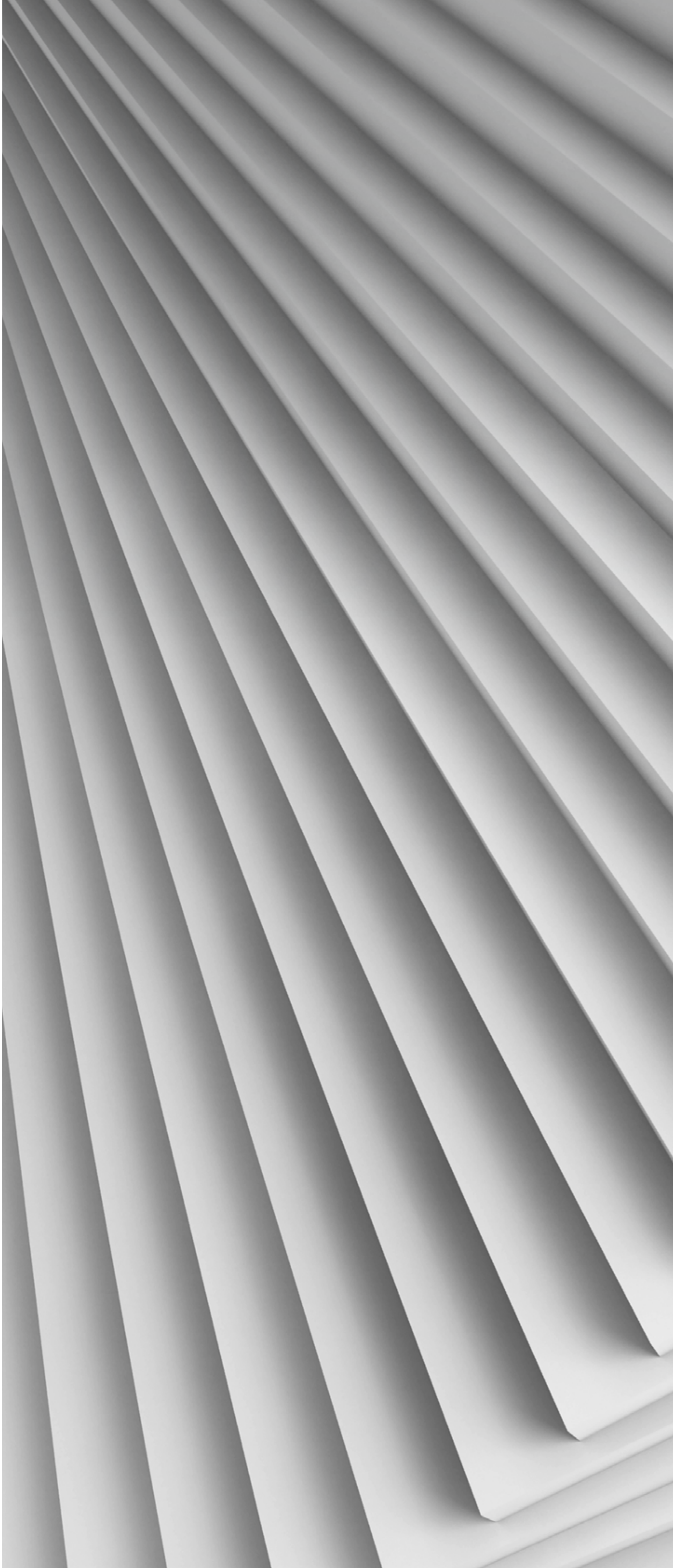
ANNUAL REPORT 2024



RASAMEEL

بسم الله الرحمن الرحيم

Rasameel Investment Co. (K.S.C.C.)
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Al Qibla, Kuwait City
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Website: www.rasameel.com

H.H. Sheikh
Meshaal Al Ahmed Al Jaber Al Sabah
The Amir of the State of Kuwait

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


RASAMEEL

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BOARD OF DIRECTORS

BOARD OF DIRECTORS

Mr. Gerard Snabian
Chairman

- Master's degree of Business Administration
- Has more than 35 years of experience as head of all investment, operations and financial activities, including 22 years as Chief Executive Officer and Acting Chief Executive Officer of several investment companies.

Mrs. Noor Tawfiq Salem Al Abdulrazzaq
Vice Chairman

- Master's degree of Business Administration
- Has more than 14 years of experience, including 9 years in treasury and investment.

Mr. Haitham Sulaiman Alkhaled
Board member

- Holder of a Bachelor of Electrical Engineering.
- Has more than 29 years of experience in mobile communications, including 16 years in executive positions and 15 years in central middle management positions.
- Served as Chairman of the Board of Directors and Member of the Board of Directors for a number of companies for more than 17 years.

Mr. Mohammad Tawfeeq Ahmad Sultan

Board member

- Bachelor's degree in Business Administration
- Has more than 17 years of experience and is the Deputy General Manager of Towell Group and a member of the Board of Directors of many companies.

Mrs. Zainab Al Failakawi

Board member

- Bachelor's degree in Accounting - Administrative Sciences.
- Has more than 12 years of experience, and she is currently the Head of the Financial Investment Operations Department at Kuwait Awqaf Public Foundation

Mr. Mohamad Abdul Rahman Al Fares

Board member

- Bachelor's degree in Business Administration (Finance).
- Has more than 12 years of experience, and is the owner and Chairman of Nat Capital Holding Company.
- In addition, he has been an advisor to the Board of Directors of Towell International Holding Company since June 2016.

BOARD OF DIRECTORS

Mr. Dakhil Abdullah Al-Dakhil

Board member and CEO

- Bachelor's degree in Industrial Engineering and he is a chartered financial analyst (CFA).
- Has more than 16 years of experience in the field of Islamic investment and finance, including more than 9 years in executive positions.
- He spent his last 20 years of experience in the alternative investments space, and more recently, in technology startups. Dakhil is the CEO of Rasameel.

SHARIAH SUPERVISORY BOARD

Sh./Dr. Abdulaziz Khalifa Al Qassar
Chairman

Sh./Dr. Issam Khalaf Al Anzi
Board member

Sh./Dr. Ali Ibrahim Al Rashed
Board member

EXECUTIVE MANAGEMENT

Dakhil Abdullah Al-Dakhil
Chief Executive Officer

Dakhil has extensive experience in Alternative Investments. He started his career in early 2004 in Private Equity at the Industrial and Financial Investments Company in Kuwait. Over the years, Dakhil was also exposed to Real Estate, locally, GCC and internationally. He managed to close multiple real estate transactions across different sectors and difference jurisdictions of a value over 500 million US dollars. Mr. Al Dakhil was a founding executive member at Dimah Capital after serving a substantial period of time at Al Aman Investment Company where he managed to close several private equity deals; notably, a $100 million private equity Asian fund, Al Fayez. With a background of Industrial Engineering from the Pennsylvania State University, Dakhil is a Chartered Financial Analyst (CFA) from the CFA institute since 2008.

Mr. Robert Aspin, CFA
Consultant - Capital Market

Robert Aspin brings with him over two decades of investment experience across multiple markets and asset classes. He started his investment career at JP Morgan Asset Management in London in 1995 and was based for a while in Singapore as Head of Asian Financials in 1997 and then later covered emerging market Utilities and TMT in Europe. He was head hunted to Deutsche Bank Securities London as the co-head of Global Emerging Market Telecom Research team, after which he joined Investcorp (Bahrain and New York) as Portfolio Manager and Member of the Investment Committee. He later joined Standard Chartered in 2011 as Head of Equity Strategy and then established a wealth manager in Singapore in 2016. Mr. Aspin holds a Masters degree and is a CFA Charter holder.

Mohammad Tareq Al-Thaqeb

SVP – Alternative Investments

Mr. Mohammad Tareq Al-Thaqeb has more than 17 years' experience in Kuwait, GCC and international real estate markets with Assets Under Management in excess of +$1.5 Billions, starting from setting the investment criteria and strategies, sourcing investment opportunities, structuring the investments and funds/portfolios, managing real estate investments to implementing exit strategies of the investments. After receiving his bachelor degree in Finance and Financial Institutions from Kuwait University, Mr. Al Thaqeb started his career at Kuwait Finance House (KFH) in 2006 in the International Real Estate Department in the Investment Sector. In 2013, Al-Thaqeb moved to KFH Real Estate Company and then to KFH Capital Investment Company in 2015 to manage the real estate investments and has held many positions in the real estate investment sector. Mr. Al-Thaqeb has held several Board and Committee positions in real estate and investment companies in Kuwait such as Abyaar Qatar for Real Estate Company and Aref Investment Group. Mohammad Al-Thaqeb is currently the Head of International Real Estate and SVP of Investment Team at Rasameel Investment Company.

Dana Mansour Al Nassar

SVP - Wealth Management

Dana Mansour Al Nassar is the Head of Wealth Management at Rasameel Investment Company. Joined Rasameel in 2020 and has over 18 years of experience. Prior to joining Rasameel Al Nassar worked in various reputable financial institutions, including NBK Capital investment services department and Global Investment House. During this time, she honed her expertise in the brokerage department as business development and eventually transitioned to the wealth management department. Al Nassar hold a bachelor degree from Kuwait University and completed Kuwait Investment Authority Training program.

EXECUTIVE MANAGEMENT

Hashem Naboulsi, MBA, ICA, CCP, CCGO

SVP – Compliance & AML

Hashem Naboulsi an executive MBA holder from Grenoble Ecole de Management has over 14 years of experience in compliance, AML, internal audit, and corporate governance. He started his career with Deloitte Consulting MENA region in enterprise risk services. He gained a wide range of experience in several fields and service lines. He got exposed to different financial services industry firms in the Mena region. Hashem gained wide range of reputable qualifications, certifications & licensed from governmental bodies.

BOARD OF DIRECTORS REPORT

BOARD OF DIRECTORS REPORT

Mr. Gerard Snabian
Chairman

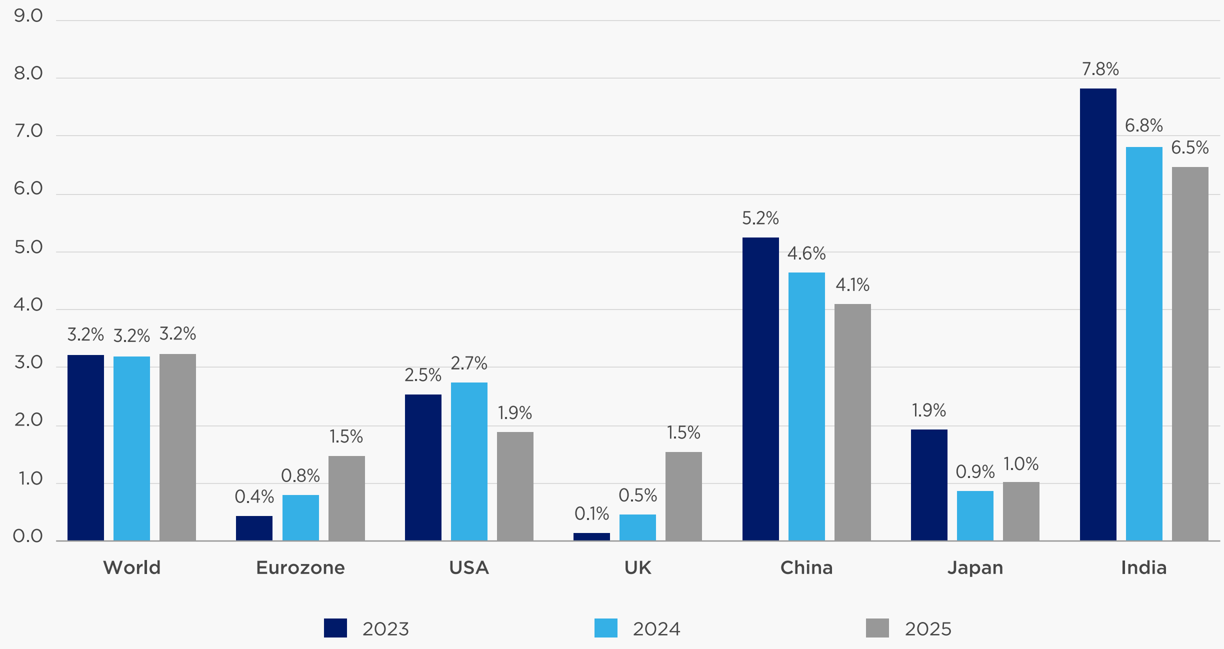
To our esteemed Shareholders,

On behalf of the esteemed members of the Board of Directors of Rasameel Investment Company, it gives me great pleasure to welcome you to our Ordinary Annual General Assembly meeting, and present to you the annual report for the financial year ended on March 31, 2024, which includes the Board of Directors' annual report, the latest developments in the Company's activities, an updated progress report, the Fatwa and Shariah Supervisory Board report and the Company's independent external auditor's report. The annual report also includes an insightful overview of the most prominent global, regional and local economic developments.

Global Economy

The global economy continues to experience significant uncertainty in its performance and future prospects. After a negative growth rate of approximately 2.7% in 2020 due to the COVID-19 pandemic and a strong rebound with around 6.5% growth in 2021 as the impacts were mitigated, concerns about inflation arose with the onset of the Russian-Ukrainian war. This led to tighter monetary policies, prioritizing inflation control over growth stimulation. These stringent measures have borne fruit, with a near consensus on the economy achieving a soft landing, albeit with potential costs. Therefore, the International Monetary Fund (IMF) estimates real global growth at around 3.5% in 2022 and projects growth of about 3.2% for 2024-2025.

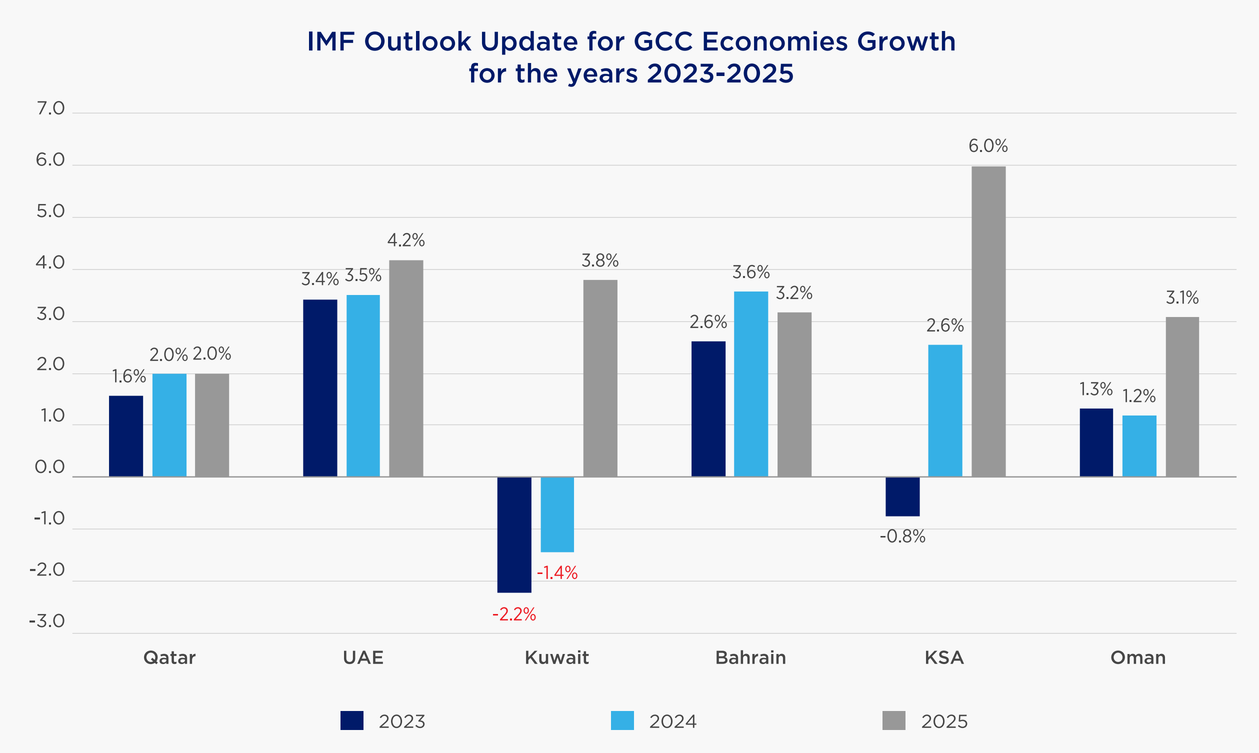
IMF Outlook Update for Global Economy and Advanced Economies Growth for the years 2023-2025



IMF forecasts show significant disparities in the potential growth rates of major global economies, with India expected to lead with approximately 6.8% and 6.5% growth for 2024 and 2025, followed by China at 4.6% and 4.1%, and the United States at 2.7% and 1.9%, respectively. The robust performance of the US economy delays any easing of its stringent monetary policies. In contrast, growth expectations remain low for other major economies: the Eurozone at 0.8% and 1.5%, Japan at 0.9% and 1.0%, and the UK at 0.5% and 1.5% for 2024 and 2025, respectively. Therefore, most of these economies are gradually easing their tight monetary policies to stimulate growth.

Regional Economy

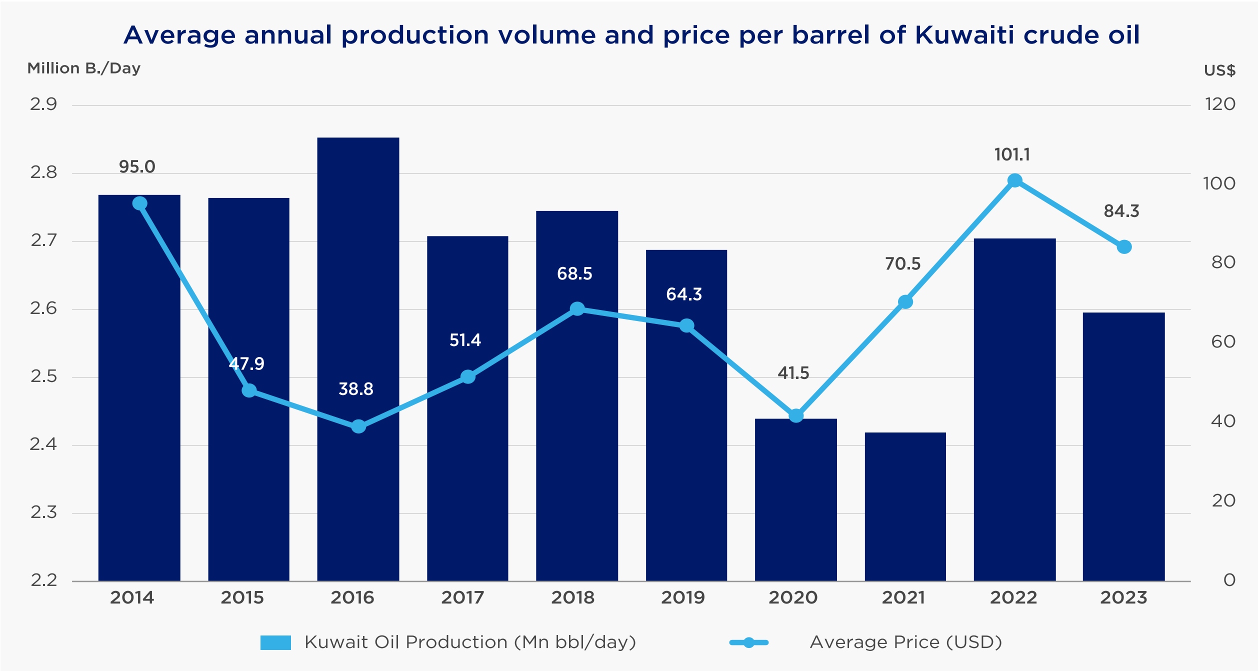
The performance of the economies of the Gulf Cooperation Council (GCC) countries is primarily influenced by oil market variables. With GCC oil-producing countries adhering to OPEC+ decisions, production quotas were reduced in May 2023, followed by another cut in November, effective January 2024. Despite these cuts aimed at supporting prices, they led to lower prices. Consequently, the economies of the six GCC countries recorded modest growth of around 0.6% in 2023, with positive growth in four countries and negative growth in two, according to IMF estimates.



