Dalqan Holding Company
K.S.C. (closed)
and its subsidiaries
Kuwait
The consolidated financial statements
for the financial year ended December 31, 2024
with
Independent auditor's report

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Independent auditor's report

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Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Dalqan Holding Company - K.S.C. - (Closed) – (the parent company) - and its subsidiaries (together referred to as "the Group") which comprise the consolidated statement of financial position as of December 31, 2024, the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and its consolidated financial performance and its consolidated cash flows for the financial year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Group's consolidated financial statements in the State of Kuwait, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information included in the Board of director Report

Other information represents of the information included in the Board of Directors Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. We expect to obtain the annual report after the date of our auditor's report.

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 when it is available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information we have obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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 IFRSs as adopted for use by the State of Kuwait 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 consolidated 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 skepticism 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 contents of the consolidated financial statements, including disclosures, and whether the consolidated financial statements express transactions and related events in a manner that achieves the fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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.

Report on other legal and regulatory requirements

Furthermore, in our opinion proper books of account have been kept by the "Parent Company" and physical counting was carried out in accordance with recognized practice 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 year 2016 and its executive regulations, as amended, and by the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, according to the information available to us during the year ended December 31, 2024, there were, no violations of the Companies Law No. 1 of year 2016 and its executive regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association as amended, have occurred during the year that might have had a material effect on the business of the Parent Company or on its consolidated financial position.

Ali Abdul Rahman Al Hasawi
License No. 30 A
Rödl Middle East
Burgan - International Accountants

April 17, 2025
State of Kuwait

Dalqan Holding Company
K.S.C. (closed)
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Consolidated statement of financial position as of December 31, 2024
"All amounts are in Kuwaiti Dinar"

	Note	2024	2023
Assets			
Current assets			
Cash and cash equivalents	6	**16,938,331**	7,166,883
Accounts receivable and other debit balances	9	**35,610,468**	30,926,961
Inventory	10	**38,560,691**	32,931,730
		91,109,490	71,025,574
Non-current assets			
Investments in unconsolidated subsidiaries	7	**725,500**	985,477
Investments at fair value through other comprehensive income	8	**24,000**	1,948,713
Investment properties	11	**8,108,000**	6,265,000
Intangible assets	12	**8,986,683**	460,905
Property and equipment	13	**1,004,945**	660,285
		18,849,128	10,320,380
Total assets		**109,958,618**	81,345,954
Liabilities and equity			
Current liabilities			
Murabahat payables – current portion	14	**17,357,350**	13,788,235
Notes payable	15	**5,319,423**	3,237,631
Accounts payable and other credit balances	16	**1,634,909**	1,208,925
Ijara payables	17	**5,000,000**	1,638,000
Finance payables		-	317,680
Due to banks		-	3,652
		29,311,682	20,194,123
Non-current liabilities			
Murabahat payables – non-current portion	14	**207,407**	1,037,015
Provision for end of service indemnity		**930,671**	897,088
		1,138,078	1,934,103
Equity			
Share capital	18	**20,412,000**	20,412,000
Statutory reserve	19	**4,467,758**	3,926,284
Voluntary reserve	20	**3,946,796**	3,405,322
Change at fair value reserve		-	24,018
Foreign currency translation reserve		**(1,816)**	(1,902)
Retained earnings		**20,621,598**	15,464,052
Equity attributable to shareholders of "the parent company"		**49,446,336**	43,229,774
Non-controlling interests		**30,062,522**	15,987,954
Total equity		**79,508,858**	59,217,728
Total liabilities and equity		**109,958,618**	81,345,954

Abdullah Saud Al Mutairy
Chairman

Fahed Saud Al Mutairy
Vice Chairman

The accompanying notes form an integral part of these consolidated financial statements.

Dalqan Holding Company
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Consolidated statement of profit or loss for the financial year ended December 31, 2024
"All amounts are in Kuwaiti Dinar"

	Note	2024	2023
Revenue			
Sales		**106,633,307**	93,786,614
Cost of sales	21	**(92,021,418)**	(80,384,671)
Gross profit		**14,611,889**	13,401,943
Net income for lease properties		**298,977**	259,835
Change in fair value of investment properties		**142,830**	285,000
Other income		**202,065**	208,321
Gain for sale investment properties		**480,000**	209,206
Share of result from previously subsidiary		**359,993**	-
Total revenue		**16,095,754**	14,364,305
Expenses and other charges			
General and administrative expenses	22	**4,714,674**	4,367,176
Finance charges		**1,518,106**	1,374,573
Provisions	23	**751,517**	878,295
Total expenses and other charges		**6,984,297**	6,620,044
Net profit for the year before KFAS and Zakat		**9,111,457**	7,744,261
Contribution to Kuwait Foundation for the Advancement of Science		**(74,881)**	(62,491)
Zakat		**(86,181)**	(71,531)
Net profit for the year		**8,950,395**	7,610,239
Attributable to:			
Shareholders of the parent company		**5,253,676**	5,844,415
Non-controlling interests		**3,696,719**	1,765,824
		8,950,395	7,610,239
Earnings per share attributable to the shareholders of "the parent company "/(Fils)	25	**25.74**	28.63

The accompanying notes form an integral part of these consolidated financial statements.

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Consolidated statement of profit or loss and other comprehensive income for the financial year ended December 31, 2024
"All amounts are in Kuwaiti Dinar"

	2024	2023
Net profit for the year	**8,950,395**	7,610,239
Other comprehensive income:		
Items that may be reclassified subsequently to the consolidated statement of profit or loss:		
Foreign currency translation	**157**	(1,617)
Items that will not be reclassified subsequently to the consolidated statement of profit or loss:		
Change at fair value of investments in value through other comprehensive income	**-**	13,079
Other comprehensive income for the year	**157**	11,462
Total comprehensive income for the year	**8,950,552**	7,621,701
Attributable to:		
Shareholders of the Parent Company	**5,253,762**	5,855,746
Non-controlling interests	**3,696,790**	1,765,955
Total comprehensive income for the year	**8,950,552**	7,621,701

Dalqan Holding Company
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Consolidated statement of changes in equity for the financial year ended December 31, 2024
"All amounts are in Kuwaiti Dinar"

