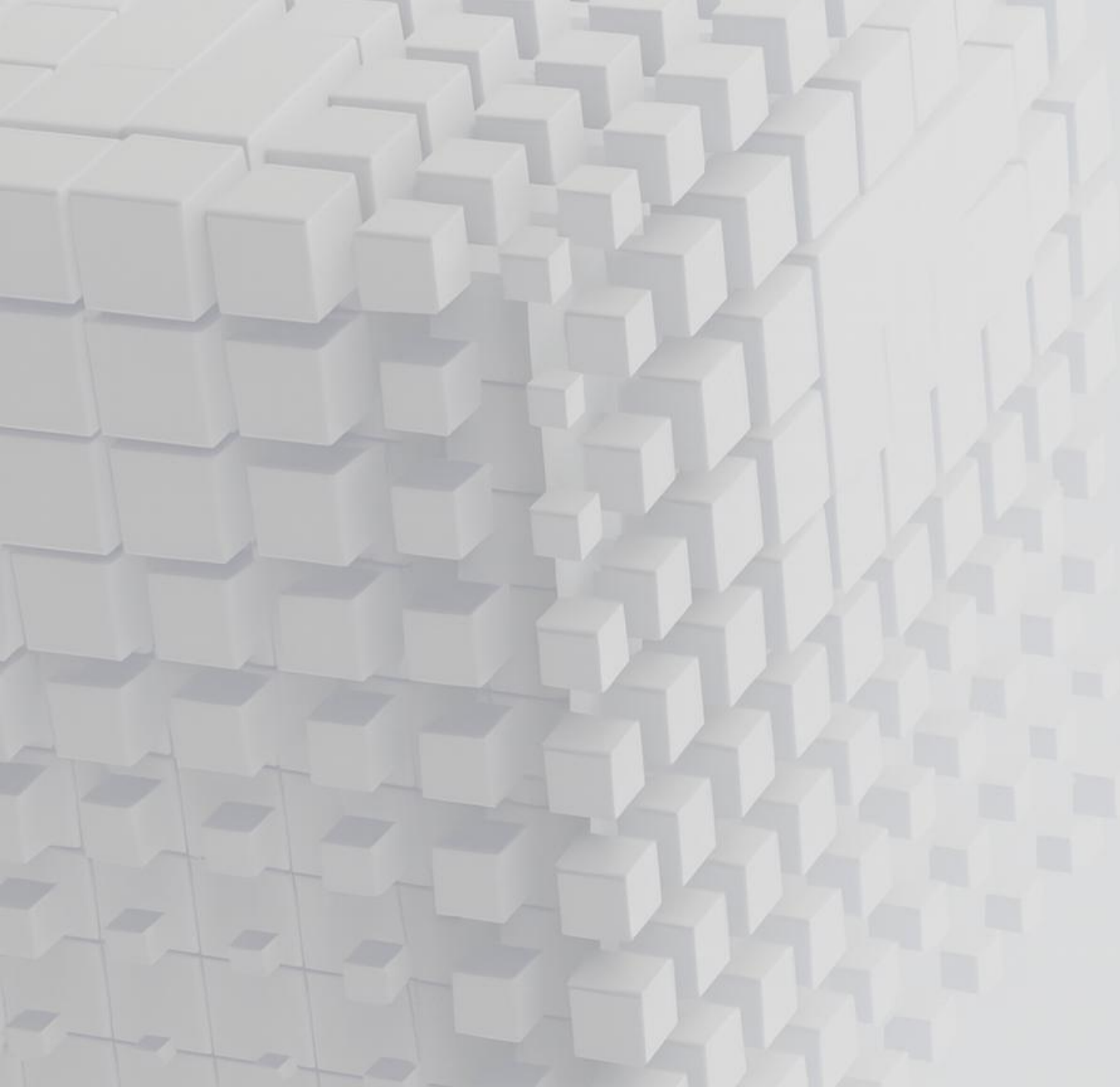
For Financial Year Ended 31 December 2025