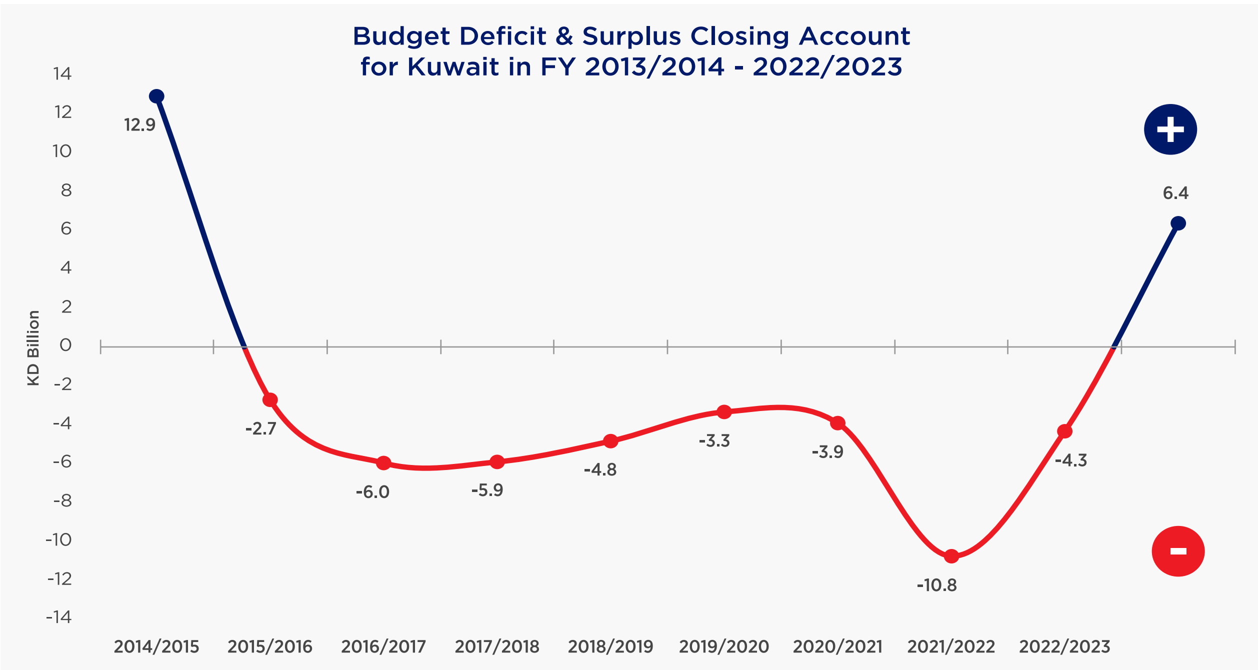
The same source projects positive growth of 2.4% for the region in 2024, with a gradual recovery of the reduced production quotas. Five countries are expected to achieve positive growth this year, while one may experience negative growth. The IMF's growth projections for the region in 2025 rise to 4.7%, outpacing the global growth rate for the same year.

Local Economy

The Kuwaiti economy's heavy reliance on oil, coupled with reduced oil production quotas and lower prices, led the IMF to estimate a contraction of around 2.2% in 2023. Given that the recovery of lost production shares will only begin in the fourth quarter of 2024, the IMF continues to predict a contraction in Kuwait's economy in 2024, albeit at a reduced rate of about 1.4%. For 2025, Kuwait is expected to achieve the third-highest growth rate among GCC countries at approximately 3.8%, following Saudi Arabia at 6% and the UAE at 4.2%.



Kuwait has greater flexibility in shaping its monetary policy path. Unlike other countries in the region, Kuwait employs a more flexible exchange rate policy, tying the Kuwaiti dinar to a basket of currencies with undisclosed weights, allowing for adjustments based on prevailing economic conditions. This is an advantage. Additionally, Kuwait has adopted a discount rate policy for the dinar that differs from the near-complete alignment with US dollar interest rates, allowing for a margin favoring the US dollar base rate against the Kuwaiti dinar discount rate for the first time in its history.



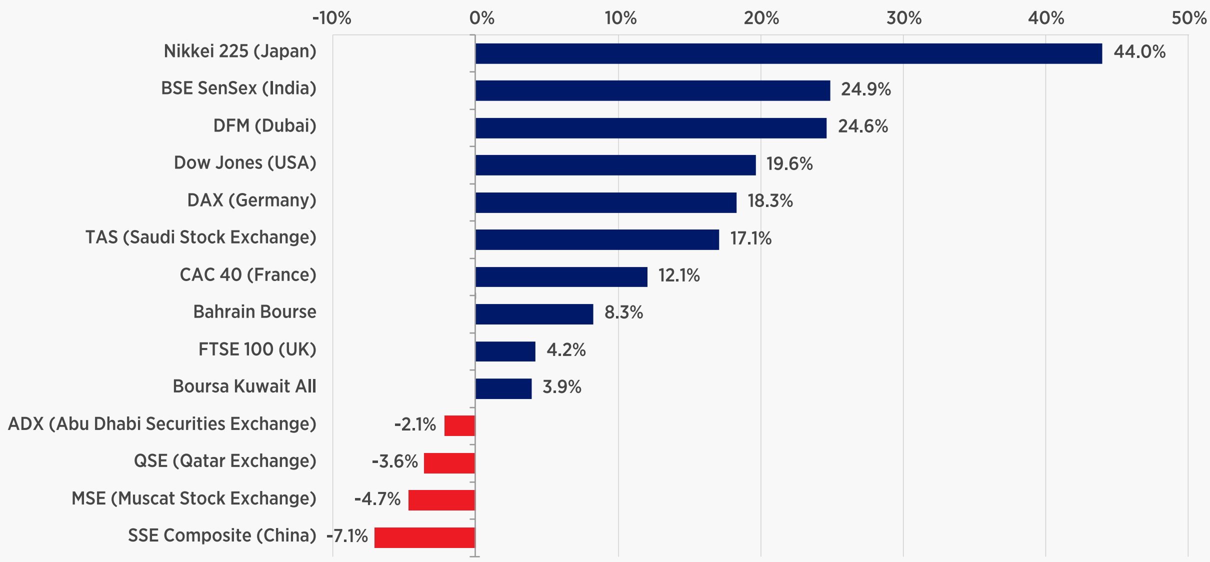
BOARD OF DIRECTORS REPORT

The primary challenge for Kuwait remains reducing its economy's heavy reliance on the oil market. According to the latest report by Standard & Poor's in June 2024, oil accounts for about 90% of Kuwait's export revenues, 90% of public budget funding, and 50% of its GDP. The same report by Standard & Poor's also noted that Kuwait experienced fiscal deficits in eight out of the past ten years, with deficits projected to continue from 2024 to 2027. However, Kuwait has another strength in its substantial financial reserves, estimated by Standard & Poor's to be around 418% of its GDP, the highest relative savings compared to other regional countries. These reserves could fund the restructuring of its economy if it chooses to do so.

Financial Markets

Despite stringent monetary policies aimed at curbing inflation, the performance of global financial markets from the end of March 2023 to the end of March 2024 was largely positive. Most major global and GCC stock markets recorded gains. Out of a sample of 14 markets, 7 mature and emerging markets and 7 GCC markets, 10 markets achieved gains, while 4 posted losses. The biggest gainer was Japan's Nikkei index with a 44% increase. However, the most significant gainer was the US Dow Jones, with a 19.6% increase, given that the US has the world's largest economy and the most stringent monetary policies. The positive performance of the Dow Jones during a period of unprecedented interest rate hikes indicates that the major global financial markets are likely to see further gains as interest rates on the US dollar begin to decline, with most other financial markets may follow this trend.

Performance of Selected Financial Markets at the End of March 2024 Compared to the End of March 2023



The performance of GCC markets varied during the same period, with four markets achieving gains, led by Dubai at 24.6%. The most important gainer was the Saudi market, the largest in the region, achieving gains of about 17.1%. Bahrain's market recorded gains of 8.3%, followed by Kuwait at 3.9%. The losses in the other three markets were lower than the gains in the profitable markets, with Muscat incurring the highest loss at 4.7%, followed by Qatar at 3.6% and Abu Dhabi at 2.1%. With higher projected economic growth rates for the region's economies, potential easing in geopolitical tensions, and the anticipated lowering of interest rates in major economies, including the US, the prospects for positive performance in regional financial markets are strong.

Company Performance Report for the Fiscal Year Ended March 31, 2024

During the fiscal year ended March 31, 2024, the Company recorded total revenues of KD 1.4 million compared to KD 1.3 million for the previous year. Management and investment fees income amounted to approximately KD 351,000. The Company realized profits of KD 180,000 Kuwaiti dinars from the sale of investment properties. Rental income increased significantly to KD 1.05 million compared to KD 936,000 for the previous year, driven by higher rental income from the Company's owned units in Hajar Tower.

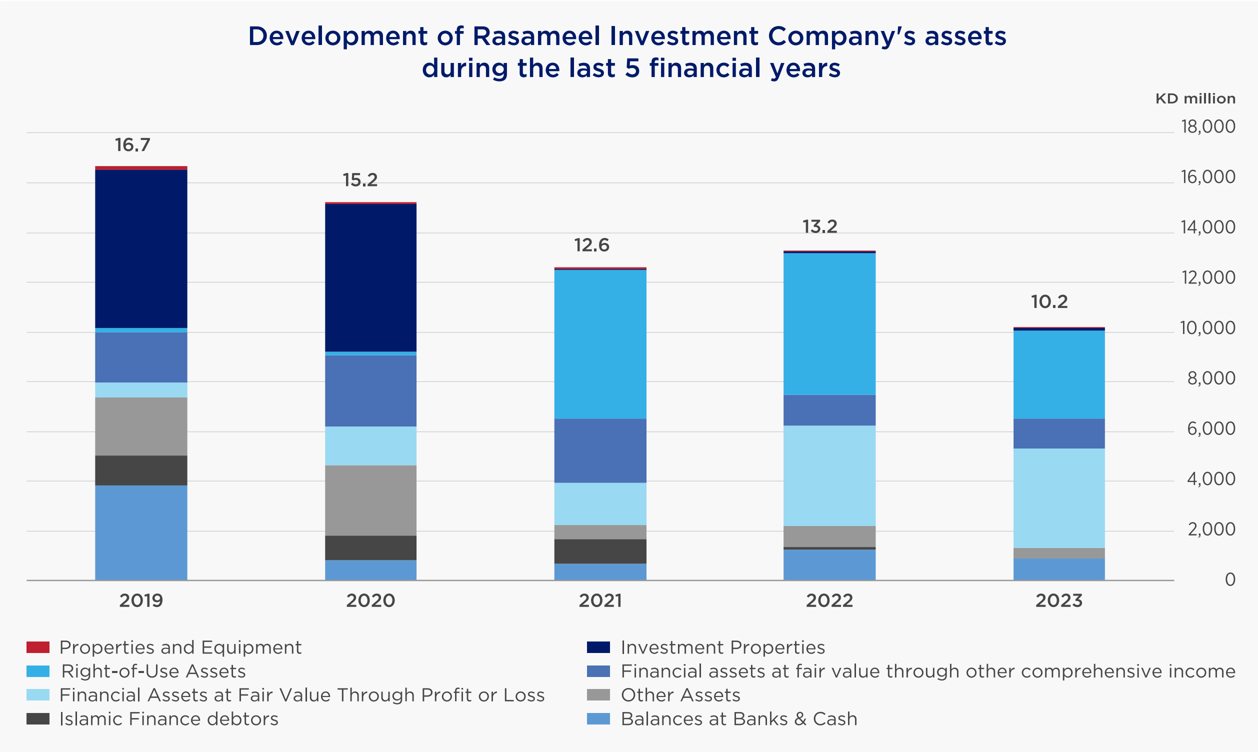
The fair value change in properties recorded a loss of KD 119,000, mainly due to a KD 238,000 decrease in the value of Hajar property and a KD 118,000 increase in the value of Muzn residential property in Dubai

On the other hand, total expenses decreased to approximately KD 2.83 million, compared to KD 3.01 million for the previous year. Most expense items declined, with general and administrative expenses decreasing by KD 164,500 to KD 1.54 million, compared to about KD 1.70 million, net expected credit loss provisions decreasing by KD 76,200, employee incentives decreasing by KD 50,500, and Islamic financing costs decreasing by KD 10,400. However, property management and maintenance expenses increased to about KD 362,300, an increase of KD 39,900 compared to KD 322,400 in the previous year, due to improved occupancy rate and performance of these properties.

Thus, the Company incurred a net loss of around KD 1.4 million for the fiscal year ended March 31, 2024, compared to a loss of KD 1.65 million in the previous year. It is important to note that these losses include KD 629,000 in provisions related to doubtful debts and KD 788,000 in operating losses.

BOARD OF DIRECTORS REPORT

The Company's assets decreased to a total of KD 10.1 million compared to KD 13.2 million in the previous year, while liabilities decreased to a total of KD 3.3 million compared to KD 5 million in the previous year, following the full repayment of the Islamic financing from the First Abu Dhabi Bank.



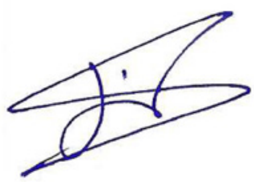
The shareholders' equity of the parent company amounted to approximately KD 6.8 million compared to KD 8.2 million in the previous year, due to the increase in accumulated losses.

I would like to seize this opportunity to extend my gratitude to the dedicated employees of Rasameel Investment Company for their continuous efforts and hard work in maintaining the Company's well-deserved reputation. I also wish to acknowledge the ongoing support provided by our valued shareholders, which enables us to continue our successful endeavors. Furthermore, I would like to thank the Fatwa and Shariah Supervisory Board for their enduring cooperation.

In conclusion, we pray to Allah Almighty, imploring Him to bestow upon our endeavors the blessings of success, as we strive to deliver the utmost to our esteemed shareholders and valued investors. With profound gratitude, we beseech Allah, to safeguard Kuwait and its people under the wise leadership of His Highness the Amir, may Allah safeguard him, His Highness the Crown Prince, and the esteemed government.

Once again, we extend our sincere gratitude for your unwavering support and assure you that we will always strive to meet your expectations.

Best Regards,



Gerard Snabian
Chairman

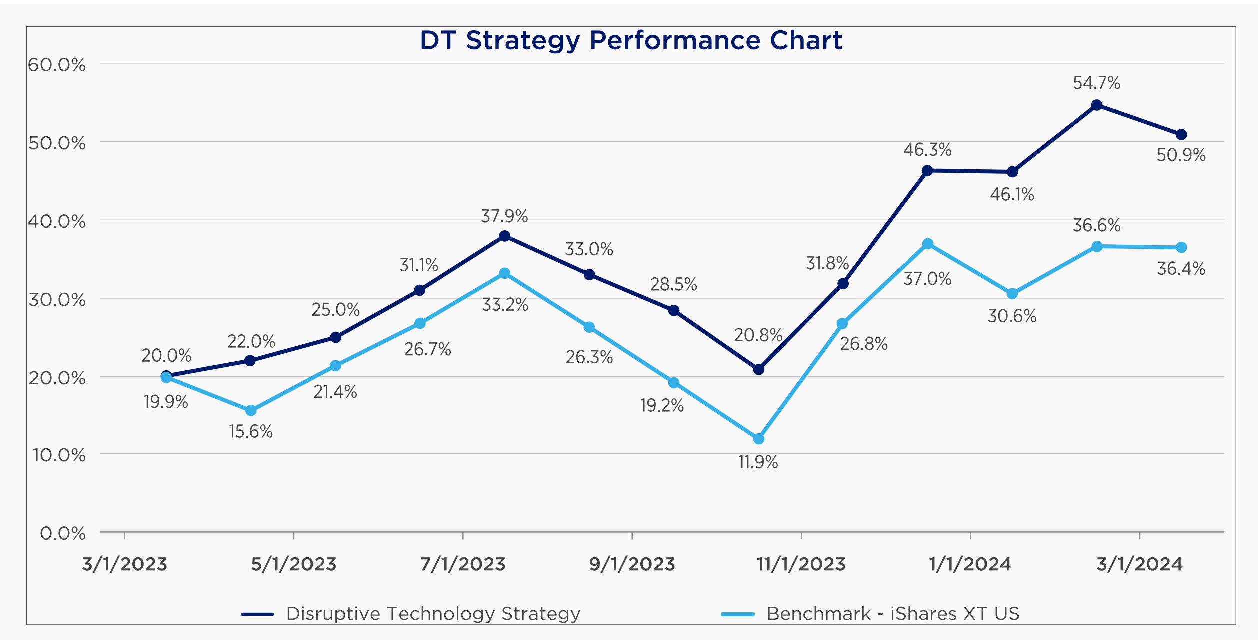
CEO REPORT

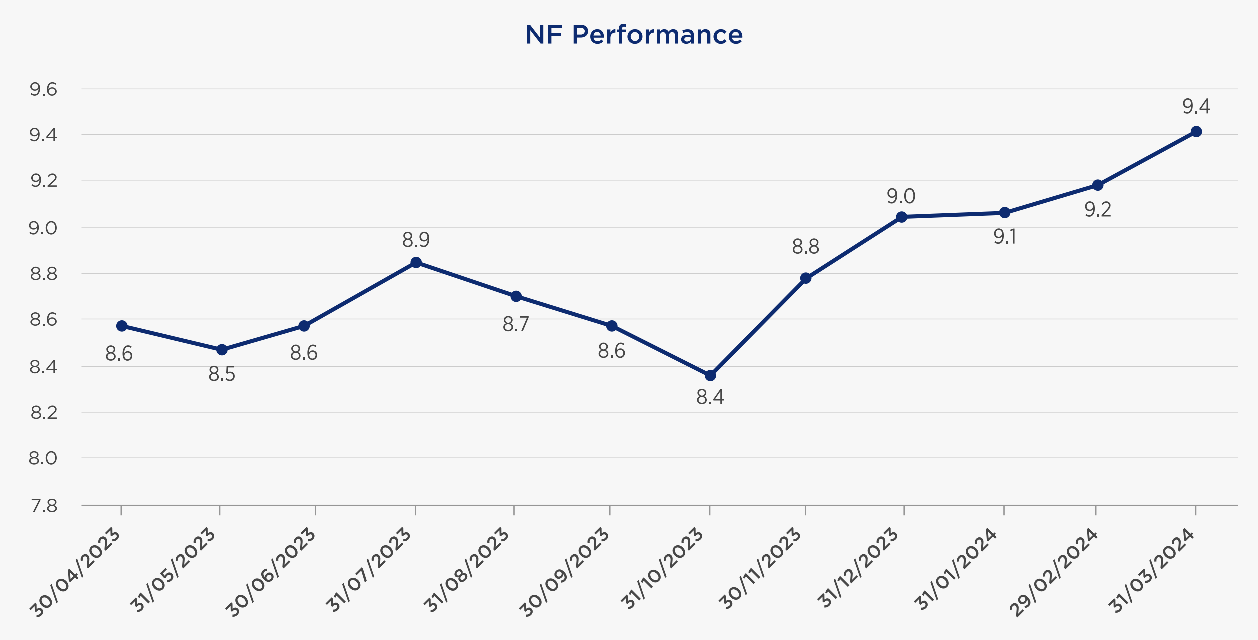
Mr. Dakhil Al Dakhil
Chief Executive Officer

Dear Shareholders,

As we look back on 2023, I am pleased to share with you our update on Rasameel's performance and our plans for the future. The past year presented significant challenges, but it also brought opportunities for growth and innovation. Last year came with a mixed bag.