	Equity attributable to the shareholders of the "parent company"								
	Share capital	Statutory reserve	Voluntary reserve	Foreign currency translation reserve	Change at fair value reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance at January1, 2023	20,412,000	3,328,440	2,807,478	(285)	11,070	10,815,325	37,374,028	12,980,030	50,354,058
Net profit for the year	-	-	-	-	-	5,844,415	5,844,415	1,765,824	7,610,239
Other comprehensive income	-	-	-	(1,617)	12,948	-	11,331	131	11,462
Total comprehensive income for the year	-	-	-	(1,617)	12,948	5,844,415	5,855,746	1,765,955	7,621,701
Transferred to reserves	-	597,844	597,844	-	-	(1,195,688)	-	-	-
Effect of change on non-controlling interests	-	-	-	-	-	-	-	1,241,969	1,241,969
Balance at December 31, 2023	20,412,000	3,926,284	3,405,322	(1,902)	24,018	15,464,052	43,229,774	15,987,954	59,217,728
Balance at January1, 2024	20,412,000	3,926,284	3,405,322	(1,902)	24,018	15,464,052	43,229,774	15,987,954	59,217,728
Net profit for the year	-	-	-	-	-	5,253,676	5,253,676	3,696,719	8,950,395
Other comprehensive income	-	-	-	86	-	-	86	71	157
Total comprehensive income for the year	-	-	-	86	-	5,253,676	5,253,762	3,696,790	8,950,552
Transferred to reserves	-	541,474	541,474	-	-	(1,082,948)	-	-	-
Effect of change on non-controlling interests	-	-	-	-	-	-	-	10,377,778	10,377,778
Effect of sale a subsidiary	-	-	-	-	(24,018)	24,018	-	-	-
Result of sale a share in a subsidiary (Note - 5)	-	-	-	-	-	962,800	962,800	-	962,800
Balance at December 31, 2024	**20,412,000**	**4,467,758**	**3,946,796**	**(1,816)**	**-**	**20,621,598**	**49,446,336**	**30,062,522**	**79,508,858**

The accompanying notes form an integral part of these consolidated financial statements.

Exhibit - E

Dalqan Holding Company

K.S.C. (closed)
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Consolidated statement of cash flows for the financial year ended December 31, 2024

"All amounts are in Kuwaiti Dinar"

	2024	2023
Cash flows from operating activities		
Net profit for the year	8,950,395	7,610,239
Adjustments:		
Change in fair value of investment properties	(142,830)	(285,000)
Depreciation and amortization	425,960	645,476
Disposal of property and equipment at cost	11,180	-
Disposal of Intangible assets at cost	135,116	-
Provision for ECL	101,500	-
Gain for sale investment properties	(480,000)	(209,206)
Provision for end of service indemnity	123,845	150,376
Finance charges	1,518,106	1,374,573
Lease liabilities interest	-	5,156
Operating profit before calculating the effect of changes in working capital items	10,643,272	9,291,614
Accounts receivable and other debit balances	(4,734,566)	(3,446,511)
Inventory	(6,563,031)	(4,755,468)
Accounts payable and other credit balances	5,279,066	(1,154,701)
Cash used in operations	4,624,741	(65,066)
End of service paid	(49,543)	-
Net cash generated from/(used in) operating activities	4,575,198	(65,066)
Cash flows from investing activities		
Proceeds from disposal of investment properties	3,790,000	846,563
Paid for purchase investment properties	(5,010,170)	(2,095,357)
Investments at fair value through other comprehensive income	(1,145,185)	(13,536)
Intangible assets	(8,716,524)	(165,000)
Property and equipment	(755,480)	(338,545)
Net cash used in investing activities	(11,837,359)	(1,765,875)
Cash flows from financing activities		
Murabahat payables	3,358,278	(271,174)
Notes payable	2,081,792	740,581
Ijara payables	3,362,000	875,000
Lease liabilities interest – paid	-	(81,723)
Finance charges	(317,680)	317,680
Due to banks	(3,652)	3,652
Finance expenses paid	(1,518,106)	(1,374,573)
Lease liabilities interest	-	(5,156)
Net cash generated from financing activities	6,962,632	204,287
Net movement on non-controlling interests	10,420,465	1,241,969
Foreign currency translation	112	(1,643)
Net increase/(decrease) in cash and cash equivalents	10,121,048	(386,328)
Resulting of disposal of a subsidiary	(349,600)	-
Cash and cash equivalents at beginning of the year	7,166,883	7,553,211
Cash and cash equivalents at end of the year	16,938,331	7,166,883

The accompanying notes form an integral part of these consolidated financial statements.

1- Incorporation and activities

Dalqan Holding Company K.S.C. (closed) ("the Parent Company") – was established accordance with the Articles of Association dated December 1, 2003. Several changes have been made to the Commercial Register, the last of which dated on September 7, 2020.

The objectives for which the parent company was established are:

- Owning shares in Kuwaiti or foreign joint stock companies, as well as owning shares or stakes in Kuwaiti or foreign limited liability companies, or participating in establishing these companies of both types, managing them, lending to them, and guaranteeing them to third parties.
- Lending to companies in which it owns shares with others. In this case, the holding company's share in the borrowing company's capital must not be less than 20%.
- Owning, selling and buying shares and bonds of real estate companies on behalf of the company only, in Kuwait and abroad.
- Purchasing and importing devices, supplies and equipment necessary for the implementation of the objectives of the parent company.
- Representation of companies and participation in similar tenders for these purposes.
- Ownership of movables and real estate for the performance of its activities to acceptable limits in accordance with the law.
- Utilizing the financial surpluses that available to the company through investing them in financial portfolios managed by specialized companies and authorities.

The parent company has the right to participate or subscribe in any way, in other institutions which operate in the same field or those which would assist in achieving its objectives in Kuwait or abroad and to construct, participate or purchase these institutions or join them.

The registered address of the company is: Kuwait City – Al-Qibla area – Block 13 – Floor 26 - Ribal Real Estate Company Building - P.O Box 41081, Postal Code 85851 Kuwait.

The consolidated financial statements for the financial year ended December 31, 2024 were authorized for issue by the Board of Directors of "the Parent Company" on April 17, 2025.

2- Basis of preparation and significant accounting policies

1/2) New and revised accounting standards Effective for the current year

Following standard, interpretation or amendment are effective from the current year and are adopted by the Group but however these does not have any impact on the consolidated financial statements of the year unless otherwise stated below:

- *Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements*
  The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows.