In compliance with Resolution No. (118) of 2019, issued by Capital Markets Authority, regarding the amendment of Appendix (3) “Structure of Remuneration Report” of Module Fifteen (Corporate Governance), below is the Remuneration Report as of 31 December 2024:

Remuneration Policy: Article (24) of the Company Statutes: “The aggregation of remuneration of the Chairman and members of the Board of Directors may not exceed 10% of the net profits after deducting any depreciation and reserves and distributing profit dividends of at least 5% of the Company’s capital to shareholders. An annual remuneration of six thousand Kuwaiti Dinars may be distributed to the Chairman and each member of the Board of Directors as of the date of incorporation of the Company until it realizes sufficient profits that allow the Company to pay remuneration and subject to AGM resolution, the independent member of the Board may be exempted from the limits set for the remuneration.”

Remunerations and Benefits of Members of the Board of Directors							
Board Members	Remuneration through the parent company			Remuneration through subsidiaries			
	Fixed Remuneration	Variable Remuneration		Fixed Remuneration		Variable Remuneration	
	Health Insurance	Annual Remuneration	Committees’ Remuneration	Health Insurance	Monthly Salary	Annual Remuneration	Committees’ Remuneration
6 members	0	45,000	0	0	0	0	0

Total Remunerations and Benefits Granted to Senior Executive Managers														
	Remuneration through the parent company						Variable Remuneration	Remuneration through subsidiaries						Variable Remuneration
	Salaries	Health Insurance	Tickets	Housing	Transportation	Children Education	Annual Remuneration	Salaries	Health Insurance	Tickets	Housing	Transportation	Children Education	Annual Remuneration
12	0	0	0	0	0	0	0	411,642	48,258	27,860	185,505	61,835	0	226,049



Audit Committee Report

For Financial Year Ended 31 December 2025

Introduction

This report was prepared according to the Capital Markets Authority ("CMA ") requirement as per article number 5-7 (item number 6) in CMA's Executive Bylaws - Module Fifteen: Corporate Governance ("Corporate Governance Bylaws"). This report was prepared by the Audit Committee of IFA Hotels and Resorts Co. ("IFA H&R") to be submitted to IFA H&R's Board of Directors.

Period Covered

The financial year ended 31 December 2025.

Audit Committee

The Audit Committee meets at least four times per annum as per its approved terms of reference (Charter). All the members from the Board of Directors were elected and their term is for three years.

Conflict between the Audit Committee and the Board

During 2025, there is no conflict was arising between the recommendations of the Audit Committee and the Board resolutions.

Audit Committee Responsibility

We report that we have adopted appropriate formal terms of reference in our charter in line with the requirements of the Corporate Governance Bylaws. We further report that we have conducted our affairs in compliance with this charter.

Financial statements External Auditor's Independence and Effectiveness

Based on the Audit Committee's recommendation to the Board of Directors, the Ordinary General Assembly of IFA H&R appointed the Financial Statements External Auditor - Mr. Abdullatif Al- Aiban from Grant Thornton – Al-Qatami, Al-Aiban & Partners ("F/Ss External Auditor").

We have:

- Reviewed the scope of his work and the terms of his contract;
- Verified his independence, objectivity and fairness;
- Ensured that he did not provide any technical or administrative works that are beyond his scope of work, and provides his opinion thereon; and
- Assessed his performance.

We are satisfied with the F/Ss External Auditor's Independence and Effectiveness during the year under review.

Evaluation of Financial Statements

We have:

- Reviewed and discussed the audited annual financial statements to be included in the annual report,

with the F/Ss External Auditor; internal auditors and the Executive Management;

- Reviewed changes in accounting policies and practices;
- Reviewed IFA H&R's compliance with legal and regulatory provisions; and
- Reviewed significant adjustments and noted none resulting from the audit.

We concur with and accept the F/Ss External Auditor's report on the annual financial statements, and are of the opinion that the audited annual financial statements should be accepted and read together with the report of the F/Ss External Auditor.