On the one hand, capital markets performed relatively strong, while the high interest rates affected our activity in the alternative space. Our capital markets performance was better than our tracked indexes:





Kuwait Strategy

In addition to Kuwait Strategy, which achieved an impressive gain of 8.69%, nearly matching the Kuwait All Shares Total Return Index.

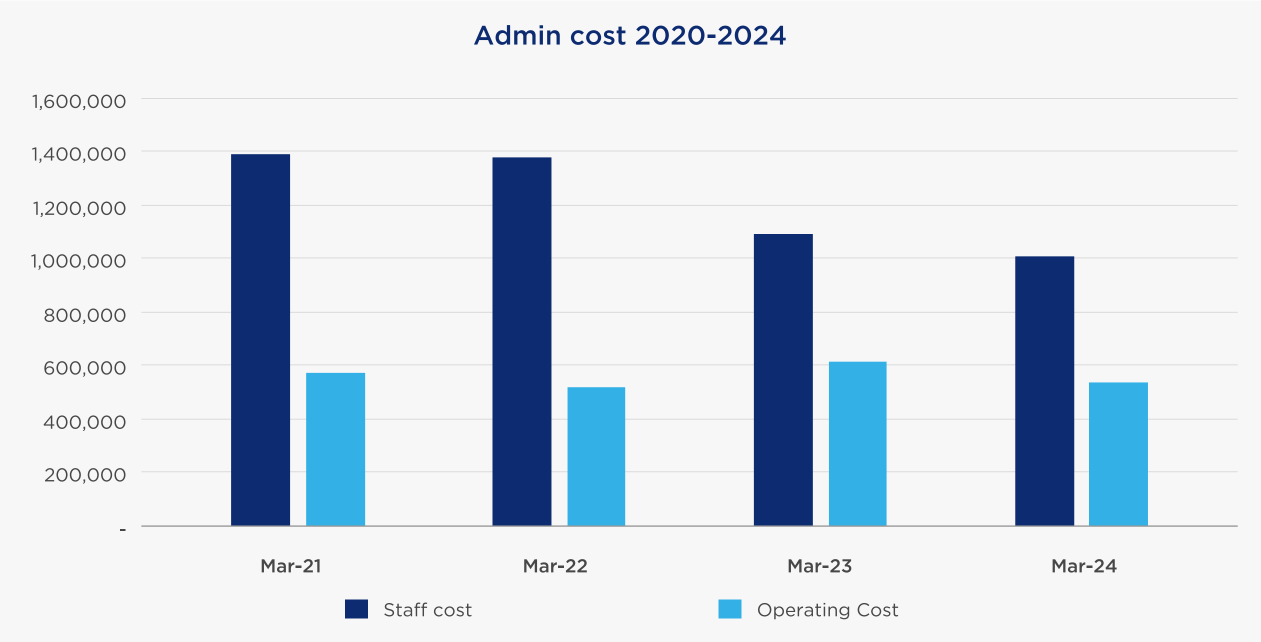
As for our real estate and private equity business lines, we were cautious not to raise funds for our investors given the high uncertainty over those markets.

Even though we ended our financial year with a net loss of 1,417,022 KD, of which 748,645 is non-cash loss, due to provisions & property valuations, which adds up to more than 52% of the total loss. We managed to focus our attention on two main directions in parallel. First, we focused our attention on restructuring and, second, adding new business lines.

Restructuring

In restructuring the company, we focused our attention to lower our burn rate to ensure our sustainability. Looking back at our expenses, we managed to lower our overall expenses in 2023-2024 by 164k KD which adds up to a further 10% reduction compared to last year.

CEO REPORT



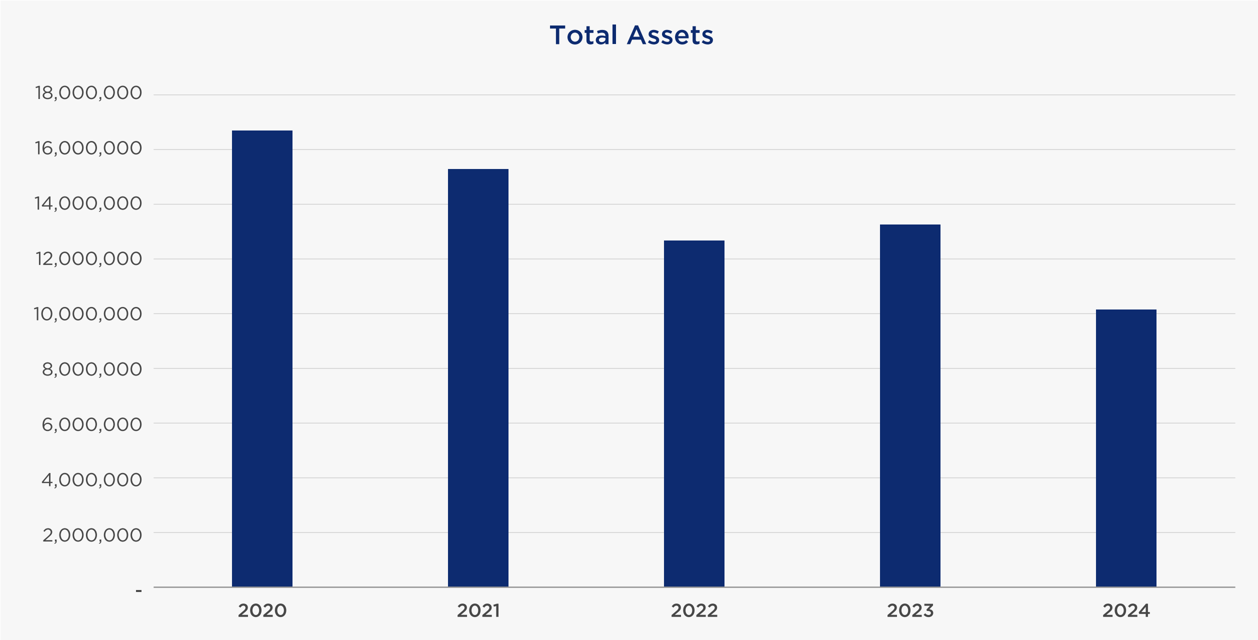
Our major reduction in expenses was lowering the staff cost. Staff cost used to represent 69% of our overall expenses, now its 65%.

The second major restructuring initiative was improving our asset performance. Our improved assets were Hajar Tower, Labor accommodation and the sale of EFT.

Hajar tower performance improved due to market conditions rebounding after COVID-19 lockdowns. We anticipate that this performance will continue in the future due to the economic activity in the wider KSA economy.

As for our Dubai assets, most of our losses this year came from the settlement we reached in our labor accommodation assets. However, we believe that was a price well paid to take over the direct operations for those two assets giving us the control to pay back dividends and Murabaha's. As the time I write this letter, those assets started recovering some of the impaired amounts and we anticipate it will continue improving and paying back Rasameel and investors stronger returns.

Finally, part of our restructuring is to pay down our debt related to the initial purchase of the EFT floor in Dubai. We managed to sell the entire floor to a single entity and realize 183,954 KD profit along the way. Below are our company's assets book value for the past five years.



On the contrary, our international real estate assets faced some difficulty last year, mainly due to higher-for-longer interest rates. Our largest portfolio of assets, the Academy, faced significant challenges in terms of finances, yet maintained strong operational performance. The Academy halted its distributions starting September 2023, which resulted in reducing our dividends by 69% compared with last year. However, this situation is temporary until we sell the assets the following year.

New Business Line - myRasameel

Despite the challenges, we achieved significant milestones. myRasameel saw impressive organic growth, breaking our first milestones and targets.
We also expanded our offerings on the platform to include US trading and ETFs in addition to having our managed strategies on the app. myRasameel has not only grown in terms of user base but also improved its features and user experience.
The positive feedback from our users is a testament to the platform's success and its potential for future growth. We are aiming to include further diversified offerings into our platform to fully integrate all our business activities with myRasameel.

Looking Ahead

Our new direction focuses on catering to the affluent client base, driving digital transformation, and being an agile asset management company. Our main focus for the coming year is the continued growth and evolution of myRasameel. Additionally, we are exploring opportunities in the local real estate market as part of our strategy to diversify our investments and secure new revenue streams. We will target affluent individuals, ensuring sustainable business growth and creating value for our shareholders.

In Conclusion

While 2023 had its challenges, we have navigated through them with resilience and innovation giving ourselves a longer lifeline to execute on our vision. We are committed to leveraging our tech-savvy and financial engineering expertise to drive Rasameel forward in 2024.

Sincerely,

Dakhil Al Dakhil,
Chief Executive Officer

SHARIAH BOARD COMMITTEE REPORT

SHARIAH BOARD COMMITTEE REPORT

بســــم الله الـــرحـــمــــن الـــرحــــيـــم

In the name of Allah, the Beneficent, the Merciful

To shareholders of **Rasameel Investment Company**

According to decision of general assembly instating the appointment of Sharia Supervisory Board, and commissioning us to execute this decision, we submit the following report:

We have monitored the contracts that are related to transactions and implementations offered by the management during the fiscal year ending on March 31, 2024, we have conducted due monitoring to form an opinion as to whether the management has complied with the Rules and Principles of Islamic Sharia, as well as specific Fatwas, ruling and guidelines issued by us. It is the management's responsibility to ensure that the management operates in accordance with the Rules and Principles of Islamic Sharia. However, our responsibility is limited to form an independent opinion based on our review of the management operations and to report to you.

We have performed our review which included examination and documentation of procedures followed by the management. We have also planned and implemented our review in order to obtain all information and interpretations we deemed necessary for providing us with sufficient evidence to give reasonable assurances that the management has not violated Islamic Sharia Rules and Principles.

In our opinion the whole contracts, operations, and transactions made by the management during the year ending on March 31, 2024, which we have reviewed, were conducted in compliance with the Islamic Sharia Rules and Principles.

Name	Position	Signature
Shaikh Dr. Abdulaziz Khalifah Alqassar	Chairman - Sharia Supervisory Board	
Shaikh Dr. Esam Khalaf Alenezi	Sharia Supervisory Board Member	
Shaikh Dr. Ali Ibrahim Alrashed	Sharia Supervisory Board Member	

Date: 27/06/2024
To: Rasameel Company
Subject: Final Report of External Sharia Audit
For the Financial Period 01/04/2023 - 31/03/2024

Peace be upon you,

On Thursday, 21 Dhul-Hijjah 1445 AH, corresponding to 27 June 2024 CE, the External Sharia Audit Office, after reviewing the information provided to us based on the request to review the operations and activities conducted during the aforementioned period, conducting field visits, studying responses and attachments, and in light of the above, presents its report to you according to the requirements of the Capital Markets Authority as follows:

1. Scope of Work of the External Sharia Audit Office

The scope of work of the External Sharia Audit Office involves auditing the transactions, contracts, activities, and securities dealings of Rasameel Company in accordance with the decisions of the Sharia Supervisory Board, the adopted Sharia standards, and the regulatory instructions related to Sharia auditing.

2. Responsibility of the External Sharia Audit Office

The responsibility of the External Sharia Audit Office is to ensure the company's compliance with the decisions of the Sharia Supervisory Board, Sharia standards, and the regulatory instructions related to Sharia auditing. Our responsibility also includes providing an independent opinion based on our audit concerning the activities, contracts, and securities dealings.

3. Responsibility of the Company

The executive management of the company is responsible for carrying out all procedures related to transactions, contracts, activities, and securities dealings in accordance with the decisions of the Sharia Supervisory Board, Sharia standards, and the regulatory instructions related to Sharia auditing.

4. Objectives of the External Sharia Audit Office Report

- To ensure compliance with the application of Islamic Sharia rules and principles according to the Sharia reference adopted by the licensed person and the regulatory instructions related to Sharia auditing.
- To verify that the transactions, contracts, activities, and securities dealings reviewed and examined are in compliance with the decisions of the Sharia Supervisory Board, Sharia standards, and the regulatory instructions related to Sharia auditing.
- To provide Sharia-compliant remedies for violations, if any, found in the transactions, contracts, activities, and securities dealings or their execution methods, and to set a timeframe for implementing these remedies in accordance with the adopted Sharia reference decisions.
- To conduct field visits, and communicate with departments via email and audio-visual communication means.

- To determine the external Sharia audit procedures to reach the results of this report.
- To review the internal Sharia audit unit report.
- To evaluate the efficiency and effectiveness of Sharia risk management procedures.
- To assess the licensed person's compliance with relevant Capital Markets Authority decisions.
- To specify the Sharia standards followed by the licensed person in case they differ from the Sharia standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

5. Audit Procedures and Results

1. Review of the organizational structure.
2. Review of bank accounts.
3. Review of the internal Sharia auditor’s report.
4. Review of the financial statements.
5. Examination of investment portfolios and their components.
6. Examination of profit distributions and confirmation of profit purification for the period (The company management has promised to calculate the purification percentage in the upcoming period).
7. Review of the decisions of the Sharia Supervisory Board.
8. Review of activities, contracts, and agreements executed during the period.
9. Review of securities transactions.

10. Review of the Sharia Supervisory Board's approval of new or amended policies and procedures during the period.

6. Evaluation of the Efficiency and Effectiveness of Sharia Risk Management Procedures

#	Risk Rating	Definition and Types of Sharia Risks
1	High Sharia Risk	**Definition:** A Sharia risk is considered high if it negatively affects the client's activities, investments, and reputation, which necessitates the purification of profits. **Evaluation Criteria:** • Purification of unlawful revenues earned by the institution. • Violation of Sharia-approved procedures for transactions. • Non-implementation of the Sharia Supervisory Board's decisions or regulatory instructions affecting the financial aspect. • Severe harm to the institution's reputation due to activities violating Islamic Sharia rules. • Violation of the policy to present new or amended contracts to the Sharia Supervisory Board with Sharia violations in these contracts.

		• Continuation of a medium-risk violation for more than six months without rectification.
2	Medium Sharia Risk	**Definition:** These are risks affecting a transaction but do not invalidate it, and they can be rectified or may affect the client's reputation. **Evaluation Criteria:** • Limited impact on the profits of certain transactions due to a Sharia error in execution. • Violation of approved procedures without affecting the Sharia compliance of transactions. • Limited impact on the institution's reputation due to involvement in activities that are not in full compliance with Sharia rules but do not have financial consequences. • Violation of the policy for presenting new or amended contracts to the Sharia Supervisory Board (without Sharia violations in the contracts or amendments). • Violation of the policy for obtaining Sharia approvals for new products and commissions before dealing with them (without Sharia violations in the products).

		• Violation of the policy for presenting advertisements to internal Sharia auditing without Sharia violations in those advertisements. • Continuation of a low-risk violation for more than six months without rectification.
3	Low Sharia Risk	**Definition:** Risks that do not invalidate transactions or impact them significantly, and do not require profit purification but may be considered less preferable and could affect reputation. **Evaluation Criteria:** • Violation of Sharia Supervisory Board decisions without financial impact or reputational damage to the institution. • Non-compliance with Sharia improvement recommendations without Sharia impact. • Violation of the policy for presenting advertisements to internal Sharia auditing without Sharia violations in those advertisements. • Procedural violations of transactions that can be corrected without affecting their Sharia compliance.

- Reviewed the classification and description of Sharia risks.
- The Internal Sharia Audit Department performs audit tasks according to Sharia risks.

It was confirmed that the Sharia risk management procedures at the company are carried out with efficiency and effectiveness.