- *Amendments to IAS 1 Classification of Liabilities as Current or Non-current*
  The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

  The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

- *Amendments to IAS 1 Non-current Liabilities with Covenants*
  The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date)and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

- *Amendments to IFRS 16 Leases—Lease Liability in a Sale and Leaseback*
  The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

  A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

2/2) New standards not yet effective

At the date of authorization of these consolidated financial statements, the Group has not applied the following new and revised IFRS accounting standards that have been issued but are not yet effective:

Standard, interpretation amendments	Description	Effective date
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability	The amendments specify how to assess whether a currency is 1January 2025 exchangeable, and how to determine the exchange rate when it is not. The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique.	January 1, 2025

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Standard, interpretation amendments	Description	Effective date
Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	These amendments: • clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; • clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; • add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and • make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).	January 1, 2026
IFRS 18 Presentation and Disclosures in Financial Statements	IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share. IFRS 18 introduces new requirements to: • present specified categories and defined subtotals in the statement of profit or loss • provide disclosures on management-defined performance measures (MPMS) in the notes to the financial statements • improve aggregation and disaggregation.	January 1, 2027

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Standard, interpretation amendments	Description	Effective date
IFRS 19 Subsidiaries without Closed Accountability: Disclosures	IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. A subsidiary is eligible for the reduced disclosures if it does not have Closed accountability and its ultimate or any intermediate parent produces consolidated financial statements available for Closed use that comply with IFRS Accounting Standards. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it. An entity is only permitted to apply IFRS 19 if, at the end of the reporting period: • it is a subsidiary (this includes an intermediate parent) • it does not have Closed accountability, and • its ultimate or any intermediate parent produces consolidated financial statements available for Closed use that comply with IFRS Accounting Standards.	January 1, 2027

Management anticipates that these new standards, interpretations and amendments will be adopted in the financial statements when they become effective and application of these new standards, inceptions and amendments is not anticipated to have a material impact on the consolidated financial statements during the initial period of adoption.

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3- Significant accounting policies
The significant accounting policies applied in the preparation of these consolidated financial statements are set out below:

3/1) Basis of the consolidated financial statements preparation
- The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Boards (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and State of Kuwait Companies' Law requirements and subsequent amendments.
- The accounting policies used in the preparation of these consolidated financial statements are consistent with those used in the preparation of the financial statements for the last financial year.
- These consolidated financial statements are prepared under the historical cost basis of following the accrual basis. These consolidated financial statements have been presented in Kuwaiti Dinars.
- The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosure of contingent assets and contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. It also requires management to exercise its judgment in the process of applying the accounting policies. The areas involving a high degree of judgment or complexity or areas where assumptions and estimates are significant to these consolidated financial statements are disclosed in note (4).

3/2) Basis of financial statements consolidation
The consolidated financial statements include the financial statements of Dalqan Holding Company - K.S.C Closed ("the Parent Company") and its subsidiaries (together referred to as "the Group") disclosed under Note (5).

Subsidiaries are those enterprises controlled by the Parent Company. Control exists when the Parent Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The control is maintained by the Parent Company when:

- Exercise power over the investee;
- Exposure to variable returns or obtains rights from involvement with the investee,
- Ability to use its power to affect the investee returns.

When "the Parent Company" does not has majority voting rights in the investee, the Parent Company takes into consideration facts and other factors in assessing the control, which include:
- Contractual arrangement between "the Parent Company" and other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Parent Company's voting rights;
- Other potential voting rights.

The financial statements of subsidiaries acquired or disposed are included in the consolidated financial statements from the date the control effectively commences until the date that control effectively end.

The financial statements of the subsidiaries are consolidated on a line–by–line basis by adding together alike items of assets, liabilities, revenues and expenses. All inter–company balances and transactions, including unrealized profits or losses arising from inter–company transactions, are fully eliminated. Consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events which accrue in similar conditions.
The financial statements of the subsidiaries are prepared for the same date or within three months of the reporting period of the Parent Company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist between the subsidiaries' financial year date and the Parent Company's financial year date.

Non–controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non–controlling interests consist of the amount of that equity at the date of the original business combination and the non–controlling interest share of changes in equity since the date of the combination. The losses of subsidiaries are attributed to the non–controlling interests even if that resulted in a balance deficit.

The carrying values of the controlling and non-controlling interests are restated to reflect the changes in their interest in the subsidiaries, and any difference between the value in which the non-controlling interests have been Restated and the fair value of the amount paid or received directly is recognized in equity and is available to the shareholders of the parent company. Non-controlling interests are presented separately in the consolidated statement of financial position, profit or loss and other comprehensive income. Non-controlling interests are classified as financial liabilities to the extent to which there is an obligation that must be paid in cash or the delivery of other financial assets to settle the non-controlling interests.

When ownership of subsidiaries changes without loss of control, the transaction is accounted for within equity. However, when control is lost as a result of change in ownership, then:

- Derecognize the assets and liabilities of the subsidiaries reported in consolidated statement of financial position (including goodwill);
- Recognize any remaining investment of the subsidiaries at fair value at date of loss of control;
- Derecognize non–controlling interests.
- Recognize the profit or loss resulting from the loss of control in the consolidated statement of profit or loss and other comprehensive income.

3/3) Recognition and de-recognition of financial assets and liabilities

A financial asset or a financial liability is recognized when the group become a party to the contractual provisions of the instrument. A financial asset is de-recognized either when the contractual rights to cash flows from the financial asset expire, the group has transferred substantially all the risks and rewards of ownership or when it has neither transferred nor retained substantially all the risks and rewards, but no longer has control over the asset. A financial liability is de-recognized when the obligation specified in the contract is discharged, cancelled or expired.

3/4) Financial instruments

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 directly attributable 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.

A financial asset (or, where applicable a part of financial asset or part of Group of similar financial assets) is 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.
  (b) the Group has neither transferred nor retained substantially all risks and rewards of the asset but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognised to the extent of the Group's continuing involvement in the asset.

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.

Classification 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 Other Comprehensive Income (FVTOCI)
- financial assets at fair value through profit or loss (FVTPL)

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 election/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.

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 accounts for financial assets at FVTOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is "hold to collect" the associated cash flows and sell; and
- 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.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled to the consolidated statement of profit or loss upon derecognition of the asset (except for equity investments at FVTOCI as detailed below).

Equity investments at FVTOCI

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.

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.

- **Financial assets at FVTPL**

Financial assets that do not meet the criteria for measurement at amortised cost or FVOCI 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 the following:

- Investment in bonds
- Investment in equity shares

Impairment
Non-derivative financial assets
Financial assets, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider. otherwise;
- indications that a debtor will enter bankruptcy; or
- observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

Financial assets measured at amortized cost
The financial assets at amortised cost comprise of trade receivables and cash at bank under IFRS 9 and loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date.
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group has elected to measure loss allowances for trade receivables, contracts assets and all lease receivables that result from transactions that are within the scope of IAS 17 with an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and information on credit risk assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 365 days past due. The Group considers a financial asset to be in default when:

- The debtor is likely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising the guarantee (if any is held); or

- The financial asset is more than 365 days past due.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured with the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets
At each reporting date, the Group assesses the financial assets carried at amortised cost. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. Impairment losses related to trade and other receivables are presented under general and administrative expenses in the consolidated statement of profit or loss.

3/5) Cash and cash equivalents
Cash on hand and time deposits with banks whose original maturities do not exceed three months, net of bank overdrafts are classified as cash and cash equivalents in the consolidated statement of cash flows.