The effectiveness of internal control

In line with the Corporate Governance Bylaws requirements:

- IFA H&R has two active Board committees in addition to the Audit Committee:
- Risk Management Committee.
- Nomination and Remuneration Committee.
- Internal Audit Activity provides the Audit Committee and IFA H&R Management Team with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process (financial and non-financial), as well as the identification of corrective actions and suggested enhancements to the controls and processes.
- An independent audit firm (other than the F/Ss External Auditor) was appointed to conduct Internal Control Report ("ICR ") for year ended 31 December 2025 (same as previous years). We have reviewed and discussed the ICR Report (copy of this report will be submitted to CMA). Accordingly, we can report that the system of internal control over the reporting period under review was efficient and effective.

From the various reports of the Internal Auditors, ICR and the Audit Report on the annual financial statements, it was noted that there were no indicated material deficiencies in the system of internal controls, therefore, the system of IFA H&R's internal control is efficient and effective.

Internal Audit

We are satisfied that the internal audit activity (outsourced) is operating effectively and that it has addressed the risks pertinent to IFA H&R in its audits. The Internal Audit completed their 2025 annual plan as approved by the Audit Committee.

We have met with the Internal Auditors during the year to ensure that the activity is executed effectively and objectively.

We are satisfied with the content and quality of reports prepared and issued by the internal auditors of IFA H&R during the year under review.

Chairman of the Audit Committee



Consolidated Financial Statements & Auditor's Report

For Financial Year Ended 31 December 2025



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.

Disposal of a subsidiary

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.

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.

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.
- 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)

	Note	Year ended 31 Dec 2025 KD	Year ended 31 Dec 2024 KD
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 51 to 109 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
<i>Other comprehensive income:</i>		
<i>Items that may be reclassified subsequently to consolidated statement of profit or loss:</i>		
Exchange differences arising from translation of foreign operations	426,209	629,568
	426,209	629,568
<i>Items that will not to be reclassified subsequently to consolidated statement of profit or loss:</i>		
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
<i>Attributable to:</i>		
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

The notes set out on pages 51 to 109 form an integral part of these consolidated financial statements.

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

	Note	31 Dec. 2025 KD	31 Dec. 2024 KD
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 51 to 109 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 51 to 109 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 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 51 to 109 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

	Notes	Year ended 31 Dec 2025	Year ended 31 Dec 2024
		KD	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

	Notes	Year ended 31 Dec 2025 KD	Year ended 31 Dec 2024 KD
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 51 to 109 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.

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.

<i>Standard or Interpretation</i>	<i>Effective for annual periods beginning</i>
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.

- 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.

<i>Standard or Interpretation</i>	<i>Effective for annual periods beginning</i>
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
- 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 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.

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.

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.

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 consolidated 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 its 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.

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.

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.

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:

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 contracts. 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.

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.

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 its carrying amount.

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.

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.

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.

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.

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.

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 well 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.

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.

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.

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.

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.

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.

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.

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.

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)

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.

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).

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		Year ended 31 Dec. 2025 KD	Year ended 31 Dec. 2024 KD
	Revenue		
	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

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
<hr/>		
8 Finance costs	Year ended 31 Dec. 2025 KD	Year ended 31 Dec. 2024 KD
<i>On financial liabilities at amortised costs:</i>		
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
<hr/>		
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	-

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.

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

	Land KD	Buildings on freehold land KD	Furniture and fixtures KD	Machinery and equipment KD	Motor vehicles KD	Total KD
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).

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%

15.1 Investment in associates

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

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.

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

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.

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.

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.

23 Other components of equity

	Cumulative changes in fair value	Foreign currency translation reserve	Total
	KD	KD	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.

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

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.

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)

	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)

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

	Year ended 31 Dec 2025 KD	Year ended 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:		
<i>At amortised cost:</i>		
- 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
<i>At fair value:</i>		
Investments at FVTPL	8,827,258	-
Investments at FVTOCI	1,305,923	1,079,425
Total financial assets	48,141,945	31,859,938
	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.

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.

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.

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.

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

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.

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.