7. Adopted Sharia Reference:

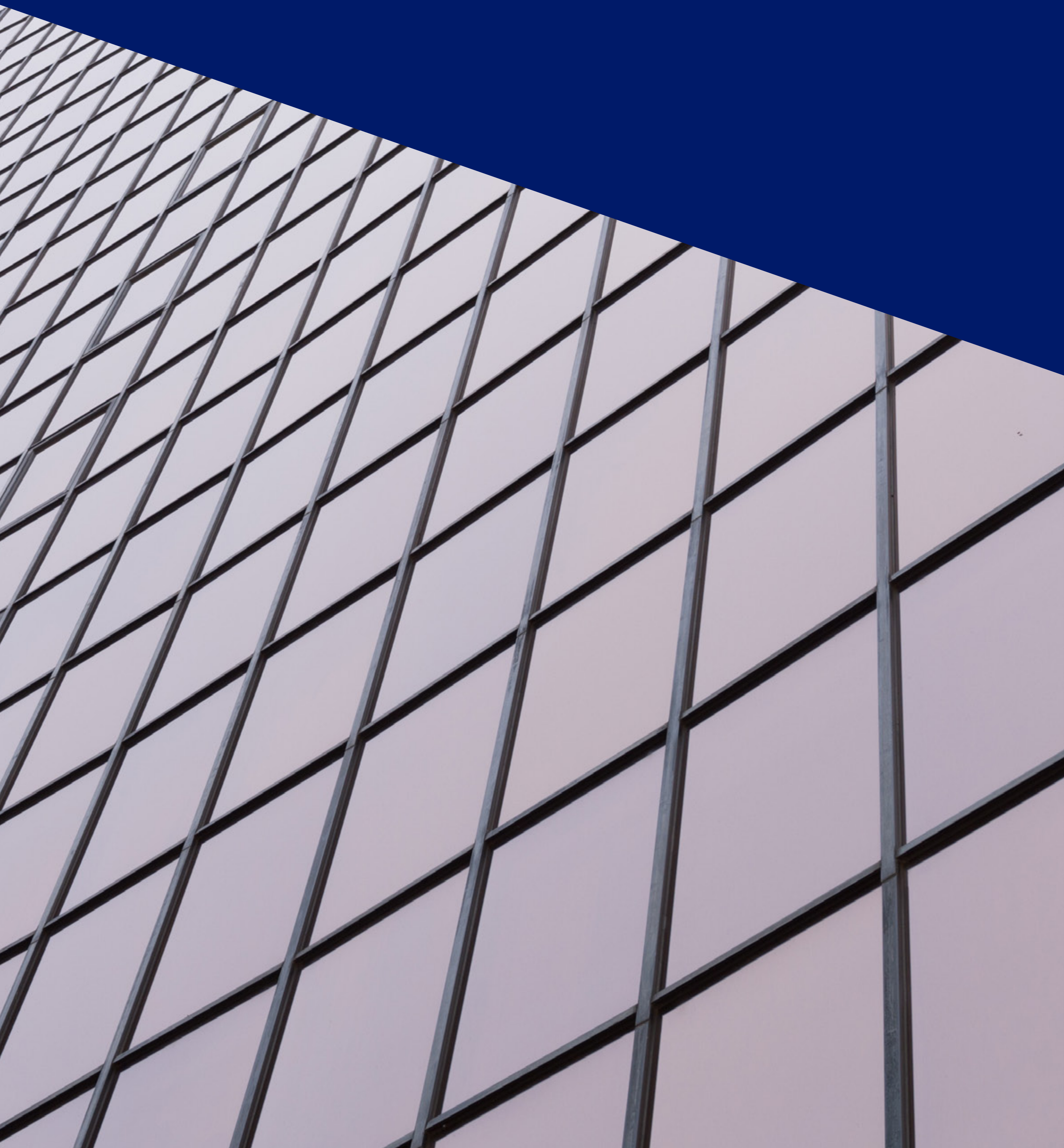
- The company's Sharia reference is based on the decisions of the Sharia Supervisory Board appointed by the General Assembly.
- The indicators approved by the Sharia Supervisory Board are:
  - IdealRatings

8. Final Opinion and Recommendations:

After reviewing the transactions, contracts, activities, and securities dealings conducted by the responsible entities, the External Sharia Audit Office concludes that there are no observations on the operations executed during the financial period mentioned, in accordance with the decisions of the Sharia Supervisory Board, the adopted Sharia standards, and the relevant Capital Markets Authority decisions.

External Sharia Auditor
Dr. Abdulaziz Khalaf Al-Jarallah

CORPORATE GOVERNANCE REPORT



Rule I: Construct a Balanced Board Composition

A brief on the formation of the Board of Directors, as follows:

Name	Member classification	Qualification and practical experience	Date of election / Appointment of Board Secretary
Mr. Gerard Snabian Chairman	Non-executive	• Master's degree of Business Administration • Has more than 35 years of experience as head of all investment, operations and financial activities, including 22 years as Chief Executive Officer and Acting Chief Executive Officer of several investment companies.	August 29, 2021
Mrs. Noor Tawfiq Salem Al Abdulrazzaq Vice Chairman	Non-executive	• Master's degree of Business Administration • Has more than 14 years of experience, including 9 years in treasury and investment.	August 20, 2023
Mr. Dakhil Abdullah Al Dakhil Board Member & CEO	Executive	• Bachelor's degree in Industrial Engineering and he is a chartered financial analyst (CFA). • Has more than 16 years of experience in the field of Islamic investment and finance, including more than 9 years in executive positions. • He spent his last 20 years of experience in the alternative investments space, and more recently, in technology startups. Dakhil is the CEO of Rasameel.	December 27, 2023

Name	Member classification	Qualification and practical experience	Date of election / Appointment of Board Secretary
Mr. Haitham Sulaiman Al Khaled Board member	Non-executive	• Bachelor's degree in Electrical Engineering. • Has more than 29 years of experience in mobile communications, including 16 years in executive positions and 15 years in central middle management positions. • Served as Chairman of the Board of Directors and Member of the Board of Directors for a number of companies for more than 17 years.	August 29, 2021
Mr. Mohammad Tawfeeq Ahmad Sultan Board member	Non-executive	• Bachelor's degree in Business Administration • Has more than 17 years of experience and is the Deputy General Manager of Towell Group and a member of the Board of Directors of many companies.	August 29, 2021
Mrs. Zainab Ahmad Al Failakawi Board Member	Non-executive	• Bachelor's degree in Accounting - Administrative Sciences. • Has more than 12 years of experience, and she is currently the Head of the Financial Investment Operations Department at Kuwait Awqaf Public Foundation	November 24, 2021

Name	Member classification	Qualification and practical experience	Date of election / Appointment of Board Secretary
Mr. Mohamad AbdulRahman Al Fares Board Member	Non-executive	• Bachelor's degree in Business Administration (Finance). • Has more than 12 years of experience, and is the owner and Chairman of Nat Capital Holding Company. • In addition, he has been an advisor to the Board of Directors of Towell International Holding Company since June 2016.	November 24, 2021
Hamad Al Sheikh Musaed Secretary of the Board of Directors	Board Secretary	• Bachelor's degree in Finance and Banking from New Mexico State University. • Has more than 6 years of experience and has demonstrated professionalism throughout his career. As the Head of Business Development, he has successfully served a range of clients including HNWIs, and institutional investors. With a strong foundation in the banking sector, Hamad has transitioned his career towards investments, bringing a wealth of experience and expertise to his role at Rasameel.	December 28, 2023

A brief on the Board of Directors' meetings:

Meetings of the Board of Directors in the financial year ended in March 31, 2023 (Financial year 2022-2023)

Board member	Meeting #1 held on 05/06/2023	Meeting #2 held on 18/07/2023	Meeting #3 held on 20/08/2023	Meeting #4 held on 18/09/2023	Meeting #5 held on 09/11/2023	Meeting #6 held on 07/12/2023	Meeting #7 held on 28/12/2023	Meeting #8 held on 09/01/2024	Meeting #9 held on 28/02/2024	Number of Meetings (9)
Mr. Gerard Snabian Chairman (From 18/09/2023 to date) Vice-Chairman (From 03/04/2022 to 18/09/2023)	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Mr. Samir Abdulmohsen Al Gharaballi Chairman (From 03/04/2022 to 14/09/2023)	✓	✓	✓	Membership Expired	Membership Expired	Membership Expired	Membership Expired	Membership Expired	Membership Expired	3
Mrs. Noor Tawfiq Salem Al Abdulrazzaq Vice Chairman (From 18/09/2023 to date) (Board Member from 20/08/2023)	Not elected yet	Not elected yet	✓	✓	✓	✓	✓	✓	✓	7

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

Board member	Meeting #1 held on 05/06/2023	Meeting #2 held on 18/07/2023	Meeting #3 held on 20/08/2023	Meeting #4 held on 18/09/2023	Meeting #5 held on 09/11/2023	Meeting #6 held on 07/12/2023	Meeting #7 held on 28/12/2023	Meeting #8 held on 09/01/2024	Meeting #9 held on 28/02/2024	Number of Meetings (9)
Mr. Dakhil Abdullah Al Dakhil Board member & CEO	Not elected yet	Not elected yet	Not elected yet	Not elected yet	Not elected yet	Not elected yet	✓	✓	✓	3
Mr. Haitham Sulaiman Al Khaled Board member	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Mrs. Zainab Ahmad Al Failakawi Board Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Mr. Abdulaziz Mohammad Al Anjeri Board Member	✓	Membership Expired	Membership Expired	Membership Expired	Membership Expired	Membership Expired	Membership Expired	Membership Expired	Membership Expired	1
Mr. Mohammad Tawfeeq Ahmad Sultan Board Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	9
Mr. Fahad Abdulaziz Al Jarallah Board Member	✓	✓	Membership Expired	Membership Expired	Membership Expired	Membership Expired	Membership Expired	Membership Expired	Membership Expired	2

Board member	Meeting #1 held on 05/06/2023	Meeting #2 held on 18/07/2023	Meeting #3 held on 20/08/2023	Meeting #4 held on 18/09/2023	Meeting #5 held on 09/11/2023	Meeting #6 held on 07/12/2023	Meeting #7 held on 28/12/2023	Meeting #8 held on 09/01/2024	Meeting #9 held on 28/02/2024	Number of Meetings (9)
Mr. Abdullah Hamad Abdullah Al-Jouan Board Member - Independent	Not elected yet	Not elected yet	✓	✓	✓	✓	✓	✓	Membership Expired	6
Mr. Mohamad AbdulRahman Al Fares Board Member	✓	✓	✓	✓	✓	✓	✓	-	✓	8

* a (✓) mark is inserted when a member attends the Board of Directors' meeting.

A brief on the methodology adopted in the implementation of the requirements for recording, coordinating and keeping the minutes of the Board's meetings:

There is also a special register in which the minutes of the meetings are recorded under serial numbers for the year in which the meetings were held. This special register shall indicate the place, date, and hour of the beginning and end of the meeting to facilitate reference to those minutes.

Minutes of meetings, registers, reports and other documents submitted to and by the Board shall be kept with the Secretary.

The Secretary shall make sure that the Board members follow the procedures approved by the Board. He shall also ensure that the dates of the Board meetings are notified at least three working days before the meeting's date, and take into consideration the emergency of some meetings. In addition, he shall guarantee to the members of the Board of Directors full and quick access to the minutes of the meetings as well as to the Company's information and documents. Under the supervision of the Chairman of the Board of Directors, the Secretary shall also maintain the proper delivery and distribution of information as well as the coordination among the Board members and other stakeholders in the company

A declaration by the independent Board Member that he fulfills the independence requirements. A copy of the declaration is attached to this report:

The independence criteria for the independent Board Member are available and a copy of the declaration is attached to this report.

Rule II: Establish Appropriate Roles and Responsibilities

A brief on the Company's approach to defining the roles, responsibilities and duties of each Board Member and the Executive Management, as well as the delegation of authority to the Executive Management:

The Board of Directors shall assume all the necessary powers and authorities to manage the Company. The Board of Directors' powers, duties and responsibilities are defined in the Company's Articles of Association and in the Board's Committee Charter approved by the Board, without any prejudice to the competencies of the Company's General Assembly. Among the most prominent of these roles and responsibilities are the following:

- Approving the Company's strategy, objectives, work plans and budgets estimates.
- Approving the interim and annual financial statements.
- Approving the internal charters, regulations and policies.
- Developing, approving and supervising the Company's corporate governance structure, including the preparation of the annual Corporate Governance Report.
- Forming specialized committees emanating from the Board.
- Defining the powers that are delegated to the Executive Management.
- Monitoring and supervising the performance of the Executive Management.
- Periodically monitoring the effectiveness and adequacy of the internal control systems.

In addition to the obligations of the Board of Directors, the Board Chairman shall be responsible for representing the Company before third parties, and for the proper functioning of the Board of Directors in an appropriate and effective manner. He shall ensure that the Board Members have access to full and correct information in a timely manner. Among other responsibilities, the Board Chairman shall encourage an effective participation and a constructive relationship between the Board Members and the Executive Management.

The roles and responsibilities of the Executive Management are also defined in the policies approved by the Board of Directors. Among the most prominent of these roles and responsibilities are the following:

- Implementing the annual strategy and plans approved by the Board of Directors.
- Implementing all the internal policies approved by the Board of Directors.
- Assuming full responsibility for the Company's overall performance and business results.
- Establishing internal control systems and ensuring the adequacy and effectiveness of those systems.
- Preparing periodic reports on the Company's activities and presenting them to the Board of Directors.

The Board of Directors shall also determine the powers that are delegated to the Executive Management, taking into account the balance of powers and authorities between the Board of Directors and the Executive Management, so that none of the parties has absolute powers, in order to facilitate the accountability process.

Achievements of the Board of Directors for the year

- Reviewing and approving the interim financial statements and the annual financial statements of the Company.
- Following up on the work of the Board committees.
- Holding an ordinary General Assembly meeting.
- Preparing the Company's Board of Directors report.
- Preparing the corporate governance report.
- Reviewing the reports of the Shariah Supervisory Board and the External Shariah Audit firm.
- Recommending to the shareholders through the Company's General Assembly the reappointment of the Company's external auditor based on the recommendation of the Audit Committee.
- Recommending to the shareholders through the Company's General Assembly the re-appointment of the Company's Shariah Supervisory Board.
- Recommending to the shareholders through the Company's General Assembly the reappointment of the Company's external Shariah audit firm based on the recommendation of the Audit Committee.

- Discussing and approving the annual assessment of the Board of Directors as a whole, as well as the assessment of each Board Member, each Board committee, and the executive managers' performance.
- Monitoring and supervising the performance of the Executive Management, ensuring that the approved policies and regulations are followed.
- Following up on the performance and latest developments of the Company, its affiliates and subsidiaries.
- Periodically following-up on the latest developments of the Company's assets.
- Examining the Company's expenses and revenues budget.
- Examining the management reports on the Company's financial position.
- Ensuring the Company's compliance with the laws and legislations related to the Company's activities.
- Examining the evaluation and monitoring report of the internal control systems prepared by the independent auditor.
- Following up on the Company's business continuity and contingency plan.
- Discussing and approving the semi-annual risk reports prepared by the Risk Management Department and submitted by the Risk Management Committee.
- Discussing and approving the anti-money laundering reports.
- Discussing and approving the audited capital adequacy report and the auditor's report to comply with the capital adequacy regulations and instructions.

A brief on the implementation of the requirements of the establishment of independent specialized committees by the Board of Directors:

In line with the application of the rules of sound corporate governance in the Company, the Board of Directors has formed four independent board committees, with the aim of enabling the Board to perform its duties effectively and to supervise the implementation of the various pillars of corporate governance. These committees work in accordance with the charters approved by the Board of Directors, which outline the duration of their work, their powers, roles and responsibilities, and how the Board monitors them.

Audit Committee	
Date of the Committee's establishment and its duration	29/08/2021 for three years
Number of meetings held by the committee during the year	7 meetings
Committee's members	1. **Mrs. Noor Tawfiq Salem Al Abdulrazzaq** Vice Chairman - Committee Chairman 2. **Mr. Mohammad Tawfeeq Ahmad Sultan** Board Member - Non-executive 3. **Mrs. Zainab Ahmad Al Failakawi** Board Member - Non-executive 4. **Mr. Mohammad Abdulrahman Al Fares** Board Member - Non-executive 5. **Mr. Abdullah Hamad Abdullah Al-Jouan** Board Member - Independent (LWD: 17/01/2024)
Key roles and responsibilities of the committee	**Internal Controls:** 1. Reviewing the effectiveness of the Company's internal control systems, including the security and controls of the information technology systems. 2. Ensuring the implementation of the principles of dual control in the Company. 3. Understanding the scope of the internal and external auditors' review of the internal audits of financial reports and obtaining the key findings and recommendations, along with the management's responses. 4. Reviewing the internal control report submitted annually by an independent audit firm to evaluate and review the internal control systems. 5. Examining the accounting policies in place, expressing an opinion and submitting recommendations to the Board of Directors in this regard. 6. Assessing the adequacy of the internal control systems applied within the Company and preparing a report that includes the opinion and recommendations of the Committee in this regard.

Audit Committee	
Key roles and responsibilities of the committee	7. Reviewing the results of the reports of the supervisory authorities and ensuring that the necessary measures have been taken in this regard. 8. Ensuring the Company's compliance with the relevant laws, policies, regulations and instructions. **Internal Audit:** 1. Ensuring the technical supervision of the Company's Internal Audit Department in order to verify its effectiveness in carrying out the mandates and duties specified by the Board of Directors. 2. Recommending the appointment, transfer, and dismissal of the Internal Audit Director, and assessing his performance and the performance of the Internal Audit Department. 3. Reviewing and approving the audit plans proposed by the internal auditor, submitting observations thereon. 4. Reviewing the results of the internal audit reports, ensuring that the necessary corrective measures have been taken regarding the observations submitted in the reports. **External Audit:** 1. Reviewing the periodic financial statements before presenting them to the Board of Directors, submitting to the Board an opinion and recommendations thereon in order to ensure the integrity and transparency of the financial reports. 2. Recommending to the Board of Directors the appointment and reappointment of the external auditors or changing them and determining their fees. When recommending the appointment of external auditors, careful consideration should be given to ensuring their independence and reviewing their engagement letters. 3. Following up on the work of the external auditors, ensuring that they do not provide services to the company other than the services required under audit. 4. Examining the external auditors' observations on the Company's financial statements and following up on the measures taken in this regard.

Audit Committee	
Key roles and responsibilities of the committee	**Compliance:** 1. Reviewing the effectiveness of the legal compliance monitoring system, regulations and findings of management's investigation and follow-up (including disciplinary actions) in any case of non-compliance. 2. Conducting annual review to ensure that there are no conflicts of interest or dealings with parties related to the senior employees or any of their important commercial and investment transactions.
Key achievements of the committee during the year	• Reviewing the periodic and annual financial statements and reports before presenting them to the Board of Directors and submitting an opinion and recommendations thereon. • Discussing and approving the internal audit reports. • Ensuring that the necessary corrective actions have been taken regarding the observations submitted in the internal audit reports. • Ensuring the technical supervision of the Company's internal audit department in order to verify its effectiveness in carrying out the mandates and duties specified by the Board of Directors. • Reviewing the internal control report submitted annually by an independent audit firm to evaluate and review the internal control systems. • Preparing the annual report of the Audit Committee. • Approving the Company's internal audit plan. • Reviewing the report of the external Shariah auditor. • Approving the report of the internal Shariah auditor. • Recommending to the Board of Directors the reappointment of the external Shariah audit firm. • Recommending to the Board of Directors the reappointment of the external auditor. • Evaluating the performance of the internal audit officer. • Evaluating the Audit Committee.