3/6) Trade receivable
Trade receivables are stated at their nominal value, less the allowance for any expected credit loss. The group always measures the loss allowance for impairment for trade receivables at an amount equal to lifetime ECL.

3/7) Inventory
Inventory is valued at the lower of cost and net realizable value after making allowance for any slow moving and obsolete stocks. Cost is determined on first in first out method. Purchase cost includes the purchase price, import duties, transportation, handling and other direct costs.

3/8) 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. Subsequently, investment properties are revalued annually and are included in the statement of financial position at their fair values. These values are supported by market evidence and are determined by two external professional valuers with sufficient experience with respect to both the location and the nature of the investment properties.

Any profit or loss resulting from either a change in the fair value or the sale of an investment property is immediately recognised in the statement of profit or loss and other comprehensive income within "change in fair value of investment properties" and "profit/loss on sale of investment properties".

3/9) Intangible assets

Identifiable non-monetary assets acquired in connection with the business and from which future benefits are expected to flow are treated as intangible assets. Intangible assets with indefinite useful lives are not subject to amortization and are tested at least annually for impairment.

Intangible assets are amortized on a straight - line basis over their estimated useful life as follow:

Key money	5 years
Franchise agencies	8 – 10 years

Intangible assets acquired in an acquisition

They are initially recognized and recorded at fair value as of the acquisition date, and their productive life has been estimated to have indefinite productive lives as follows:

Commercial agencies	indefinite life
key significant person	indefinite life
Commercial licenses	indefinite life
Customer relations	indefinite life

Assets are grouped at the lowest levels for which there are separately identifiable cash flows for the purpose of assessing impairment. If there is an indication that the carrying value of an intangible assets is greater than its recoverable amount, it is written down to its recoverable amount and the resultant impairment loss taken to the consolidated statement of profit or loss and other comprehensive income.

3/10) Property and equipment

Property and equipment are stated at the historical cost less accumulated depreciation. The realizable value of property and equipment are reviewed at each consolidated financial position date to determine whether the book value exceeds the realizable value in which case the book value is written down to the realizable value. If the useful lives are different from estimated lives of those assets, then the useful lives are adjusted from the beginning of the year in which the change occurred in without going into retroactive periods.

The profits or losses of selling the property and equipment recognised in the consolidated statement of profits or losses and other comprehensive income at the difference between the selling of value and the net book value.

Property and equipment are depreciated on straight-line basis to reduce the value to its residual value over their estimated useful lives as follows:

Buildings	20 years
Machinery and equipment	5 years
Vehicles	5 years
Decorations	5 years

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees. Depreciation of these properties, on the same basis as other property and equipment, commences when the properties are ready for their intended use.

3/11) Murabahat payables

Murabahat payables are recognized with the value of contracts received net of cost of transaction. Subsequently Murabahat are measured at the amortized cost provided that the difference between the net receivables and the amount to be settled will be charged to the Statement of profit or loss and other comprehensive income for the period covering that finance by the effective cost method.

3/12) Accounts payable

Accounts payable are stated at their nominal value.

3/13) Provision for end of service indemnity

Provision for staff end of service indemnity has been made as per the Labour Law in the private sector and signed contracts on the assumption of ending the services of all staff at the consolidated financial position date. This obligation is not funded. The management expects that based on this method of calculation a reasonable estimate is made of the obligation of the group towards employees' indemnity for past and current periods.

3/14) Financial liabilities/equity

Financial liabilities "other than at fair value through profit or loss" are subsequently measured and carried at amortized cost using the effective yield method. Equity interests are classified as financial liabilities if there is a contractual obligation to deliver cash or another financial asset.

3/15) Foreign currencies

The functional currency of the company is the Kuwaiti Dinar ("KD") and accordingly, the consolidated financial statements are presented in KD. Transactions denominated in foreign currencies are translated into KD at the rate of exchange prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into KD at rates of exchange prevailing at the consolidated financial position date. The resultant exchange differences are taken to the consolidated Statement of profit or loss and other comprehensive income.

3/16) Revenue recognition

- Revenue is recognized either at a certain time or over time when the group meets performance obligations by transferring goods or services to its customers.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 recognized either at a certain time or over time when the group meets performance obligations by transferring goods or services to its customers. The group recognizes contract obligation for amounts received in respect of unsatisfactory performance obligations and provides these, if any, as other liabilities in the consolidated statement of financial position. Similarly, if the group fulfills a performance obligation before it receives the consideration, the group recognizes either the origin of the contract or receivable, if any, in its consolidated statement of financial position, depending on whether there is anything other than the time required before the amounts are due.
- Rental income of investment properties are recognized on an accrual basis in accordance with the contracts concluded.
- Gain on sale of investments in securities is measured by the difference between the net sales proceeds and the book value of the investment sold.
- Dividends income from investments is recognized when the Group's right to receive payment is established.
- Other categories of income are recognized when earned, at the time the related services are rendered and/ or on the basis of the terms of the contractual agreement of each activity.

3/17) Finance charges

Interest on borrowings is calculated on the accrual basis and is recognized in the consolidated statement of profit or loss in the period in which it is incurred.

3/18) Provisions

Provisions are recognized when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of the resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each consolidated financial position date and adjusted to reflect the current best estimate.

3/19) Kuwait Foundation for the Advancement of Science

The Group's contribution to KFAS is recognized as an expense and is calculated as 1% of profit after transfer to statutory reserve and before Board of Directors' remuneration, National Labour Support Tax and Zakat.

3/20) Zakat

The Group's contribution to Zakat is recognized as an expense and is calculated in accordance with Minister of Finance resolution No. 58/2007 and 46/2006.

3/21) Contingent liabilities and assets

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote, contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

4- Critical accounting judgments and key sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that may affect amounts reported in these consolidated financial statements, as actual results could differ from these estimates. It also requires management to exercise its judgment in the process of applying the group accounting policies. Judgments and estimates that are significant to the consolidated financial statements are shown below:

Judgments

Contingent liabilities/liabilities

Contingent liabilities arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Provisions for liabilities are recorded when a loss is considered probable and can be reasonably estimated. The determination of whether or not a provision should be recorded for any contingent liabilities is based on management's judgment.

Classification of Investments

The Group's management decides upon acquisition of an investment whether it should be classified as "investments at fair value through profit or loss", "available for sale," or as "loans and receivables." In making such assessments, the Group considers the primary purpose of the acquisition and how it intends to manage and evaluate its performance. This assessment determines whether the investment will be subsequently measured at cost or fair value, and whether changes in the fair value of the instruments will be recognized in the consolidated statement of profit or loss or directly in equity.

Key sources of estimation uncertainty

Impairment of tangible and intangible assets and useful lives

The Group's management tests annually whether tangible and intangible assets have suffered impairment in accordance with accounting policies stated in note 3. The recoverable amount of an asset is 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 and related depreciation and amortisation charge. The depreciation and amortisation charge for the year will change significantly if actual life is different from the estimated useful life of the asset.

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5- The subsidiaries

These consolidated financial statements include the financial statements of Dalqan Holding Company K.S.C. (closed) and its subsidiaries, as described below:

Company name	Country	Activity	Ownership percentage% 2024	Ownership percentage% 2023
Al Eid Food Company K.S.C. (Public)	Kuwait	Food and beverages	**%54.78**	%75.68
Dalqan Real Estate Company K.S.C. (Public)	Kuwait	Real Estate investment	**%51**	%85.07
Zero One Food Company – W.L.L	Kuwait	Foodstuff trade	**%65**	%65
Zohor Al Reef General Trading and Contracting Company W.L.L	Kuwait	General Trading & Contracting	**-**	%99
Click Ventures General Trading Company – W.L.L	Kuwait	General Trading	**%98**	%98
Gulf Hospitality Food Company	Kuwait	Foodstuff	**%70**	%50
Eurolink General Trading Company	Kuwait	General Trading	**%51**	%51
Professionals Company for the Production of Fresh, Chilled and Frozen Meat (formerly: Dalqan Food Company)	Kuwait	Foodstuff	**%99**	%99
Tabarak United Company for Food, Vegetables and Fruits	Kuwait	Foodstuff, vegetables and fruits	**%51**	%51
Top Trust Food Trading Company	UAE	Food and beverages	**%100**	%100
Rose Gulf for Food Packaging Company	Kuwait	Foodstuff packaging	**%50**	%50
Fajr Al-Ittihad Trading Company	Kuwait	Commission Agent, Import and Export	**67.5%**	%51
Magic Pack Central Market Company for Wholesale and Retail Trading (formerly: City International Arabia General Trading Company W.L.L)	Kuwait	General Trading	**%51**	%51
Master Pack Central Market Company for Non-Food Products (formerly: Magic Pack Central Market Company W.L.L)	Kuwait	Central markets for non-food items	**%70**	%70
Value Pack for Household and Consumer Tools and Utensils Company	Kuwait	Household and consumer tools and utensils	**%65**	%65
Panorama Car Company for the sale of motor vehicles	Kuwait	Sale of motors	**%60**	%60
Al-Qaisar Company for Household and Consumer Tools and Utensils Company	Kuwait	Household and consumer tools and utensils	**%70**	-
Dalqan Warehousing Company - K.S.C.C.	Kuwait	Establishing warehouses of all kinds	**%99**	-

- At end of the previous financial year, "the Parent Company" participated in the establishment of (Al-Qaisar Company for Household and Consumer Tools and Utensils Company) with a percentage ownership of 70% of the total capital of that company pursuant to an Articles of Association. Given that the "Parent Company" exercises effective control over the financial and operational policies of that company, it was classified as a subsidiary company and the audited financial statements of this company were issued as of December 31, 2024, therefore they were consolidate within the consolidated financial statements as of December 31, 2024.
- During the previous financial year, "the Parent Company" acquired 99% of the total shares of (Dalqan Warehousing Company K.S.C. closed) pursuant to a contract transferring ownership of those shares to the "Parent Company." Given that "the Parent Company" exercises effective control over the financial and operational policies of that company, it was classified as a subsidiary company and the audited financial statements of those companies were issued as of December 31, 2024, therefore they were consolidate within the consolidated financial statements as of December 31, 2024.
- During the current financial year, the parent company disposed of a portion of its shares in Al Eid Food Company K.S.C. Public and Dalqan Real Estate Company K.S.C. closed, at 20.9% and 28.97% respectively, resulting in a gain of KD 962,800 which was included in the changes in consolidated statement of equity.
- On December 21, 2024, the parent company sold entire shares owned in Zahrat Al Reef General Trading and Contracting Company W.L.L. to a related party based on administrative data prepared by the management as of the sale date. Accordingly, the Group lost control over the financial and operating policies of this company, and this transaction did not result in an impact on the consolidated statement of profit or loss (Note - 29).
- During the current financial year, the parent company increased its ownership in Gulf Hospitality Foodstuff Company by 20% to 70%, and Fajr Al Etihad Trading Company by 17% to 68%. This transaction did not have any impact on the consolidated statement of profit or loss or the consolidated statement of cash flows.
- The financial statements of the subsidiaries have been consolidated based on audited financial statements as of December 31, 2024.

6- Cash and cash equivalents

	2024	2023
Cash on hand	**916,352**	786,635
Short term deposits	**16,016,979**	6,375,248
Cash at banks	**5,000**	5,000
	16,938,331	7,166,883

7- Investments in unconsolidated subsidiaries

During the current year, "the Parent Company" (acquired and established Chef Solutions International Food Sales Company, Home Pack Company for Household Tools and Utensils Company, and Mr. Steak House for Meat Production Company) with ownership percentages of 80%, 70%, and 67%, respectively of the total capital of those companies pursuant to the articles of association. Given that "the Parent Company" exercises actual control over the financial and operational policies of that company, it was classified as subsidiaries companies. The financial statements of these companies have not been issued till the date of issuing these consolidated financial statements.

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8- Investments at fair value through other comprehensive income

Investments at fair value through other comprehensive income represent equity securities not held for trading. In accordance with the International Financial Reporting Standard, management has taken an irrevocable decision to recognize changes in their fair value through other comprehensive income, as they are strategic investments.

The movement in investments at fair value through other comprehensive income during the year are as follows:

	2024	2023
Balance at January 1,	**1,948,713**	1,922,098
Additions	**1,145,185**	13,536
Effect of disposal of a subsidiary (note – 29)	**(3,069,898)**	-
Change at fair value reserve	**-**	13,079
Balance at December 31,	**24,000**	1,948,713

Investments at fair value through other comprehensive income were valued at fair value in accordance with the valuation methods disclosed in (Note - 30).

9- Accounts receivable and other debit balances

	2024	2023
Trade receivables	**30,120,166**	25,993,115
Provision for expected credit losses	**(680,484)**	(578,984)
	29,439,682	25,414,131
Cheques under collection	**5,760,192**	4,883,883
Accrued revenues	**5,450**	4,650
Refundable deposits	**140,721**	465,962
Others	**264,423**	158,335
	35,610,468	30,926,961

The maximum exposure to credit risk at the consolidated statement of financial position date is disclosed in (Note - 30) to these consolidated financial statements. The other classes within other receivables are neither past due nor impaired.