Risk Management Committee	
Date of the committee's establishment and its duration	29/08/2021 for three years
Number of meetings held by the committee during the year	6 meetings
Committee's members	1. **Mrs. Noor Tawfiq Salem Al Abdulrazzaq** Vice Chairman - Committee Chairman 2. **Mr. Mohammad Tawfeeq Ahmad Sultan** Board Member - Non-executive 3. **Mrs. Zainab Ahmad Al Failakawi** Board Member - Non-executive 4. **Mr. Mohammad Abdulrahman Al Fares** Board Member - Non-executive 5. **Mr. Abdullah Hamad Abdullah Al-Jouan** Board Member - Independent (LWD: 17/01/2024)
Key roles and responsibilities of the committee	1. Preparing and reviewing the risk management strategies and policies before they are approved by the Board of Directors, ensuring that these strategies and policies are implemented and are relevant to the nature and size of the Company's activities. 2. Ensuring the availability of adequate resources and systems to manage risks. 3. Evaluating the systems and mechanisms for identifying, measuring and following up on the different types of risks that the Company may be exposed to, in order to identify their potential deficiencies. 4. Assisting the Board of Directors in determining and evaluating the Company's acceptable risk appetite, ensuring that the Company does not exceed this threshold of risk after it is approved by the Board of Directors. 5. Reviewing and evaluating the adequacy of the Company's liquidity and financial position. 6. Reviewing the Company's IT risk management programs. 7. Reviewing the organizational structure of risk management, making recommendations in this regard before getting it approved by the Board of Directors.

Risk Management Committee	
Key roles and responsibilities of the committee	8. Ensuring the independency of risk management personnel with regard to the activities that expose the Company to risks. 9. Ensuring that the risk management personnel have full understanding of the risks surrounding Company, seeking to increase the employees' awareness and understanding of the risks culture. 10. Preparing periodic reports on the nature of the risks to which the Company is exposed, and submitting these reports to the Company's Board of Directors. 11. Reviewing the issues raised by the relevant Audit Committee that may affect the Company's risk management.
Key achievements of the committee during the year	• Evaluating the performance of the Risk Management Committee for the period ended March 31, 2024 • Approving the risk report for the financial year ending on march 31, 2024. • Approving the risk report for the financial period ending on 30/09/2023 • Reviewing the periodic risk reports and submitting them to the Board of Directors and then to the Capital Markets Authority on a semi-annual basis.

Nomination and Remuneration Committee	
Date of the Committee's establishment and its duration	29/08/2021 for three years
The number of meetings held by the committee during the year	1 meeting
Committee's members	**1. Mr. Gerard Snabian** Vice Chairman - Committee Chairman **2. Mr. Haitham Sulaiman Al Khaled** Board Member - Non-executive **3. Mr. Abdullah Hamad Abdullah Al-Jouan** Board Member - Independent (LWD: 17/01/2024)

Nomination and Remuneration Committee	
Key roles and responsibilities of the committee	1. Assisting the Board of Directors in identifying the individuals qualified to work in the Board and its committees. 2. Recommending the acceptance of the nomination and re-nomination of the members of the Board of Directors and the Executive Management. 3. Developing the Company's compensation and remuneration policies and methods/ requirements. 4. Identifying the different tranches of compensations that will be granted to the employees. 5. Establishing a clear policy for the remuneration of the members of the Board of Directors and the Executive Management. 6. Recommending the compensations for the members of the Board of Directors, the Chief Executive Officer and the members of the Executive Management in accordance with the Board's directives 7. Overseeing the implementation of the Company's remuneration policy, including the analysis of feedback, if any, from shareholders and other stakeholders in the Company. 8. Establishing job descriptions for executive members, nonexecutive members and independent members. 9. Ensuring that the Board members are independent in discharging their roles and responsibilities. 10. Ensuring the independence of the independent board member. 11. Preparing a detailed annual report on all the remunerations granted to the members of the Board of Directors and the Executive Management.
Key achievements of the committee during the year	• Ensuring the independence of the independent board member. • Processing the annual assessment of the Board of Directors as a whole, assessing each Board member, Board committee and assessing the performance of executive managers. • Determining the required appropriate skills for the membership of the Board of Directors. • Preparing the remuneration report for the fiscal year ending on 31/03/2024.

Executive Committee	
Date of the Committee's Establishment and its Duration	29/08/2021 for three years
Number of meetings held by the committee during the year	1 meeting
Committee Members	**1. Mr. Gerard Snabian** Chairman - Committee Chairman **2. Mr. Dakhil Abdullah Al Dakhil** Board Member - Executive **3. Mr. Mohammad Tawfeeq Sultan** Board Member - Non-Executive **4. Mr. Haitham Sulaiman Al Khaled** Board Member - Non-Executive
Key roles and responsibilities of the committee	1. Reviewing and submitting advice on the key issues before presenting them to the Board of Directors. 2. Approving the lending transactions, obligations and investments. 3. Reviewing the investment offers and submitting an opinion thereon. 4. Reviewing the Company's amended annual budget proposed by the Executive Management and submitting a recommendation to the Board of Directors in this regard. 5. Reviewing the CEO succession plan presented by the Executive Management and submitting a recommendation in this regard to the Board of Directors for their approval. 6. Submitting a report to the Board of Directors, no later than the next Board meeting, regarding all the decisions and actions taken by the Committee. 7. Ensuring that the Company's policies and procedures are followed, modified and implemented appropriately. 8. Ensuring compliance with the laws, rules and regulations set by various legal authorities as well as the principles of Islamic Shariah. 9. Reviewing its performance and charter to ensure that it is functioning with maximum effectiveness and recommending any amendments it deems necessary to the Board of Directors for approval. 10. Dealing with other matters referred to it by the Board of Directors.

Executive Committee	
Key achievements of the committee during the year	• Conducting a comprehensive discussion of the Company's situation and the plan for the rest of the year and adjusting the budget accordingly. • The Company's business results. • Discussing the Company's estimated budget. • Conducting a periodic follow-up on the developments of the Company, its affiliates and subsidiaries. • Conducting a periodic follow-up on the latest developments related to the Company's assets. • Discussing the Company's strategy. • Reviewing the Company's budget of expenses and revenues for the fiscal year 2023-2024.

A brief on the method of implementing the requirements that allow the members of the Board of Directors to obtain accurate and timely information and data:

The Executive Management aims to provide information, data and documents in a complete, accurate and timely manner to all the members of the Board of Directors, in order to enable them to carry out and complete their roles and responsibilities efficiently and effectively. The Executive Management also ensures that all periodic and non-periodic reports are prepared with the highest level of quality and accuracy.

Rule III: Recruiting Highly Qualified Candidates for the Membership of the Board of Directors and the Executive Management

A brief on the application of the requirements for establishing the Nominations and Remunerations Committee:

The Board of Directors, after being elected by the General Assembly, has established the Nominations and Remunerations Committee in accordance with the requirements of the Capital Markets Authority as mentioned above. The Company also has in place a policy approved by the Board of Directors regarding the granting of remunerations. This policy includes determining the remunerations of the Chairman and Board members and identifying the different tranches of remunerations granted to employees in accordance with the applicable legal and regulatory requirements.

The report on the remunerations granted to the Board Members and the Executive Management:

- The Board recommends the remuneration of the committees and the Board to the Annual General Assembly.
- The remuneration report shall be made available at the Ordinary General Assembly meeting, and shall be read by the Chairman of the Board as part of the Corporate Governance Report.

Summary of the Company's remuneration and incentives policy, in particular relating the Board Members, Executive Management and Managers:

In accordance with the remuneration policy approved by the Board of Directors, the annual remuneration is linked to the Company's performance during the year, considering the following:

- The applicable legal and regulatory requirements are taken into account when determining the remuneration of the Chairman of the Board, Board Members and employees.
- The Board of Directors remunerations are divided into fixed and variable remuneration tranches and benefits (Annual remunerations and committee remunerations)
- The employees' benefits are divided into fixed remuneration tranche (salary, health and life insurances, social security, airline tickets and car parking allowance) and variable remuneration tranche (linked to the employee's annual performance appraisal and annual remuneration).

Details of the remunerations and benefits granted to the Chairman of the Board of Directors, the Board Members and the Executive Management:

- **Board of Directors remunerations**

No remuneration was paid to the Chairman or members of the Board of Directors during the year.

Remunerations and benefits for Board Members							
Total number of members	Remunerations and benefits through the parent company			Remunerations and benefits through subsidiaries			
	Fixed remunerations and benefits (KD)	Variable remunerations and benefits (KD)		Fixed remunerations and benefits (KD)		Variable remunerations and benefits (KD)	
	Health insurance	Annual remuneration	Committee remuneration	Health insurance	Monthly salaries (total for the year)	Annual remuneration	Committee remuneration
8	-	-	-	-	-	-	-

- **Executive Management remunerations**

The total remunerations granted to the CEO and four members of the Executive Management who received the highest amounts from the Company, in addition to the CFO was KD 313,681 (Three hundred Thirteen thousand six hundred eighty one Kuwaiti Dinar only), as follows:

The following table outlines the remunerations granted:

Total remunerations and benefits granted to 5 senior executives who received the highest remunerations, in addition to the CEO and CFO or whoever represents them if they are not among them									
Total number of executive positions	Remunerations and benefits through the parent company								
	Fixed remunerations and benefits (KD)								Variable remunerations and benefits (KD)
	Monthly salaries (for the whole year)	Health insurance	Annual tickets	Social insurance	Housing allowance	Transportation allowance	Car Parking allowance	Children's education allowance	Annual renumeration
6	255,309	10,215	0	12,018	7,650	0	1,250	5,460	21,779

Total remunerations and benefits granted to 5 senior executives who received the highest remunerations, in addition to the CEO and CFO or whoever represents them if they are not among them							
Total number of executive positions	Remunerations and benefits through subsidiaries						
	Fixed remunerations and benefits (KD)						Variable remunerations and benefits (KD)
	Monthly salaries (for the whole year)	Health insurance	Annual tickets	Housing allowance	Transportation allowance	Children's education allowance	Annual renumeration
6	-	-	-	-	-	-	-

- There are no other remunerations given directly or indirectly by affiliates.
- There are no material deviations from the remuneration policy approved by the Board of Directors.

Rule IV: Safeguarding the Integrity of Financial Reporting

Written undertakings by both the Board of Directors and the Executive Management on the integrity and accuracy of the prepared financial reports:

In the Board of Directors Meeting No. 4 of 2024-2025 held on 23/07/2024, the Company's Executive Management pledged to the Board of Directors in writing to ensure the integrity and accuracy of the financial reports prepared for the Company in the financial year ended on 31/03/2024, as well as all reports related to the Company's activities. It further acknowledged that these reports were presented in a sound and fair manner, that they outline all the financial aspects of the Company, including statements and operational results, and that they were prepared in accordance with the international accounting standards approved by the Capital Markets Authority. Accordingly, the Board of Directors pledges in the annual report and assures to shareholders the integrity and accuracy of the financial statements prepared for the Company during the financial year ended on 31/03/2024, as well as all reports related to the Company's activities. It further acknowledges that these reports have been presented in a sound and fair manner, that they outline all the financial aspects of the Company, including statements and operational results, and have been prepared in accordance with the international accounting standards approved by the Capital Markets Authority.

A brief on the application of the requirements for establishing the Audit Committee:

The Board of Directors has established the Audit Committee in accordance with the requirements of the Capital Markets Authority and as mentioned hereinabove.

In the event of a conflict between the recommendations of the Audit Committee and the decisions of the Board of Directors, a statement detailing and explaining the recommendations and the reason(s) behind the Board of Directors' decision not to be bound by them shall be included:

None.

Ensuring the independence and neutrality of the External Auditor:

The Company's external auditor shall be nominated based on a recommendation by the Audit Committee to the Board of Directors, after ensuring that he is independent from the Company and its Board of Directors and that he does not carry out any additional works for the Company that is not included in the review and audit activities that may affect impartiality or independence. The recommended external auditor shall be selected from among the auditors recorded in the special register with the Capital Markets Authority. The Ordinary General Assembly, at its annual meeting, shall appoint the Company's external auditor based on the Board of Directors' recommendation. The external auditor shall attend the meetings of the General Assembly and read the report that he had prepared to the shareholders.

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

A brief on the application of the requirements for establishing an independent Risk Management Department:

The Company's organizational structure includes a Risk Management Department. It is an independent department that reports directly to the Risk Management Committee, and it has the qualified members with the capabilities to perform its activities. This department seeks to identify, measure, follow up and minimize all types of risks that the Company may be exposed to in accordance with the policies approved by the Board of Directors. It shall also be responsible for preparing the necessary periodic reports in this regard and presenting them to the Risk Management Committee.

A brief statement on the application of the requirements for establishing the Risk Management Committee:

The Board of Directors has established the Risk Management Committee in accordance with the requirements of the Capital Markets Authority and as mentioned hereinabove.

A brief clarification of the internal control and supervision systems:

The Company shall adopt a set of internal control and supervision systems that cover all of the Company's activities by preparing and approving a set of structures, policies and procedures aimed at defining powers and responsibilities and segregation of roles. The Board of Directors shall monitor the internal control systems through reports submitted by the Company's supervision committees and functions. In addition, an independent audit firm shall be assigned to evaluate and review the internal control systems and shall prepare a report in this regard. This report shall be submitted to the Capital Markets Authority on an annual basis. In addition, a copy of this report shall be provided to the Audit Committee and the Board of Directors.

A brief on the application of the requirements for establishing an independent Internal Audit Department:

The Company has an Internal Audit Department in its organizational structure. This department is independent and reports directly to the Audit Committee and to the Board of Directors. It also has the qualified members with the capabilities to perform its

functions. In addition, the Company relies in the internal audit process on contracting with a specialized third party to carry out these duties. The internal auditor, in coordination with the external party, review and evaluate the internal control systems applied in the Company in accordance with the policies approved by the Board of Directors and the audit plans approved by the Audit Committee. He also prepares the necessary periodic reports in this regard and presents them to the Audit Committee.
In addition, an independent audit firm (other than the audit firm assigned for evaluating and reviewing the internal control systems) is commissioned to review and evaluate the performance of the internal audit periodically every three years. A copy of this report is provided to the Audit Committee and the Board of Directors.

Rule VI: Promoting the Code of Conduct and Ethical Standards

A brief on the work charter that includes the standards and criteria of professional conduct and ethical values:

The Company has a work charter approved by the Board of Directors that includes standards and criteria that establish the concepts, values and ethical principles applicable to the Company, Board of Directors members, Executive Management and all Company employees.

A brief on the policies and mechanisms related to reducing conflicts of interest:

The Company has a policy on reducing cases of conflict of interest approved by the Board of Directors. This policy includes examples that can help the Board members and Executive Management identify the cases of conflict of interest and the applicable measures to address and handle them.

Rule VII: Ensuring Timely and High-Quality Disclosure and Transparency

A brief on the application of accurate and transparent presentation and disclosure mechanisms that define the aspects, fields and features of disclosure:

The Company has a policy for disclosure and transparency towards its shareholders, potential investors and other stakeholders. This policy is approved by the Board of Directors, and is compliant with the provisions of the Capital Markets Authority Law and its Executive Bylaws, as well as the Authority's instructions and best practices in this regard. This policy is reviewed periodically.

A brief on the application of the requirements of the disclosures register of the Board Members and the Executive Management:

The Company maintains a special register for the disclosures of the Board Members and Executive Management. This register includes the information and data required to be disclosed in accordance with the requirements of the laws and instructions as well as the Company's policies in this regard. The register is updated periodically and it is available to the concerned parties for review during the Company's normal working hours.

A brief on the application of the requirements for establishing the Investors Affairs Regulatory Unit:

The Investors Affairs Regulatory Unit has been established in the Company as an appropriately independent unit. It shall be responsible for providing the necessary information, data and reports to shareholders, potential investors and other stakeholders in a timely manner and through the applicable disclosure methods and means, including the Company's website.

A brief on the method applicable to developing the information technology infrastructure, and relying heavily on it for disclosures:

The Company is committed to relying on information technology to communicate with shareholders, potential investors and other stakeholders by creating a special section on the Company's website for corporate governance. Through this section the information and data that could be helpful for them are displayed.

Rule VIII: Respecting the Shareholders Rights

A brief on the application of the requirements to define and protect the general rights of shareholders in order to ensure justice and equality among them:

The Company's articles of association and its internal policies and procedures include the rules set to ensure that all the shareholders can exercise their rights in a manner that achieves justice and equality without prejudice to and in compliance with the applicable laws, regulations, decisions and instructions. The Company is also committed to treating all its shareholders equally and without any discrimination. Among the most prominent general rights of shareholders are:

- Managing their shares including ownership registration, entry, and transfer.
- Obtaining the prescribed share in the dividends.
- Obtaining the prescribed share of the Company's assets in the event of liquidation.

- Obtaining information and data on the Company's activity in a timely manner.
- Participating in the meetings of the General Assembly and voting on its resolutions.
- Electing board members.
- Monitoring the performance of the Company in general and the work of the Board of Directors in particular.
- Questioning the members of the Board of Directors and the Executive Management and filing a liability claim, in the event of their failure to perform the tasks assigned to them.

A brief on the creation of a special register to be kept with the clearing company, as part of the requirements for continuous follow-up of shareholder data:

In accordance with the agreement signed between the Company and the Kuwait Clearing Company, the shareholders register shall be kept at the clearinghouse. This register shall include all the information and data relevant to the shareholders, which should be handled in compliance with the highest levels of confidentiality protection. It shall be made available to the concerned parties for review during the Company's normal working hours.

A brief on the method to be followed to encourage shareholders to participate and vote in the Company's general assembly meetings:

The Company shall encourage its shareholders to attend and participate in the Company's General Assembly meetings and vote on its decisions. The Company shall announce and disclose the invitation to the General Assembly meeting, including the agenda, time and place of convene, during the scheduled dates and through the specified means and mechanisms. The Company shall also give its shareholders sufficient time before the General Assembly meeting date to obtain information and data related to the agenda items. The Company shall further allow the shareholders to delegate representatives on their behalf to attend the General Assembly meeting and vote on its decisions, according to a special power of attorney or an authorization prepared by the Company for this purpose. The Company shall not charge any fees for the shareholders' attendance of the General Assembly meetings.

Rule IX: Recognizing the Stakeholders Roles

A brief on the systems and policies that ensure the protection and recognition of stakeholders' rights:

The Company is committed to protecting and recognizing the stakeholders' rights. The Company's Board of Directors has adopted a policy for the protection of the stakeholders' rights that includes rules and procedures that ensure the protection and recognition of the stakeholders' rights and allow them to obtain compensation in the event of a violation of any of their rights, in accordance with the relevant applicable laws in the State of Kuwait, including Commercial Companies Law and Labor Law. The contracts concluded between the company and the stakeholders and any additional commitments the Company makes towards them shall also apply in this regard.

A brief on the method applied to encourage stakeholders to participate in following up on the Company's various activities:

The Company is committed to benefit from the contributions of the stakeholders and to encourage them to participate in following up on its activity in line with its efforts to achieve its goals. The Company shall also work to provide the necessary information, data and reports to stakeholders in a timely manner and through the applicable methods and means of disclosure, including the Company's website, through the aforementioned section dedicated to the Investors Affairs Regulatory Unit. It shall also allow stakeholders to inform the Board of Directors of any improper practices they are exposed to by the Company, while guaranteeing confidentiality and appropriate protection to the parties who report such practices in good faith.

Rule X: Encouraging and Enhancing Performance

A brief on the application of the requirements for establishing mechanisms that allow Board Members and Executive Management to access continuous training programs and courses:

An induction program is provided to the new members of the Board of Directors and the Executive Management about the Company's activities. This program shall include providing them with the Company's articles of association, strategy, organizational structure, annual reports, financial statements, charters of action for the Board and committees, approved policies, as well as any other information, data, reports or documents. In addition, a plan shall be prepared and approved for the appropriate training programs for the Board of Directors members and the Executive Management regarding the latest developments in the areas related to the Company's activities.

A brief on the method followed to evaluate the performance of the Board of Directors as a whole, and the performance of each Board Member of and Executive Management:

An annual self-evaluation of the Board of Directors as a whole and the contribution of each member and each committee of the Board as well as the Executive Management shall be conducted, in accordance with the set of objective performance indicators approved by the Board of Directors. This assessment shall be presented to the Board of Directors for discussion and shall lead to the adoption of the necessary recommendations in this regard. These measures aim to strengthen the capabilities of the Board, its members and the Executive Management in all areas related to the Company's activities.

A brief on the Board of Directors' efforts to create value among the Company's employees, through the achievement of the strategic goals and improvement of performance rates:

The Board of Directors is committed to creating value among the Company's employees by achieving the strategic goals, improving performance rates, and complying with relevant laws, regulations, decisions, and instructions. This shall contribute to motivating the Company's employees to work continuously to maintain the Company's financial integrity.
The Company shall prepare periodic reports on the achieved financial and non-financial indicators. These reports shall be updated with the latest information and developments. This shall help the Board of Directors and the Executive Management to take decisions in a systematic and sound manner, hence, achieve the shareholders' goals.

Rule XI: Focusing on the Importance of Corporate Social Responsibility

A brief on setting a policy to ensure a balance between the Company's targets and Society's goals:

The Company has a comprehensive suite of programs designed to promote and enhance the principles of social responsibility in its business. The company is actively implementing these programs to ensure the continuity of implementing the social responsibility policy, through continuous contribution to social and economic activities.

The Company develops a well-defined annual plan that encompasses all planned contributions and activities. It is regularly reviewed and updated to ensure the achievement of social responsibility goals. Additionally, the Company undertakes the role of effective supervision in implementing this plan, evaluating the results and ensuring the commitment of all relevant parties to ethical and social values.

CORPORATE GOVERNANCE REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

The Company targets to build strong and sustainable relationships with local communities, business partners, customers, and employees through active participation in social responsibility initiatives and support for charitable projects and various community activities. Thanks to its dedication in implementing these efforts, the Company enhances its image and standing as a socially responsible entity, reinforcing its values and principles in the business market.

A brief on the programs and mechanisms used to help highlight the Company's efforts in the field of social work:

Based on its social responsibility, Rasmeel Investment Company organized a training course for the Zakat House for Investment Department, in its Real Estate and Financial Sections. The course was titled "Financial Analysis of Unlisted Stocks, Real Estate, and Investment Funds." It was presented by Mr. Dakhil Al-Dakhil, Chief Executive Officer, Mr. Mohammad Tareq Al-Thaqeb SVP & Director of International Real Estate Department, Mr. Abdulmohsen Al Gharaballi VP – Global Markets Management; and Mr. Hamad AlSheikh Musaed - Head of Business Development. The speakers covered the fundamentals of sound investment and savings, as well as the most common mistakes in the field of money and investment.

Gerard Snabian
Chairman


Business activity of company and subdivisions
Data and prognosis of activity
Detailed information of changing business activity of subdivisions of main company
Subdivision 1
Subdivision 2
Best subdivision value
Product placement in different regions

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR REPORT

To the shareholders of Rasameel Investment Company - K.S.C. (Closed)
State of Kuwait

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Rasameel Investment Company - K.S.C. (Closed) ("the Parent Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 March 2024, and the consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the financial year then ended, and notes to the consolidated financial statements, including information of material accounting policies.

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

Basis of 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 this 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 ethical requirements that are relevant to our audit of the consolidated financial statements in the State of Kuwait, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (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 objective is 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 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 those 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 the management.
- Conclude on the appropriateness of the management 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Group or business activities within the entity 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.

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.

Report on other legal and regulatory requirements

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 with the Parent Company's books. We further report that we obtained the information and explanations that we required for the purpose of our audit and that the consolidated financial statements incorporate 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 No. 1 of 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 financial year ended 31 March 2024 that might have a material effect on the Parent Company's business or financial position.

Further, during our audit of the consolidated financial statements for the financial year ended 31 March 2024, we have not become aware of any material violations of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organization of banking business, and the related instructions. Furthermore, nothing has come to our attention indicating any material violations during the financial year ended 31 March 2024 of Law No. 7 of 2010 concerning Establishment of Capital Markets Authority and Organization of Security Activity, and its Executive Regulations, as amended, which might have materially affected the Parent Company's business or its financial position.

Qais M. Al Nisf
License No. 38 "A"
BDO Al Nisf & Partners

Kuwait: 5 June 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	Note	2024	2023
		KD	KD
Assets:			
Cash and cash equivalents	5	892,523	1,239,995
Islamic finance receivables	6	-	126,138
Other debit balances	7	445,010	834,436
Financial assets at fair value through profit or loss	8	3,986,443	4,049,625
Financial assets at fair value through other comprehensive income	9	1,190,326	1,238,568
Investment properties	10	3,554,187	5,676,598
Property and equipment		82,780	65,476
Right-of-use assets		4,789	17,411
Total assets		10,156,058	13,248,247
Liabilities and equity			
Liabilities:			
Islamic finance payables	11	2,314,755	3,198,115
Lease liabilities		-	22,721
Other credit balances	12	393,038	1,137,724
Provision for end of service indemnity	13	659,671	679,735
Total liabilities		3,367,464	5,038,295
Equity:			
Capital	14	18,026,680	18,026,680
Statutory reserve	15	12,761	12,761
Share option reserve		7,510	7,510
Fair value reserve		(790,063)	(796,701)
Foreign currency translation reserve		64,172	63,293
Accumulated losses		(10,532,466)	(9,103,591)
Total equity		6,788,594	8,209,952
Total liabilities and equity		10,156,058	13,248,247

Noor T S Alabdulrazzaq
Vice Chairman

Dakhil Abdullah Al Dakhil
Chief Executive Officer

The accompanying notes on pages 84 to 123 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024	2023
		KD	KD
Revenues:			
Management and advisory fees		**351,886**	564,224
Net investment (loss) / income	17	**(90,235)**	134,109
Rental income		**1,053,117**	936,363
Change in fair value of investment properties	10	**(119,093)**	(303,397)
Islamic finance income		**27,739**	28,485
Return income		**15,264**	656
Gain from sale of investment properties	10	**180,948**	-
Other income		**1,666**	3,181
		1,421,292	1,363,621
Expenses:			
General and administrative expenses	18	**(1,541,622)**	(1,706,137)
Staff incentives		**(44,971)**	(95,494)
Property management and maintenance charges		**(362,365)**	(322,419)
Net provision for expected credit loss	19	**(629,552)**	(705,788)
Bad debts		**(5,000)**	(5,000)
Net (loss) / gain from foreign currency differences		**(52,919)**	29,853
Islamic finance costs		**(201,885)**	(212,329)
		(2,838,314)	(3,017,314)
Net loss for the year		**(1,417,022)**	(1,653,693)

The accompanying notes on pages 84 to 123 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	KD	KD
Net loss for the year	**(1,417,022)**	(1,653,693)
Other comprehensive income / (loss) items:		
Items that may be reclassified subsequently to the consolidated statement of profit or loss:		
Foreign exchange differences on translation of foreign operations	**879**	5,324
Items that will not be reclassified subsequently to the consolidated statement of profit or loss:		
Change in fair value of financial assets at fair value through other comprehensive income	**6,638**	(118,132)
Total other comprehensive income / (loss) for the year	**7,517**	(112,808)
Total comprehensive loss for the year	**(1,409,505)**	(1,766,501)

The accompanying notes on pages 84 to 123 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2024

	Equity attributable to shareholders of the Parent Company								
	Share capital	Statutory reserve	Share option reserve	Fair value reserve	Foreign currency translation reserve	Accumulated losses	Sub-total	Non-controlling interests	Total
	KD	KD	KD	KD	KD	KD	KD	KD	KD
As at 31 March 2022	**18,026,680**	**12,761**	**7,510**	**(580,755)**	**57,969**	**(7,440,701)**	**10,083,464**	**5,370**	**10,088,834**
Net loss for the year	-	-	-	-	-	(1,653,693)	(1,653,693)	-	(1,653,693)
Other comprehensive (loss) / income for the year	-	-	-	(118,132)	5,324	-	(112,808)	-	(112,808)
Total comprehensive (loss) / income for the year	-	-	-	(118,132)	5,324	(1,653,693)	(1,766,501)	-	(1,766,501)
Net movement in non-controlling interests	-	-	-	-	-	-	-	(5,370)	(5,370)
Transfer from sale of financial assets at fair value through other comprehensive income	-	-	-	(97,814)	-	(9,197)	(107,011)	-	(107,011)
As at 31 March 2023	**18,026,680**	**12,761**	**7,510**	**(796,701)**	**63,293**	**(9,103,591)**	**8,209,952**	**-**	**8,209,952**
Net loss for the year	-	-	-	-	-	(1,417,022)	(1,417,022)	-	(1,417,022)
Other comprehensive income for the year	-	-	-	6,638	879	-	7,517	-	7,517
Total comprehensive income / (loss) for the year	-	-	-	6,638	879	(1,417,022)	(1,409,505)	-	(1,409,505)
Transfer from sale of financial assets at fair value through other comprehensive income	-	-	-	-	-	(11,853)	(11,853)	-	(11,853)
As at 31 March 2024	**18,026,680**	**12,761**	**7,510**	**(790,063)**	**64,172**	**(10,532,466)**	**6,788,594**	**-**	**6,788,594**

The accompanying notes on pages 84 to 123 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	KD	KD
Cash flows from operating activities:		
Net loss for the year	(1,417,022)	(1,653,693)
Adjustments:		
Net investment loss / (income)	90,235	(134,109)
Change in fair value of investment properties	119,093	303,397
Islamic finance income	(27,739)	(28,485)
Return income	(15,264)	(656)
Gain from sale of investment properties	(180,948)	-
Depreciation	66,573	125,113
Finance charges - lease liabilities	481	3,414
Net provision for expected credit loss	629,552	705,788
Bad debts	5,000	5,000
Net loss / (gain) from foreign exchange differences	52,919	(29,853)
Islamic finance costs	201,885	212,329
Provision for end of service indemnity	125,259	113,089
	(349,976)	(378,666)
Changes in operating assets and liabilities:		
Other debit balances	(306,222)	(431,179)
Other credit balances	(738,003)	502,218
Cash used in operations	(1,394,201)	(307,627)
Islamic finance income received	27,336	24,579
End of service indemnity paid	(145,323)	(231,680)
Net cash used in operating activities	(1,512,188)	(514,728)

The accompanying notes on pages 84 to 123 form an integral part of these consolidated financial statements.

	2024	2023
	KD	KD
Cash flows from investing activities:		
Paid for purchase of financial assets at fair value through profit or loss	**(442,719)**	(87,740)
Proceed from sale of financial assets at fair value through profit or loss	**344,480**	1,379,861
Proceed from sale of financial assets at fair value through other comprehensive income	**3,859**	451,900
Paid for purchase of a subsidiary	**-**	(3,623,002)
Paid for purchase of property and equipment	**(18,418)**	(13,504)
Proceed from sale of investment properties	**2,184,266**	-
Return income received	**15,264**	656
Dividends income received	**71,186**	230,391
Proceeds from redemption of subsidiary's capital	**35,902**	47,350
Net cash generated from / (used in) investing activities	**2,193,820**	(1,614,088)
Cash flows from financing activities:		
Islamic finance receivables	**152,637**	268,417
Islamic finance payables paid	**(943,981)**	(1,341,124)
Proceeds from Islamic finance payables	**-**	4,039,056
Lease liabilities paid	**(40,971)**	(85,777)
Finance costs paid	**(196,789)**	(185,335)
Net cash (used in) / generated from financing activities	**(1,029,104)**	2,695,237
Net (decrease) / increase in cash and cash equivalents	**(347,472)**	566,421
Cash and cash equivalents at beginning of the year	**1,239,995**	673,574
Cash and cash equivalents at end of the year (Note 5)	**892,523**	1,239,995

The accompanying notes on pages 84 to 123 form an integral part of these consolidated financial statements.

1. Incorporation and activity

Rasameel Investment Company - K.S.C. (Closed) (the "Parent Company") is a Kuwaiti Shareholding Closed Company incorporated on 4 January 2006. The Parent Company is regulated by the Central Bank of Kuwait (CBK) as an investment and finance company and is subject to the supervision of Capital Markets Authority of Kuwait ("CMA").

The principal activities of the Parent Company are as follows:

- Carrying out all types of investments in all fields and participating in incorporating companies both inside and outside the State of Kuwait;
- Managing the funds of public and private institutions;
- Dealing in local and international securities;
- Carrying out finance and brokerage activities to invest in various sectors inside and outside the State of Kuwait in accordance with the provisions of the Islamic Sharia; and
- Providing and preparing studies for technical, economic and valuation consultancy.

All activities of the Group are performed according to the instructions of the noble Islamic Sharia'a as approved by the Fatwa and Sharia'a Supervisory Board of the Parent Company.

The Parent Company's office is domiciled at Offices 5 & 6, 3rd Floor, Souq Al Safat, Al Qibla, Kuwait City, P.O. Box 4915, Safat 13050, State of Kuwait.

The consolidated financial statements were authorized for issue by the Parent Company's board of directors on 5 June 2024. They are subject to approval of the Annual General Assembly Meeting of the Parent Company's Shareholders. The Annual General Assembly of the Parent Company's Shareholders has the power to amend these consolidated financial statements after issuance.

2. Application of new and revised international financial reporting standards ("IFRSs")

a) New standards, interpretations and amendments effective from 1 January 2023

The Group has adopted the previously issued, new and amended IFRSs as follows:

Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgments provide guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

These amendments are not expected to have any impact on the Group's financial statements. However, it could affect accounting policy disclosures in the Group's consolidated financial statements.

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; A few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific application for contracts with direct participation features (Variable fee approach).
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

This standard is not expected to have any impact on the Group's consolidated financial statements.

Amendments to IAS 8 - Definition of Accounting Estimates

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Group's consolidated financial statements.

b) New standards, interpretations and amendments not yet effective

There are a number of standards and amendments to standards and interpretations issued by ISAB that are effective in future accounting periods and which the Group has decided not to adopt early.

The following amendments are effective for the period beginning on 1 January 2024:

- Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 Presentation of Financial Statements);
- Non-current liabilities with covenants ((Amendments to IAS (1) presentation of financial statements);
- Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures)

The following amendments are effective for the period beginning on 1 January 2025:

- Non-exchangeability (Amendments to IAS (21) Effect of Change in Foreign Currency Exchange Rate).

The Group is currently evaluating the impact of these new accounting standards and amendments. The Group does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities, as the conversion feature in its convertible debt instruments is classified as an equity instrument and therefore, does not affect the classification of its convertible debt as a non-current liability. The Group does not expect that any other standards issued by ISAB, but not yet effective, will have any material impact on the Group.

3. Material accounting policies

3.1 Statement of compliance

The accompanying consolidated financial statements of the Group have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and the regulations of the Government of Kuwait for financial services institutions regulated by the Central Bank of Kuwait ("CBK") and Capital Market Authority ("CMA"). These regulations require adoption of all IFRSs as issued by IASB except for the measurement and disclosure requirements of expected credit losses ("ECLs") under IFRS No. (9): Financial Instruments. Provisions for credit losses on credit facilities is the higher of ECLs under IFRS 9, determined in accordance with the CBK guidelines, and the provisions required by the CBK rules on classification of credit facilities and calculation of their provisions, as indicated in the accounting policy for impairment of the financial assets. Summary of significant accounting policies is as follows:

3.2 Basis of preparation

These consolidated financial statements are presented in Kuwaiti Dinars ("KD"), the Group's functional and presentation currency, and are prepared under the 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, which are recorded at fair value.

The preparation of consolidated financial statements in accordance with International Financial Reporting Standards, requires the use of certain material accounting estimates. It also requires the Group's management to exercise judgment in applying the Group's accounting policies. The areas of significant judgments and estimates made in preparing the consolidated financial statements and their effect are disclosed in (Note 4).

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company below and its subsidiaries ("referred to as the Group"):

Name of the subsidiary	Percentage of holding		Country of incorporation	Principal activity
	2024	2023		
	%	%		
Rasameel Structuring and General Trading Company - L.L.C *	**99**	99	UAE	General trading
Rasameel Investment House Limited *	**99**	99	UAE	Consultancy services and investment business
Rasameel International Real Estate Company - K.S.C.C. *	**99**	99	State of Kuwait	Investment properties

Name of the subsidiary	Percentage of holding 2024	Percentage of holding 2023	Country of incorporation	Principal activity
Yasserha Company for Buying and Selling Shares, Bonds, Lands and Real Estate - W.L.L. (a)	-	70	State of Kuwait	General trading and Real Estate investments
Blue Ashe Manager Limited *	**99.9**	99.9	Jersey	Investment properties
Blue Ash Advisory - L.L.C. *	**99.9**	99.9	USA	Investment properties
Bond Hill Manager Limited *)	**99.9**	99.9	Cayman Islands	Investment properties
Bond Hill Advisory *	**99.9**	99.9	USA	Investment properties

a) During the year ended 31 March 2024, the Group exited and canceled the Company's license.

* The non-controlling interests of these subsidiaries are owned by other parties and have been waived in favor of the Parent Company. Accordingly, the Parent Company has consolidated these subsidiaries as a wholly owned subsidiary.

Subsidiaries are those enterprises controlled by the Parent Company. Control is achieved when the Parent Company:

- Has power over the investee.
- Is exposed, or has rights, to variable returns from its involvement with the investee.
- Has the ability to use its power to affect the investee's returns.

The Parent Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three components of controls listed above.

When the Group holds a percentage less than the majority of voting rights in the investee, it shall have the power over the investee in case of its voting rights have the sufficient practical ability to direct the relevant activities of the investee. In determining the adequacy of the investee voting rights, the Parent Company considers all relevant facts and circumstances, including:

- The Group's voting rights in proportion to distribution of the voting rights attributable to others.
- The potential voting rights held by the Parent Company, holders of other votes or other parties.