Trade receivables ageing were as follows December 31,

2024

During 30 days	**30-60 days**	**60-90 days**	**90-120 days**	**<120 days**	**Total**
6,010,406	**6,947,323**	**9,138,772**	**2,908,791**	**5,114,874**	**30,120,166**

2023

During 30 days	30-60 days	60-90 days	90-120 days	<120 days	Total
5,410,526	7,260,898	7,766,495	2,978,417	2,576,779	25,993,115

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The movement of the provision for expected credit losses' during the year is as follows:

	2024	2023
Balance at January 1,	**578,984**	582,282
Charged for the year	**101,500**	-
Result of disposal of a subsidiary	**-**	(3,298)
Balance at December 31,	**680,484**	578,984

10- Inventory

	2024	2023
Ending inventory	**29,738,866**	24,628,669
Provision for slow moving goods	**(167,440)**	(167,440)
	29,571,426	24,461,229
Goods in transit	**8,989,265**	8,470,501
	38,560,691	32,931,730

11- Investment properties

	2024	2023
Balance at January 1,	**6,265,000**	5,170,000
Additions	**5,010,170**	2,095,357
Disposals	**(3,310,000)**	(1,285,357)
Change at fair value	**142,830**	285,000
Balance at December 31,	**8,108,000**	6,265,000

- The above-mentioned additions included additions were acquired under Ijara contracts with a promise to purchase at end of the lease term by a local Islamic bank (Note -17).
- During the current financial year, the Group through one of the subsidiaries sold an investment property for an amount of KD 3,790,000 resulting in net profits amounting to KD 480,000 have been recorded in the consolidated statement of profit or loss.
- The fair value of investment properties as of December 31, 2024 has been recorded based on an evaluation by 2 independent evaluators, one of which is a local bank and the management took the lower value.
- Investment properties include investments amounting to KD 5,000,000 acquired under Ijara contracts with a promise to purchase by one of the local Islamic banks (Note - 17).

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12- Intangible assets

	Key Money	Franchise agencies	Commercial agencies	Key person	Commercial licenses	Customer Relations	Total
Cost							
Balance at January 1 2024	1,838,632	344,625	-	-	-	-	2,183,257
Additions	60,000	-	5,695,821	905,272	100,000	1,955,431	8,716,524
Disposals	(991,440)	-	-	-	-	-	(991,440)
Balance at December 31, 2024	907,192	344,625	5,695,821	905,272	100,000	1,955,431	9,908,341
Accumulated amortization							
Balance at January 1 2024	1,377,732	344,620	-	-	-	-	1,722,352
Charged for the year	55,630	-	-	-	-	-	55,630
Disposals	(856,324)	-	-	-	-	-	(856,324)
Balance at December 31, 2024	577,038	344,620	-	-	-	-	921,658
Net book value							
At December 31, 2024	**330,154**	**5**	**5,695,821**	**905,272**	**100,000**	**1,955,431**	**8,986,683**
At December 31, 2023	460,900	5	-	-	-	-	460,905

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13- Property and equipment

	Buildings	Machinery and equipment	Vehicles	Decorations	Total
Cost					
Balance at January 1, 2024	974,905	1,125,373	1,282,099	894,550	4,276,927
Additions	-	117,306	428,367	209,807	755,480
Disposals	-	(47,108)	(6,180)	(229,559)	(282,847)
Foreign currency translation	-	1	141	1	143
Balance at December 31, 2024	974,905	1,195,572	1,704,427	874,799	4,749,703
Accumulated depreciation					
Balance at January 1, 2024	974,903	856,564	1,078,557	706,618	3,616,642
Charged for the year	-	136,807	131,752	101,771	370,330
Disposals	-	(47,107)	(6,179)	(189,026)	(242,312)
Foreign currency translation	-	16	82	-	98
Balance at December 31, 2024	974,903	946,280	1,204,212	619,363	3,744,758
Net book value					
At December 31, 2024	**2**	**249,292**	**500,215**	**255,436**	**1,004,945**
At December 31, 2023	2	268,809	203,542	187,932	660,285

* Property and equipment item includes a building mortgaged against Murabahat (Note - 14).

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14- Murabahat payables

This item represents the value of Murabaha agreements with Islamic financial institutions. The effective cost rate at the consolidated financial position date ranges between 6.5% and 8% (2023: 6.5% to 8%). The facilities are granted against the personal guarantee of members of the board of directors of one of the subsidiaries and the joint guarantee of the parent company in addition to the mortgage of the property of one of the subsidiaries located in the Al-Ardiya area (Note - 13) and the mortgage of shares owned by one of the subsidiaries.

The installments which are due within a year from the consolidated financial position date are classified as current liabilities and those which are due afterwards are classified as non-current liabilities as follows:

	2024	2023
Current portion	**17,357,350**	13,788,235
Non-current portion	**207,407**	1,037,015
	17,564,757	14,825,250

15- Notes payable

This item represents the value of notes payable amounting within three months from the date of the consolidated financial position to a local bank pursuant to facilities granted by this bank to finance the Group's ordinary activity with an annual variable interest rate of 2.5% above the discount rate announced by the Central Bank of Kuwait. These bank facilities are granted against joint guarantees of related parties.

16- Accounts payable and other credit balances

	2024	2023
Trade payables	**456,344**	354,134
Provision for staff leave	**117,163**	93,541
KFAS*	**348,379**	309,646
Zakat	**151,058**	239,437
National Labour Support Tax	**260,667**	206,177
Others	**301,298**	-
Accrued expenses	-	3,659
Advance payments from customers	-	2,331
	1,634,909	1,208,925

* The movement on contribution to Kuwait Foundation for Advancement of Sciences "KFAS" as follows:

	2024	2023
Balance at January 1,	**309,646**	247,155
Charged during the year	**74,881**	62,491
Paid during the year	**(36,148)**	-
Balance at December 31,	**348,379**	309,646

17- Ijara payables

	2024	2023
The total value of the obligation	**5,155,407**	1,681,412
future interests	**(155,407)**	(43,412)
The present value of the obligation	**5,000,000**	1,638,000

This item represents a facility contract granted by a local Islamic bank in exchange for ijara contracts due at the end of the contract period with an effective rate of return rate of 2% above the discount rate announced by the Central Bank of Kuwait.

18- Share capital

The Parent Company's authorized, issued and full paid-up capital is KD 20,412,000 (Twenty Million Four Hundred Twelve Thousand Kuwaiti Dinars) distributed on 204,120,000 shares (Two Hundred Four Million One Hundred Twenty Thousand shares) with nominal value of 100 Fils (One Hundred Fils) of each share and all shares are in cash.

19- Statutory reserve

In accordance with the requirements of Companies' Law and the parent company's Articles of Association, 10% of the annual net profit before Board of Directors' remuneration, contribution to Kuwait Foundation for the Advancement of Science and Zakat is transferred to the statutory reserve. Such transfer may discontinue when the reserve equals 50% of share capital. Distribution of this reserve is limited to the amount required to distribute dividends to shareholders not exceeding 5% of the paid-up capital in years in which retained earnings do not cover this amount.