- Rights arising from other contractual arrangements.
- Any additional facts and circumstances indicate to the financial ability of the Parent Company to direct the relevant activities when the decision is taken, including the patterns of voting in the previous meetings of shareholders.

The consolidated financial statements include the financial statements of the subsidiaries from the date on which effective control begins until the date on which effective control ceases. Specifically, income and expenses of subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Parent Company gains control until the date when the Parent Company ceases to control over the subsidiary. All intra-company balances and transactions, including the mutual profits and unrealized losses and profits are eliminated in full on consolidation. The consolidated financial statements are prepared using unified accounting policies for like transactions and other events in similar circumstances.

Non-controlling interests of the net assets of the consolidated subsidiaries are stated in a separate item of the Group's equity. Profits or losses and each item of other comprehensive income relating to the Parent Company's Shareholders and non-controlling interests even if this results recognizing a deficit in the non-controlling interests balance.

Non-controlling interests are measured either at fair value, or at their respective proportionate interest of the acquiree's identifiable assets and liabilities, on a transaction-by-transaction basis.

Changes in a subsidiary's ownership interest that do not result in change in the control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any differences between the adjusted balance of the non-controlling interests amount by which the non-controlling and the fair value of the consideration paid or received are recognised directly in equity attributable to the Parent Company's owners. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- Derecognises the carrying amount of non-controlling interests.
- Derecognises the cumulative foreign currencies translation differences recorded in equity.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profits or losses.
- Reclassifies the Parent Company's share of the items previously recognised in other comprehensive income to the profit or loss or retained earnings, as appropriate.

3.4 Presenting assets and liabilities in the consolidated statement of financial position

The nature of Group's activity, as an entity established for the purposes of investment, requires classification of assets and liabilities in descending order as per its liquidity in the consolidated statement of financial position, as the management believes that this presentation provides information more relevant and reliable to the Group's activities. This way of presentation of assets and liabilities requires submission of other information about the maturities of all financial assets and liabilities in the notes to the consolidated financial statements. The Group provides this information based on the length of the remaining contractual term as at the consolidated financial statements date.

The Group's financial assets mainly include cash and cash equivalents, Islamic finance receivables, other debit balances, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

The Group's financial liabilities mainly include other credit balances, lease liabilities and Islamic finance payables.

The amounts expected to be collected for assets or to be paid for the liabilities are presented, at minimum, in notes as assets and liabilities due within one year from the consolidated financial statements date.

3.5 Property and equipment

The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after these property and equipment have been placed into operation, such as repairs, maintenance and inspection, are normally included in the consolidated statement of profit or loss in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalised as an additional cost of property and equipment.

Property and equipment are stated at cost less accumulated depreciation and impairment losses. When assets are sold or disposed of, their cost and accumulated depreciation are eliminated from the accounts and any profit or loss resulting from their disposal is included in the consolidated statement of profit or loss. The carrying amounts of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying amount may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Depreciation is computed on a straight-line basis over the estimated useful lives of property and equipment items.

The property and equipment items are derecognized when disposed of or when it is not expected to receive any future economic benefits from them.

3.6 Investment properties

Investment properties include current properties, properties under construction or redevelopment held for gaining rentals or increase in the market value or both. Investment properties are initially recognized at cost, which contains purchase price and its related transaction costs. Subsequent to initial recognition, investment properties are recognized at fair value at the financial period end date. Profits or losses arising from changes in the fair value of investment properties are included in the consolidated statement of profit or loss for the period in which they arise.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company. The cost can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Accordingly, properties under development were stated at their cost less impairment.

Investment properties are derecognized 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. Profits or losses arising on the disposal or termination of an investment property are recognized in the consolidated statement of profit or loss.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party or completion of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of its development for selling purposes.

If a property being used by the owner is transferred to investment property, the Company will account for such property as per the applicable accounting policy for property, plant and equipment up to date of the usage change and transfer.

3.7 Financial instruments

The Group classifies its financial instruments as financial assets and financial liabilities. Financial assets and liabilities are recognized when the Group becomes a party of the contractual provisions of such instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. The interests, distributions, profits, and losses relating to financial instrument classified as liabilities are included as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial assets and financial liabilities recognised in the consolidated statement of financial position include cash and cash equivalents, Islamic finance receivables, other debit balances, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, Islamic finance payables, lease liabilities and other credit balances.

Financial assets:

Recognition, initial measurement and derecognition

To determine classification and measurement category of financial assets, IFRS 9 requires assessment of all financial assets, except for equity instruments and derivatives, based on the Group's business model for managing the Group's assets and the contractual cash flows characteristics of these instruments.

The Group determines its business model at the level that best reflects how it manages its financial assets to achieve its business objectives and in order to generate contractual cash flows. Whether the Group's sole objective is to collect the contractual cash flows from the assets or to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of sell business model and measured at fair value through profit or loss. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios.

Purchases and sales of those financial assets are recognised on the trade date i.e. the date on which the Group commits to purchase or sell the assets. The financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

The financial assets are derecognised when the contractual rights to receive the cash flows from the financial assets expire or when the Group transfers its right to receive cash flows from the financial assets in either of the following circumstances:

(a) When all risks and rewards of the financial assets ownership are transferred by the Group; or

(b) When all risks and rewards of the financial assets are not transferred or retained, but the control over the financial assets is transferred. when the Group has retained control, it shall continue to recognize the financial asset to the extent of its continuing involvement in the financial asset.

Classification of financial assets

Financial assets are classified in the financial statements into the following categories upon initial recognition:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income.
- Equity instruments at fair value through other comprehensive income.
- Equity instruments at fair value through profit or loss.

Subsequent measurement

Debt instruments at amortized cost

Financial assets are measured at amortised cost if both of the following conditions are met and are not designated at fair value through consolidated profit or loss:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments measured at amortized cost are subsequently measured at amortized cost using the effective return method adjusted for impairment losses, if any. Profits and losses are recognized in the consolidated statement of profit or loss when the asset is derecognised, adjusted or impaired.

The financial assets at amortised cost include other debit balances, cash and cash equivalents and Islamic finance receivables.

Trade receivables

Trade receivables are amounts due from customers for sale of goods or leasing units or rendering services in the ordinary course of business. Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

Debit balances, which are not categorized under any of the above are classified as "other debit balances".

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks, deposits and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Islamic finance receivables

Islamic finance receivables are represented in an agreement under which the Group, under Islamic finance agreement, provides a client with an amount of money to be invested according to specified conditions against yield. The agent is obliged to return the amount in the case of default, negligence or violation of any of the terms and conditions of the Wakala.

Financial Assets carried at fair value through profit or loss

The Group classifies the financial assets as held for trading primarily when purchased or issued in order to achieve short-term profits through trading activities or when they form a part of a financial instruments portfolio that are managed together, there is an evidence for emerging a new pattern to achieve short-term profits. Assets held for trading are recognized and measured at fair value in the consolidated statement of financial position.

Profits or losses on the change in fair value, profits or losses on sale and interest income and dividends are recognized in the consolidated statement of profit or loss under the contract conditions or when the right to receive the profits amount is established.

Equity instruments at fair value through other comprehensive income (FVOCI)

Upon initial recognition, the Group may elect to classify irrevocably some of its equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by- instrument basis.

Profits and losses on these equity instruments are never recycled to the consolidated statement of profit or loss. Dividends are recognized in consolidated statement of profit or loss when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in other comprehensive income. Equity instruments at fair value through other comprehensive income are not subject to an impairment assessment. Upon disposal, cumulative gains or losses are reclassified from cumulative changes in fair value to retained earnings in the consolidated statement of changes in equity.

The financial assets at FVOCI represent unquoted equity investments.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through the statement of profit or loss.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. Then the difference will be approximately deducted based on the effective interest rate of the asset. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For other debit balances, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on the historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Exposures were segmented based on common credit characteristics such as credit risk grade and industry.

For Islamic finance receivables, the Group applies a forward looking approach wherein recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead, the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the debt instrument.

In applying this forward-looking approach, the Group applies a three stage assessment to measuring ECL as follows:

- Stage 1- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk and
- Second stage: (not credit impaired) - financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low
- Stage 3: (credit impaired) - financial assets that have objective evidence of impairment at the financial statements date and assessed as credit impaired when one or more events have a detrimental impact on the estimated future cash flows have occurred.

"12-month expected credit losses" are recognized for the first stage while "lifetime expected credit losses" are recognized for the second stage.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument. ECLs for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets and charged to consolidated statement of profit or loss.

Provision for credit losses in accordance with CBK instructions

The Group is required to calculate credit losses on Islamic finance receivables in accordance with the instructions of CBK on the classification of credit facilities and calculation of provisions. Credit facilities are classified as past due when a payment has not been received on its contractual payment date or if the facility is in excess of pre-approved limits. A credit facility is classified as past due and impaired when the profit or a principal instalment is past due for more than 90 days and if the carrying amount of the facility is greater than its estimated recoverable value. Past due but not impaired and past due and impaired facilities are managed and monitored as irregular facilities and are classified into the following four categories which are then used to determine the provisions:

Category	Criterion	Specific provisions
Under observation	Irregular for a period of up to 90 days	-
Substandard	Irregular for a period of 91- 180 days	20%
Doubtful	Irregular for a period of 181- 365 days	50%
Bad	Irregular for a period exceeding 365 days	100%

The Group may also include a credit facility in one of the above categories based on management's judgement of a customer's financial or non-financial circumstances.

In addition to specific provisions, minimum general provisions of 1% on cash facilities and 0.5% on non-cash facilities are made on all applicable credit facilities.

Financial liabilities:

All financial liabilities are initially recognised at fair value, and in the case deducting the transactions costs directly related to loans, advances and creditors. All financial liabilities are subsequently measured at fair value through profit or loss or at amortised cost using the effective interest rate method.

Other credit balances

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade credit balances are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method. Credit balances are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Islamic finance payables:

Islamic finance payables represent the amount payable on a deferred settlement basis for items purchased in accordance with agreements of finance contracts. Islamic finance payables balance is stated at total of the amount payable, net of finance costs related to the future periods. Future finance costs are amortized when matured on a time proportion basis using the effective interest method.

Derecognition of financial liabilities

A financial liability is derecognized 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. Exchange or modification is treated as derecognition of the original liability and recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss.

Offsetting financial assets and liabilities

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 recognized amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.8 Impairment of non-financial assets

At the consolidated financial position date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, the Group's assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. Reversal of impairment losses are recognized immediately in the consolidated statement of profit or loss.

3.9 Equity and reserves

Capital represents the nominal value of shares that have been issued.

Statutory reserve represents the amounts retained from the profits for the year and which were held in those accounts in accordance with the requirements stipulated in the Parent Company's Memorandum of Incorporation and Articles of Association, and the Companies' Law No. 1 of 2016 and its Executive Regulations.

Accumulated losses include loss for the current year and accumulated losses from previous years.

3.10 Dividends to shareholders

The Group recognizes cash and non-cash dividends to the Shareholders of the Parent Company as liabilities when such dividends are finally approved, and when decision on such dividends is no longer at the discretion of the Group. Such dividends are approved when they are agreed upon by the Annual General Assembly of the Parent Company's Shareholders, and value of such dividends is recognized in equity.

When distributing such non-cash dividends, the difference between the carrying value of that liability and the carrying value of the distributed assets is recognized in the consolidated statement of profit or loss.

Dividends approved after the consolidated financial statements date are disclosed as events subsequent to the consolidated statement of financial position date.

3.11 Leases

Group as a lessor

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. All other leases are classified as finance leases. The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or specific group of assets or the arrangement conveys a right to use the asset.

Operating lease

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

Group as a lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. The Group recognizes right-of use assets and the lease liabilities regarding all lease arrangements when it acts as the lessee.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made on or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased assets at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

The Group recognizes lease liabilities at the commencement date of the lease and are measured by the present value of the lease payments to be paid during the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option when the Group is reasonably certain that this option is exercised, and payments of penalties for terminating a lease if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of the lease liabilities is re-measured if there is an amendment or change in the lease term or a change in the content of the fixed lease payments or a change in the evaluation that is made to determine whether the underlying assets will be purchased.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.12 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are expensed in the consolidated statement of profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.13 Provisions

Provisions are recognized where the Group has a present legal or probable obligation as a result of a past event, it is probable that the Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. At the end of each financial period, provisions are reviewed and adjusted to reflect the best current estimate. When the time value of money has material effect, the amount recognized as a provision must be the present value of the expected expenses required to settle the obligation. Provisions for future operating losses are not recognized.

3.14 Provision for end of service indemnity

Provision for staff indemnity is computed based on employees' accumulated periods of service at the consolidated financial position date in accordance with the provision of Kuwait Labour Law for the private sector. This liability, which is unfunded, represents the amount payable to each employee as a result of involuntary termination at the end of the reporting period, and approximates the present value of the final obligation.

3.15 Social security

With regard to the Kuwaiti national staff, the Group makes contributions to the Public Institution for Social Security (PIFSS) being calculated as a percentage of monthly salaries of the employees. The Group's commitment is limited to such amounts of commitments which are recognised as an expense upon satisfaction of the vesting conditions by related staff.

3.16 Foreign currencies

Foreign currency transactions are translated into Kuwaiti Dinars at rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currency as at the end of reporting period are retranslated into Kuwaiti Dinars at rates of exchange prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currency are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are carried on a basis of the historical cost and which are dominated in foreign currencies are not retranslated.
Exchange differences arising on the settlement of monetary items, or on the retranslation of monetary items, are included in the consolidated statement of profit or loss for the year. Exchange differences arising on the translation of monetary items at fair value are included in the consolidated statement of profit or loss for the year except for differences arising on retranslation of non-monetary items that were recognized in the consolidated statement of profit or loss which are related directly to them in the consolidated statement of profit or loss. For such non-monetary items, any exchange component of that profit or loss is also recognized directly in the consolidated statement of profit or loss.

The assets and liabilities of the Group's foreign operations are expressed in Kuwaiti Dinar ("KD") using exchange rates prevailing at the consolidated financial statements. Income and expense items are translated into the Group's presentation currency at the average rate over the period of consolidated financial statements.

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

3.17 Contingent assets and liabilities

Contingent liabilities are not recognized in the consolidated financial statements but disclosed except when the possibility of an outflow of economic losses is remote.

Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable as a result of events had occurred in the past.

3.18 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:

- Identifying the contract with a customer.
- Identifying the performance obligations.
- Determine the transaction price
- Allocating the transaction price to the performance obligations.
- Recognising revenue when/as performance obligation(s) are satisfied.

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.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The Standard also specifies method of accounting for the additional costs to obtain the contract and the costs that are directly attributable to the contract execution. The standard also requires comprehensive disclosures.

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 shall transfer control of goods or services over time (and not at a point in time) upon fulfillment of any of the following criteria:

- The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
- The Group's performance creates or enhances an asset (e.g., work in process) that the customer controls as the asset is created or enhanced.
- The Group's performance does not establish an asset that has an alternative usage to the Entity. The Entity has enforceable right in payments against the completed performance to date.

Control shall be transferred at a point in time if any of the criteria required for transferring goods or service is not met over time. The following items should be considered by the

Group whether or not control over the assets is transferred:

- The Group shall have immediate right in payments against the asset.
- The customer shall have a legal right in the asset.
- The Group shall transfer the physical possession to the asset.
- The customer shall have the significant risks and benefits of ownership of the asset.
- The customer shall accept the asset.

The Group revenues comprise the following:

Management and advisory fees

Management and advisory fees represent fees earned from providing services over a specific period of time and accrued over that period and includes management fees.

Rental income

Rental income is recognized when matured on a time proportion basis.

Gain from sale of financial assets at fair value through profit or loss

Gain from sale of financial assets are measured by the difference between proceeds from the sale and the carrying amount of the investment at the date of disposal and are recognized at the date of sale.

Real estate sales income

Income from sale of properties is recognised on an accrual basis, when all the following conditions are met:

- On completion of sale transaction and signing the contracts.
- When investment of the buyer (sale value) is sufficient to indicate his commitment to pay value of the property as at the reporting date.
- Receivables category of the Group shall not be less than the sale in the future.
- When the Group transfer the control to the purchaser.
- If the works required for completing the building can be measured and recorded on an accrual basis easily, or if such works are not significant as for the total value of the contract.

Return income

Return income is recognized on time proportion basis using the effective return method..

Dividends income

Dividend income is recognised when the right to receive payments is established.

Other income and expenses

Other income and expenses are recognized on an accrual basis.

3.19 Contribution to Kuwait Foundation for the Advancement of Sciences

The contribution to KFAS is calculated at 1% of profit attributable to the Parent Company's Shareholders before deduction of the contribution to KFAS and Zakat and after excluding the Parent Company's share from profits of Kuwaiti shareholding subsidiaries and the transferred amount to the statuary reserve. Contribution to KFAS is not calculated for the year ended 31 March 2024 as there is no profit, based on which KFAS contribution could be calculated.

3.20 Contribution to Zakat

Zakat is calculated at 1% of the profit attributable to the Parent Company's Shareholders before deduction of contribution to KFAS and Zakat, after excluding the Parent Company's share from profits of Kuwaiti shareholding subsidiaries, and Zakat contribution paid by the Kuwaiti shareholding subsidiaries in accordance with law No. 46 of 2006 and Ministerial Resolution No. 58 of 2007 and its executive rules. Zakat contribution is not calculated for the year ended 31 March 2024 as there is no financial profit, based on which Zakat could be calculated.

4. Material accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 3, the management is required to make judgments, estimates and assumption about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimations and assumptions are based on the management's pervious experiences and other relevant internal and external factors. Actual results may vary from these estimations.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Material accounting judgements

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:

Classification of financial instruments

On acquisition of a financial asset, the Group decides whether it should be classified as "at fair value through profit or loss", "at fair value through other comprehensive income" or "at amortised cost". IFRS 9 requires assessment of all financial assets - except equity instruments and derivatives - based on the Group's business model for managing the assets and the instrument's contractual cash flow characteristics. The Group follows the guidance of IFRS 9 on classifying its financial assets as stated in Note 3.

Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The determination of whether the revenue recognition criteria as specified under IFRS 15 and the accounting policy of revenue stated in Note 3.18 are met requires significant judgment.

Principal versus agent considerations

The Group enters into contracts to sell goods and render services to its customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group determined that it is a principal in all its contracts with its customers.

- The Group controls the promised goods or services before the Group transfers the goods or services to the customer.
- The Group satisfies the performance obligations by itself and does not engage another party in satisfying its performance obligations in its contracts with customers.

Contingent liabilities

Contingent liabilities are possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of future events, not wholly within the control of the Group's management. The Group recognizes provisions for contingent liabilities when the loss therefrom is considered possible and can be reliably measured. In determining whether or not such provisions shall be recognized as well as the related amounts requires the exercise of significant management judgment. The Group uses the principles and criteria established within International Financial Reporting Standards and best practices prevailing within the industry in which it operates in making such judgments.

Provision for expected credit loss

The determination of the recoverability of the amount due from customers and the factors determining the impairment of the receivables involve significant judgments.

Leases

Significant opinions on requirements for applying IFRS 16 include, among others, the following:

- Determine whether the contract (part thereof) contains a lease.
- Determine whether it is reasonably certain that extension or termination option will be exercised.
- Classification of lease agreements (when the entity is the lessor).
- Determine whether the variable payments are substantially fixed.
- Determine whether there are multiple leases in the arrangement.
- Determine the sale price of leased and non-leased items.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the consolidated financial position date, which have a significant risk of causing a material adjustment to the accounts of assets and liabilities within the consolidated financial statements for the next financial year are discussed below:

Impairment of non-financial assets

The Group's management estimates whether there is an indication to impairment of non-financial assets. The recoverable amount of an asset is determined based on "value in use method". In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty, and actual results may differ resulting in future changes to such provisions.

Useful lives of non-financial assets

The Group reviews the estimated useful lives over which its non-financial assets are depreciated and intangible assets are amortized. The Group's management is satisfied that the estimates of useful lives of these assets are appropriate.

Provision for expected credit loss for other debit balances and Islamic finance receivables

The Group uses a provision matrix to calculate ECLs for other debit balances and Islamic finance receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geographical region, services type, customer and type). The provision matrix is initially based on the Group's historical observed default rates.

The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information.

The assessment of the correlation between historical observed default rates and expected credit losses is a significant estimate. The Group's historical credit loss experience may also not be representative of customer's actual default in the future.

Valuation of investment properties

The Group records its investment properties at fair value where changes in the fair value are recognized in the consolidated statement of profit or loss.

Three basic methods are used for determining the fair value of the investment properties:

1. Discounted cash flows method: in this method the successive amounts of expected future cash flows of the asset are used based on the outstanding contracts and rental conditions, and discount the present value by using a discount rate that reflects the risks related to this asset.
2. Income capitalization: through which the property value is estimated based on its resulted income. Such value is calculated based on the net operating income of the property divided by the expected rate of return from the property as per market inputs, which is known as capitalization rate.
3. Comparative analysis: which is based on estimations made by an independent real estate assessor by reference to new actual deals done among other parties for similar properties in location and condition and relying on expertise of such independent real estate assessor.

Leases

The main items of estimation uncertainty for application of IFRS 16 include the following:

- Assessment of the lease term.
- Determination of the proper discount rate for the lease payments.
- Assessment whether right-of use assets have impaired.

5. Cash and cash equivalents

	2024	2023
	KD	KD
Cash on hand	**1,073**	1,271
Cash at banks	**486,150**	1,139,026
Cash at investment portfolios	**26,412**	99,698
Money market fund	**378,888**	-
	892,523	1,239,995

6. Islamic finance receivables

	2024	2023
	KD	KD
Gross amount	**2,577,196**	1,578,668
Less: deferred income	**(624,609)**	(202,974)
	1,952,587	1,375,694
Less: provision for expected credit loss (a)	**(1,952,587)**	(1,249,556)
	-	126,138

Effective return rate on Islamic finance receivables ranges from an average profit rate of 4.25% to 4.5% (31 March 2023: 4% to 8.5%) per annum.

a) Movement on provision for expected credit loss during the year is as follows:

	2024	2023
	KD	KD
Balance at beginning of the year	**1,249,556**	639,087
Provision for Islamic finance receivables charged during the year (Note 19)	**730,616**	626,264
Reverse of provision for Islamic finance receivables during the year (Note 19)	**(27,095)**	(13,562)
Utilized during the year	**(490)**	(2,233)
Balance at end of the year	**1,952,587**	1,249,556

7. Other debit balances

	2024	2023
	KD	KD
Accrued income	**276,987**	499,138
Expenses, advance payments and refundable deposits	**93,503**	145,459
Other	**147,756**	337,044
Provision for expected credit loss (a)	**(73,236)**	(147,205)
	445,010	834,436

a) Movement on provision for expected credit loss during the year is as follows:

	2024	2023
	KD	KD
Balance at beginning of the year	**147,205**	54,119
Charge during the year (Note 19)	**45,726**	93,086
Provision no longer required (Note 19)	**(119,695)**	-
Balance at end of the year	**73,236**	147,205

8. Financial assets at fair value through profit or loss

	2024	2023
	KD	KD
Quoted securities	**134,997**	430,571
Unquoted securities	**50,007**	39,816
Investment funds	**3,801,439**	3,579,238
	3,986,443	4,049,625

Movement on financial assets at fair value through profit or loss during the year is as follows:

	2024	2023
	KD	KD
Balance at beginning of the year	4,049,625	1,546,921
Additions	442,719	386,874
Disposals	(343,079)	(315,649)
Change in fair value	(162,822)	88,387
Balance at end of the year	3,986,443	1,706,533

9. Financial assets at fair value through other comprehensive income

	2024	2023
	KD	KD
Unquoted securities	1,190,326	1,238,568
	1,190,326	1,238,568

10. Investment properties

	2024	2023
	KD	KD
Balance at beginning of the year	5,676,598	5,979,995
Change in fair value	(119,093)	(303,397)
Disposals (a)	(2,003,318)	-
Balance at end of the year	3,554,187	5,676,598

a) During the year ended 31 March 2024, the Group disposed of investment properties with a net amount of KD 2,184,266, the sale resulted in a profit of KD 180,948.

Classification of investment properties are as follows:

	2024	2023
	KD	KD
Properties under development	**40,558**	40,096
Completed properties	**3,513,629**	5,636,152
	3,554,187	5,676,598

Accordingly, properties under development were stated at cost less impairment as their fair value cannot be reliably measured.

Fair value of investment properties was concluded by independent and approved valuers who has relevant experience and competent professionalism using generally accepted valuation bases and models.

For purposes of estimating the fair value of investment properties, valuer used the below valuation techniques as follows:

For purposes of estimating the fair value of investment properties, valuer used the below valuation techniques as follows:

	2024		
	Level 2	Level 3	Total
	KD	KD	KD
Investment properties	**3,442,591**	**111,596**	**3,554,187**
	3,442,591	**111,596**	**3,554,187**

	2023		
	Level 2	Level 3	Total
	KD	KD	KD
Investment properties	5,565,311	111,287	5,676,598
	5,565,311	111,287	5,676,598

11. Islamic finance payables

	2024	2023
	KD	KD
Gross amount	**2,372,290**	3,850,028
Less: deferred finance cost	**(57,535)**	(651,913)
	2,314,755	3,198,115

Islamic finance payables carry an average cost rate of 7.5% to 8% (2023: 7% to 8.19%) per annum and are repayable in installments, the last of which is due on 24 July 2024.

12. Other credit balances

	2024	2023
	KD	KD
Accrued expenses	**104,065**	180,905
Employees' payables	**75,573**	313,424
Payments received in advance on sale of investment property	**-**	390,552
Accrued staff leave	**164,971**	189,768
Rentals received in advance	**10,699**	19,860
Refundable deposits	**3,051**	14,792
Other	**34,679**	28,423
	393,038	1,137,724

13. Provision for end of service indemnity

	2024	2023
	KD	KD
Balance at beginning of the year	**679,735**	1,000,618
Charged during the year	**125,259**	113,089
Paid during the year	**(145,323)**	(231,680)
Transferred to other credit balances	**-**	(202,292)
Balance at end of the year	**659,671**	679,735

14. capital

The Parent Company's authorized, issued and fully paid up capital is KD 18,026,680 divided into 180,266,800 shares each with a nominal value of 100 fils and all shares are in cash.

15. Statutory reserve

In accordance with the requirements of the Companies' Law and the Parent Company's Articles of Association, 10% of the profit for the year before contributions to KFAS and Zakat and board of directors remuneration is to be transferred to the statutory reserve. The Parent Company may resolve to discontinue the annual transfer when the reserve exceeds 50% of the capital. Distribution of the statutory reserve is limited to the amount required to enable the payment of a dividend of 5% of the paid up capital to be made in years when retained earnings are not sufficient for the payment of a dividend of that amount. No transfer to statutory reserve was made as there are net loss during the year.

16. Voluntary reserve

As required by the Parent Company's Articles of Association, 10% of the profit for the year before contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), Zakat and Board of Directors' remuneration is transferred to the voluntary reserve. Such transfer may be discontinued by a resolution of the Shareholders' General Assembly upon a proposal by the Board of Directors. No transfer to voluntary reserve was made as there is net loss during the year.

17. Net investment (loss) / income

	2024	2023
	KD	KD
Unrealized loss from change in fair value of the financial assets at fair value through profit or loss	**(162,822)**	(72,259)
Realized gain / (loss) from sale of financial assets at fair value through profit or loss	**1,401**	(24,023)
Dividends income	**71,186**	(24,023)
	(90,235)	134,109

18. General and administrative expenses

	2024	2023
	KD	KD
Staff costs	**1,009,296**	1,092,414
Rent	**52,755**	7,030
Depreciation	**66,573**	125,113
Legal and professional expenses	**167,583**	240,715
Subscription fees	**88,141**	85,743
Marketing expenses	**51,327**	46,520
Finance cost - lease liabilities	**481**	3,414
Other	**105,466**	105,188
	1,541,622	1,706,137

19. Net provision for expected credit loss

	2024	2023
	KD	KD
Provision for expected credit loss of Islamic finance receivables (Note 6)	**730,616**	626,264
Reverse of provision for expected credit loss of Islamic finance receivables (Note 6)	**(27,095)**	(13,562)
Provision for expected credit loss of other debit balances (Note 7)	**45,726**	93,086
Reverse of provision for expected credit loss of other debit balances (Note 7)	**(119,695)**	-
	629,552	705,788

20. Related party disclosures

The Group entered into various transactions with related parties, i.e. Shareholders, Key Management Personnel and certain other related parties. Prices and payment conditions of these transactions are approved by the Group's management. Significant related party transactions and balances are as follows:

Transactions included in consolidated statement of profit or loss:

	2024	2023
	KD	KD
Management and advisory fees	28	228

Key management personnel:

	2024	2023
	KD	KD
Salaries and short-term benefits	139,098	161,947
End of service indemnity	26,147	29,484
	165,245	191,431

21. Contingent liabilities

At the date of consolidated financial statements, the Group had contingent liabilities as follows:

	2024	2023
	KD	KD
Letters of guarantee	-	2,000

22. Financial risk management

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Group's sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments in the light of changes in economic conditions and risk characteristics of the underlying assets.

In order to maintain or adjust the optimized structure of capital resources, the Group may organize the amount of dividends paid to shareholders, reduce the paid up capital, issue new shares, sell certain assets to reduce debts, and obtain new loans.

The Group monitor capital based on the gearing ratio to capital. The ratio is calculated as net debt divided by capital. Net debts is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity, which is shown in the consolidated financial position, plus net debts.

For the purpose of capital risk management, the total share capital consists of the following:

	2024	2023
	KD	KD
Islamic finance payables	**2,314,755**	3,198,115
Less: cash and cash equivalents	**(892,523)**	(1,239,995)
Net debt	**1,422,232**	1,958,120
Equity attributable to Shareholders of the Parent Company	**6,788,594**	8,209,952
Total capital	**8,210,826**	10,168,072
Debt to capital ratio	**17.32%**	19.26%

Profit rate risk

Financial instruments are subject to the risk of changes in value due to changes in levels of return for its financial assets and liabilities that carry floating return rates. The Group is not exposed to profit rate risk as the Group's assets and liabilities carry profit rates at fixed rates.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge a contractual obligation causing the other party to incur a financial loss. Financial assets, which potentially subject the Group to credit risk, consist principally of cash and cash equivalents, other debit balances and Islamic finance receivables. Other debit balances and Islamic finance receivables are presented net of ECLs.

Other debit balances

The Group applies the IFRS 9 simplified model of recognizing lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. In measuring the expected credit losses, trade receivables have been assessed on a collective basis respectively and classified based on shared credit risk characteristics and the days past due.

Trade receivables are written off when there is no reasonable expectation of recovery. Failure to make payments within 365 days from the invoice date and failure to make an alternative payment arrangement - amongst other - with the Company is considered an indicator of no reasonable expectation of recovery and therefore is considered as credit impaired.

Cash and bank balances

The Group's cash at banks measured at amortized cost are considered to have a low credit risk and the loss allowance is based on the 12 months expected loss. The Group's cash at banks is placed with high credit rating financial institutions with no recent history of default. Based on management's assessment, the expected credit losses impact arising from such financial assets are insignificant to the Group as the risk of default has not increased significantly since initial recognition.

The Group's maximum exposure arising from default of the counter-party is limited to the carrying amount of cash and cash equivalents, Islamic finance receivables and other debit balances.

The book values for financial assets represent the maximum exposure to credit risks. The maximum net exposure to credit risk for assets categories at the consolidated financial statements date was:

	Maximum exposure	
	2024	2023
	KD	KD
Consolidated statement of financial position		
Cash and cash equivalents	**892,523**	1,239,995
Islamic finance receivables	**-**	126,138
Other debit balances	**445,010**	834,436
	1,337,533	2,200,569

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. To manage this risk, the Group periodically assesses the financial viability of its customers, along with planning and managing the Group's forecasted cash flows by maintaining adequate cash reserves, maintaining valid and available credit lines with banks, and matching the maturity profiles of financial assets and liabilities.

The following table shows the analysis of maturities for the assets and liabilities of the Group:

31 March 2024	Within 1 year	More than 1 year	Total
	KD	KD	KD
Assets:			
Cash and cash equivalents	892,523	-	892,523
Other debit balances	392,219	52,791	445,010
Financial assets at fair value through profit or loss	3,986,443	-	3,986,443
Financial assets at fair value through other comprehensive income	-	1,190,326	1,190,326
Investment properties	-	3,554,187	3,554,187
Property and equipment	-	82,780	82,780
Right-of-use assets	4,789	-	4,789
Total assets	5,275,974	4,880,084	10,156,058
Liabilities:			
Islamic finance payables	2,314,755	-	2,314,755
Other credit balances	232,363	160,675	393,038
Provision for end of service indemnity	-	659,671	659,671
Total liabilities	2,547,118	820,346	3,367,464

31 March 2023	Within 1 year	More than 1 year	Total
	KD	KD	KD
Assets:			
Cash on hand and at banks	1,239,995	-	1,239,995
Islamic finance receivables	126,138	-	126,138
Other debit balances	732,183	102,253	834,436
Financial assets at fair value through profit or loss	4,049,625	-	4,049,625
Financial assets at fair value through other comprehensive income	-	1,238,568	1,238,568
Investment properties	-	5,676,598	5,676,598
Property and equipment	-	65,476	65,476
Right-of-use assets	17,411	-	17,411
Total assets	6,165,352	7,082,895	13,248,247
Liabilities:			
Islamic finance payables	2,295,333	902,782	3,198,115
Lease liabilities	22,721	-	22,721
Other credit balances	936,544	201,180	1,137,724
Provision for end of service indemnity	-	679,735	679,735
Total liabilities	3,254,598	1,783,697	5,038,295

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. The Group incurs foreign currency risk on transactions that are denominated in a currency other than the Kuwaiti Dinar. The Group may reduce its exposure to fluctuations in foreign exchange rates through the use of derivative financial instruments. The Group ensures that the net exposure is kept to an acceptable level, by dealing in currencies that do not fluctuate significantly against the Kuwaiti Dinar.

The following table demonstrates the sensitivity to a reasonably possible change in the major foreign currency exchange rates used by the Group against the Kuwaiti Dinar.

	2024			2023		
	Increase / (decrease) against Kuwaiti Dinar	Impact on profits or losses	Effect on other comprehensive income	Increase / (decrease) against Kuwaiti Dinar	Impact on profits or losses	Effect on other comprehensive income
	%	KD	KD	%	KD	KD
GBP	± 5%	± 39,129	± 4,408	± 5%	± 58,523	± 4,134
USD	± 5%	± 80,188	± 17,526	± 5%	± 70,334	± 23,491
EUR	± 5%	± 418	-	± 5%	± 414	-
Swiss Francs	± 5%	± 256	-	± 5%	± 441	-
SAR	± 5%	± 139,956	-	± 5%	± 169,616	-
BHD	± 5%	± 5,545	± 9,712	± 5%	± 6,246	± 10,860
QAR	± 5%	± 527	-	± 5%	± 2,630	-
AED	± 5%	± 48,620	± 28,792	± 5%	± 101,810	± 25,800
CAD	± 5%	± 12	-	± 5%	± 5	-
OMR	± 5%	± 12	-	± 5%	± 282	-
Hong Kong	± 5%	± 93	-	± 5%	± 160	-

23. Fair value measurement

The Group measures the financial assets, such as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, at fair value at the financial period end date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an arm's length transaction between market participants as at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities, for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets and liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table shows an analysis of financial assets recorded at fair value by level of the fair value hierarchy:

31 March 2024	Level 1	Level 2	Level 3	Total
	KD	KD	KD	KD
Financial assets at fair value through profit or loss	**134,997**	**3,801,439**	**50,007**	**3,986,443**
Financial assets at fair value through other comprehensive income	**-**	**-**	**1,190,326**	**1,190,326**
Total	**134,997**	**3,801,439**	**1,240,333**	**5,176,769**

31 March 2023	Level 1	Level 2	Level 3	Total
	KD	KD	KD	KD
Financial assets at fair value through profit or loss	430,571	3,579,238	39,816	4,049,625
Financial assets at fair value through other comprehensive income	-	-	1,238,568	1,238,568
Total	430,571	3,579,238	1,278,384	5,288,193

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

As at 31 March, the fair values of financial instruments approximate their carrying amounts. The management of the Group has assessed that fair value of its financial assets and liabilities, except for excluded items, approximate their carrying amounts largely due to the short-term maturities of these financial instruments.
During the year, there were no transfers between level 1, level 2 and level 3.

24. General Assembly of Shareholders

The Annual Ordinary General Assembly of the Parent Company's Shareholders held on 8 August 2023 approved the financial statements for the year ended 31 March 2023, and approved not to distribute cash dividends and not to disburse the Board of Directors' remuneration for the financial year ended 31 March 2023.

The Annual Ordinary General Assembly of the Parent Company's Shareholders held on 5 July 2022 approved the financial statements for the year ended 31 March 2022, and approved not to distribute cash dividends and not to disburse the Board of Directors' remuneration for the financial year ended 31 March 2022.

25. Fiduciary assets

The Group manages portfolios on behalf of customers, which are not included in the consolidated statement of financial position. The aggregate value of assets held in a fiduciary capacity by the Group as at 31 March 2024 amounted to KD 17,474,627 (31 March 2023: KD 17,370,146). Fiduciary assets include an amount of KD 26,792 (31 March 2023: KD 67,722) attributable to related parties.