20- Voluntary reserve

As required by the parent company's Articles of Association, 10% of the annual net profit before Board of Directors' remuneration, contribution to Kuwait Foundation for the Advancement of Science and Zakat is transferred to the voluntary reserve. This reserve is distributable subject to the approval of the shareholders general assembly. Such transfer may discontinue with a resolution from the General Assembly of shareholders of the parent company upon a recommendation from the Board of Directors.

21- Cost of sales

	2024	2023
Beginning inventory	**24,628,669**	20,572,554
Purchases	**97,130,499**	84,439,841
	121,759,168	105,012,395
Foreign currency translation	**1,116**	945
Ending inventory	**(29,738,866)**	(24,628,669)
	92,021,418	80,384,671

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22- General and administrative expenses

	2024	2023
Staff cost	**2,398,215**	2,290,108
Rents	**1,328,791**	1,282,163
Maintenance expenses	**147,063**	137,350
Postage and telephone	**44,323**	49,083
Other	**796,282**	608,472
	4,714,674	4,367,176

23- Provisions

	2024	2023
Depreciation and amortization	**425,960**	645,476
End of service indemnity and staff-leave	**224,057**	232,819
Provision for expected credit losses	**101,500**	-
	751,517	878,295

24- Proposed dividends and Board of Directors' remuneration

On April 17, 2025 the Board of Directors of the parent company held and proposed the following:

- Non distribution of remuneration for the Board of Directors members for the financial year ended December 31, 2024 (2023: Nil).
- Distribution of cash dividends to the shareholders of the parent company by 25% of paid-up capital by 25 fils per share (2023: Nil) and bonus shares at a rate of 5% of the paid-up capital, at a rate of 5 shares per for every 100 shares, for the year ended on December 31, 2024 (2023: Nil).

These proposals are subject to the approval of the Shareholders General Assembly.

25- Earnings per share attributable to shareholders of "the parent company" /(Fils)

Earnings per share attributable to shareholders of "the parent company" is calculated through dividing the net profit for the year attributable to shareholders of "the parent company" by the weighted average number of shares outstanding during the year as follows:

	2024	2023
Net profit for the year attributable to shareholders of "the parent company"	**5,253,676**	5,844,415
Weighted average number of issued and outstanding shares during the year	**204,120,000**	204,120,000
Earnings per share attributable to shareholders of "the parent company" /(Fils)	**25.74**	28.63

26- Transactions with related parties

The related parties represent transactions with shareholders, Board of Directors Members, the Parent Company's key management personnel, their families and companies in which they own significant shares or significantly influenced by them. The transactions between the Group and these parties are conducted on commercial basis with the management's approval. The related parties' transactions are subject to the approval of the shareholders' General Assembly.

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

Consolidated statement of financial position

The consolidated statement of financial position does not include any related party balances.

Consolidated statement of profit or loss

Remunerations and benefits for key management benefits:	**2024**	2023
Salaries and other benefits	**36,000**	24,000

27- General Assembly of the Shareholders

On August 14, 2024 the general assembly meeting of the shareholders was held and approved the following:

- The consolidated financial statements for the financial year ended December 31, 2023.
- Approval of the Board of Directors' proposals not to distribute a bonus to the Board of Directors' members for the financial year ended December 31, 2023, as well as not to distribute dividends for the financial year ended December 31, 2023.

28- Contingent liabilities

At the consolidated financial position date the Group had contingent liabilities as follows:

	2024	2023
Letters of guarantee	**245,188**	245,188

29- Disposal of a subsidiary

On December 21, 2024 the parent company sold its entire share in Zohor Al Reef General Trading and Contracting Company W.L.L to a related party based on management accounts prepared by the management as the sale date. Accordingly, the Group lost its control over the financial and operating policies of this company, and this transaction had no impact on the consolidated statement of profit or loss.

The following is a statement of the subsidiary's assets and liabilities as of the date of disposal date:

	Zohor Al Reef General Trading and Contracting Company - W.L.L
Assets	
Cash and cash equivalents	**349,600**
Accounts receivable and other debit balances	**248,624**
Inventory	**934,070**
Investments at fair value through other comprehensive income	**3,069,898**
Intangible assets	**335,773**
Property and equipment	**29,355**
Total assets	**4,967,320**
Liabilities	
Murabahat payables	**(618,771)**
Provision for end of service indemnity	**(79,808)**
Total liabilities	**(698,579)**
Net assets	**4,268,741**
The Group's share in the net assets of the subsidiary (99%)	**4,226,054**
Value of the disposal share	**4,226,054**

30- Financial instruments and risks management

A- Financial instruments

Significant accounting policies

Details of the significant accounting policies - including the principles of measurement and recognition of revenues and expenses - for all categories of financial assets and liabilities are disclosed in Note No. (3) to the consolidated financial statements.

Categories of financial instruments

The Group's financial assets and liabilities are classified as shown in the consolidated statement of financial position as follows:

Financial Assets	**2024**	2023
Cash and cash equivalents	**16,938,331**	7,166,883
Investments at fair value through other comprehensive income	**24,000**	1,948,713
Accounts receivable and other debit balances	**35,610,468**	30,926,961
	52,572,799	40,042,557

Financial Liabilities	**2024**	2023
Murabahat Payables	**17,564,757**	14,825,250
Notes payable	**5,319,423**	3,237,631
Ijara payables	**5,000,000**	1,638,000
Accounts payable and other credit balances	**1,634,909**	1,208,925
Finance payables	**-**	317,680
Due to banks	**-**	3,652
	29,519,089	21,231,138

Fair value of financial instruments

Fair value of financial instruments is defined as the amount at which an asset could be exchanged or a liability settled in a current transaction between knowledgeable willing parties in an arm's length transaction. The group's used recognized assumptions and methods to estimate the fair value of the financial instruments. The fair value of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid market (if any) is determined with reference to quoted market prices.
- The fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar financial instruments.

The fair values of financial instruments carried at amortized cost are not significantly different from their carrying values.

Financial risks management

The Group uses financial instruments that are exposed to variety of financial risks such as credit risks, liquidity risks and market risks.

The Group continuously reviews its risks exposures and takes the necessary procedures to limit these risks to acceptable levels.

- **Credit risks**

Credit risks are the risks that one party to a financial instrument will fail to discharge an obligation causing the other party to incur a financial loss. Financial assets, which potentially subject the group to credit risks, consist principally of cash at banks, short term deposits and trade receivables. Credit risks associated with receivables are limited due to the dispersion of credit across large number of customers, for more details see note (9). Cash at banks and short term deposits are deposited at reputable credit financial institutions. Trade receivables are presented at net after deducting of provision for expected credit losses.

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The table below shows the assets exposed to credit risk in the consolidated statement of financial position:

	2024	2023
Cash at banks	**16,016,979**	6,375,248
Short term deposits	**5,000**	5,000
Trade receivables	**29,439,682**	25,414,131
	45,461,661	31,794,379

For further information, refer back to notes 6, 9. Financial assets whose maturity date has expired and its value have not impaired are disclosed in note 9. The maturity date of the other financial assets has not yet passed.

- **Liquidity risks**

Liquidity risks are the risks that the group will be unable to meet its cash obligations. The management of liquidity risks consists of keeping sufficient cash and arranging financing sources through enough facilities, retaining highly liquid assets and monitoring liquidity on a periodical basis through the method of future cash flows.

The maturity of liabilities stated below is based on the period from the consolidated financial position date to the contractual maturity date. In the case of financial instruments that do not have a contractual maturity date, the maturity is based on management's estimate of time period in which the asset will be collected or disposed and the liability settled.

The maturity analysis of liabilities as of December 31, 2024 is as follows:

	Within one year	**More than one years**	**Total**
Murabahat payables	**17,357,350**	**207,407**	**17,564,757**
Notes payable	**5,319,423**	**-**	**5,319,423**
Accounts payable and other credit balances	**1,634,909**	**-**	**1,634,909**
Ijara payables	**5,000,000**	**-**	**5,000,000**
Provision for end of service indemnity	**-**	**930,671**	**930,671**
	29,311,682	**1,138,078**	**30,449,760**

The maturity analysis of liabilities as of December 31, 2023 is as follows:

	Within one year	More than one years	Total
Murabahat payables	13,788,235	1,037,015	14,825,250
Notes payable	3,237,631	-	3,237,631
Accounts payable and other credit balances	1,208,925	-	1,208,925
Ijara payables	1,638,000	-	1,638,000
Finance charges	317,680	-	317,680
Due to banks	3,652	-	3,652
Provision for end of service indemnity	-	897,088	897,088
	20,194,123	1,934,103	22,128,226

- **Market risks**

Market risks, comprise of foreign currency risk, interest rate risk and equity price risk. These risks arise due to changes in market prices as well as shown in interest rates and foreign currencies rates.

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

Foreign currencies risks arise from transactions in foreign currencies. The group manages these risks by setting limits on transactions in foreign currencies and parties and limiting its transaction business in major currencies with reputable parties.

Interest rate risks
Interest rate risks are the risks that the fair value or future cash flows of a financial instrument will fluctuate due to changes in interest rates in the market.

Interest rate risks arise from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flows interest rate risks.

The Group does not have significant assets with an interest rate. Accordingly, the Group's consolidated profit or loss and its cash and operating flows are not affected by changes in market interest rates.

Equity price risks
Equity price risks are the risks that the fair values of equities fluctuate as the result of changes in the levels of equity indices and the value of individual stocks. This risk results due to the changes in the fair value of the investments in stocks.

The Group is exposed to equity price risks due to its holding of investments classified in the consolidated statement of financial position at fair value through comprehensive income as the group does not retain financial investments.

- **Concentrations**

Concentrations arise when a number of counterparties are engaged in similar activities, or activities in the same geographic region, or have similar economic features that may cause them to be prepared to face contractual obligations that are similarly affected by changes in economic, political or other conditions.

Concentrations indicate the relative sensitivity to developments affecting a particular business sector or a particular geographical area. Assets and liabilities are primarily concentrated in the State of Kuwait.

31- Capital risks management

A. The Group's objectives in capital management:

The Group's objectives when managing capital are:

- To safeguard the Group's ability to continue as a going concern to be able to provide returns for shareholders and benefits for other stakeholders.
- To maintain an optimal returns to shareholders by pricing its products and services commensurately with risk level.

B. Debt-to-equity ratio

Consistent with others in the same industry the Group monitors capital on the basis of net debt to the total adjusted capital ratio. This ratio is calculated through dividing net debt by the total adjusting capital. Net debt is calculated as total Murabahat payables, shown in the consolidated statement of financial position less cash and cash equivalents. Total adjusted capital comprises all components of equity (share capital, reserves retained earnings, and non-controlling interests) plus net debt.

The debt to equity ratio is as follows:

	2024	2023
Debt	**27,884,180**	20,022,213
Less: Cash and cash equivalents	**(16,938,331)**	(7,166,883)
Net debt	**10,945,849**	12,855,330
Total equity	**79,508,858**	59,217,728
Adjusted capital	**90,454,707**	72,073,058
Debt to equity ratio	**%12.10**	%17.84

32- Comparative figures

Certain comparative figures for the previous year have been reclassified to conform to current year presentation.

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33- Financial position of "the parent company"

The following is the separate financial position statement of Dalqan Group Holding Company K.S.C. (Closed) "the Parent Company":

	2024	2023
Assets		
Current assets		
Cash and cash equivalents	9,895,800	1,808,018
	9,895,800	1,808,018
Non-current assets		
Investments in subsidiaries	39,118,743	49,376,656
Investments in unconsolidated subsidiaries	725,500	985,476
Investments at fair value through other comprehensive income	24,000	-
Intangible assets	4	4
	39,868,247	50,362,136
Total assets	49,764,047	52,170,154
Liabilities and equity		
Current liabilities		
Accounts payable and other credit balances	310,681	277,386
Non-current liabilities		
Provision for end of service indemnity	7,030	6,470
Equity		
Share capital	20,412,000	20,412,000
Statutory reserve	4,467,758	3,926,284
Voluntary reserve	3,946,796	3,405,322
Change at fair value reserve	-	24,018
Foreign currency translation reserve	(1,816)	(1,902)
Retained earnings	20,621,598	24,120,576
Total equity	49,446,336	51,886,298
Total liabilities and equity	49,764,047	52,170,154

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34- Financial profit or loss and other comprehensive income of "the parent company"

The separate statement of profit or loss and other comprehensive income of Dalqan Group Holding Company K.S.C. (Closed) "the Parent Company" is as follows:

	2024	2023
Revenue		
Share result in of subsidiaries	**5,269,918**	6,214,177
Share result of a previously subsidiary	**359,993**	-
Gain on disposal of a subsidiary	-	8,656,524
Total revenue	**5,629,911**	14,870,701
Expenses and other charges		
General and administrative expenses	**334,265**	310,152
Provisions	**1,697**	1,281
Total expenses and other charges	**335,962**	311,433
Net profit for the year before calculating the share of the Kuwait Foundation for the Advancement of Sciences and Zakat	**5,293,949**	14,559,268
Contribution to Kuwait Foundation for the Advancement of Science	**(18,244)**	(26,917)
Zakat	**(22,029)**	(31,412)
Net profit for the year	**5,253,676**	14,500,939
Other comprehensive income	**86**	11,331
Total comprehensive income	**5,253,762**	14,512,270