

**ALAFCO AVIATION LEASE AND FINANCE
COMPANY K.S.C.P. AND SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)**

31 DECEMBER 2024



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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF ALAFCO AVIATION LEASE AND FINANCE COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of ALAFCO Aviation Lease and Finance Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively the “Group”) as at 31 December 2024 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three months period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34: Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 to the accompanying interim condensed consolidated financial information, which states that during the prior year, on 10 June 2024, the shareholders at the extraordinary general assembly meeting (“EGM”) of the Parent Company approved the Parent Company’s delisting from Boursa Kuwait, capital reduction, distribution of the reserves, liquidation of the Group subject to regulatory approvals, and distribution of the remaining capital and reserves. As a result, the accompanying interim condensed consolidated financial information have been prepared on a basis other than going concern. Our conclusion is not modified in respect of this matter.



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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF ALAFCO AVIATION LEASE AND FINANCE COMPANY K.S.C.P. (continued)

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its Executive Regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association during the three months period ended 31 December 2024 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, we have not become aware of any violations of the provisions of Law No. 7 of 2010 concerning establishment of Capital Markets Authority "CMA" and organization of security activity and its executive regulations, as amended, during the three months period ended 31 December 2024 that might have had a material effect on the business of the Parent Company or on its financial position.

A handwritten signature in blue ink, appearing to be 'Abdulkarim Alsamdan', is written over a horizontal dotted line.

ABDULKARIM ALSAMDAN
LICENCE NO. 208-A
EY
AL AIBAN, AL OSAIMI & PARTNERS


29 January 2025
Kuwait

ALAFCO Aviation Lease and Finance Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 December 2024

	31 December 2024	(Audited) 30 September 2024	31 December 2023
Note	KD	KD	KD
ASSETS			
Aircraft, engines and equipment	-	-	342,615,626
Receivables and other assets	270,120	4,356,213	33,462,239
Short-term deposits	-	109,118,400	-
Cash and cash equivalents	64,127,145	128,077,345	29,788,729
	<u>64,397,265</u>	<u>241,551,958</u>	<u>405,866,594</u>
Assets held for sale	-	-	377,781,812
TOTAL ASSETS	<u><u>64,397,265</u></u>	<u><u>241,551,958</u></u>	<u><u>783,648,406</u></u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	5 10,000,000	10,000,000	95,209,348
Share premium	-	-	17,829,167
Statutory reserve	29,571,005	29,571,005	29,571,005
Foreign currency translation reserve	-	15,343,071	16,794,430
Retained earnings	22,830,585	5,880,793	56,498,243
TOTAL EQUITY	<u>62,401,590</u>	<u>60,794,869</u>	<u>215,902,193</u>
LIABILITIES			
Due to financial institutions	-	-	448,458,952
Security deposits	-	-	4,152,606
Maintenance reserve and provisions	-	-	32,845,410
Other liabilities	1,995,675	4,183,832	12,744,666
Amount due to shareholders	-	176,573,257	-
	<u>1,995,675</u>	<u>180,757,089</u>	<u>498,201,634</u>
Liabilities directly associated with assets classified as held for sale	-	-	69,544,579
TOTAL LIABILITIES	<u>1,995,675</u>	<u>180,757,089</u>	<u>567,746,213</u>
TOTAL EQUITY AND LIABILITIES	<u><u>64,397,265</u></u>	<u><u>241,551,958</u></u>	<u><u>783,648,406</u></u>


 Abdullah Sulaiman AlHaddad
 Vice chairman of the Board


 Ahmad Abdulaziz Alnafisi
 Board member

The attached notes 1 to 9 form part of this interim condensed consolidated financial information.

ALAFCO Aviation Lease and Finance Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
(UNAUDITED)

For the period ended 31 December 2024

	<i>Note</i>	<i>Three months ended</i>	
		<i>31 December</i>	
		2024	2023
		KD	KD
Operating lease income		-	9,706,599
Murabaha income		1,101,192	289,085
Loss on disposal of aircraft, engines and equipment		-	(7,068,755)
Other income		17,281	4,357,091
Staff costs		(273,567)	(592,023)
Depreciation		-	(4,056,234)
Other operating expenses		(226,578)	(708,121)
Reversal of credit loss on receivables		-	1,621,398
Finance costs		-	(7,484,316)
PROFIT (LOSS) FOR THE PERIOD BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS)		618,328	(3,935,276)
Kuwait Foundation for Advancement of Sciences (“KFAS”)		(5,565)	-
National Labor Support Tax (“NLST”)		(14,128)	-
Zakat		(5,651)	-
PROFIT (LOSS) FOR THE PERIOD		592,984	(3,935,276)
Basic and diluted earnings (losses) per share	4	5.93 fils	(4.13) fils

The attached notes 1 to 9 form part of this interim condensed consolidated financial information.

ALAFCO Aviation Lease and Finance Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (UNAUDITED)

For the period ended 31 December 2024

	<i>Three months ended</i>	
	<i>31 December</i>	
	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>
Profit (loss) for the period	592,984	(3,935,276)
Other comprehensive income (loss):		
<i>Items that are not reclassified subsequently to interim condensed consolidated statement of income:</i>		
Foreign currency translation adjustment	1,013,737	(1,013,470)
Other comprehensive income (loss) for the period	1,013,737	(1,013,470)
Total comprehensive profit (loss) for the period	1,606,721	(4,948,746)

The attached notes 1 to 9 form part of this interim condensed consolidated financial information.

ALAFCO Aviation Lease and Finance Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 December 2024

	<i>Share capital KD</i>	<i>Share premium KD</i>	<i>Statutory reserve KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Retained earnings KD</i>	<i>Total KD</i>
Balance as at 1 October 2024	10,000,000	-	29,571,005	15,343,071	5,880,793	60,794,869
Profit for the Period	-	-	-	-	592,984	592,984
Other comprehensive profit for the period	-	-	-	1,013,737	-	1,013,737
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive profit for the period	-	-	-	1,013,737	592,984	1,606,721
Transfer of foreign currency translation reserve to retained earnings (Note 9)	-	-	-	(16,356,808)	16,356,808	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 31 December 2024	10,000,000	-	29,571,005	-	22,830,585	62,401,590
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Balance as at 1 October 2023	95,209,348	17,829,167	29,571,005	17,807,900	60,433,519	220,850,939
Loss for the period	-	-	-	-	(3,935,276)	(3,935,276)
Other comprehensive loss for the period	-	-	-	(1,013,470)	-	(1,013,470)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the period	-	-	-	(1,013,470)	(3,935,276)	(4,948,746)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 31 December 2023	95,209,348	17,829,167	29,571,005	16,794,430	56,498,243	215,902,193
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The attached notes 1 to 9 form part of this interim condensed consolidated financial information.

ALAFCO Aviation Lease and Finance Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

For the period ended 31 December 2024

	<i>Three months ended</i>	
	<i>31 December</i>	
	2024	2023
	KD	KD
OPERATING ACTIVITIES		
Profit (loss) for the period	592,984	(3,935,276)
Adjustments for:		
Depreciation	-	4,056,234
Murabaha income	(1,101,192)	(289,085)
Finance costs	-	7,484,316
Reversal of credit loss on receivables	-	(1,621,398)
Loss on disposal of aircraft, engines and equipment	-	7,068,755
	(508,208)	12,763,546
Changes in operating assets and liabilities:		
Receivables and other assets	4,230,715	2,430,351
Other liabilities	(2,234,141)	1,768,778
Maintenance reserve and provisions	-	3,423,921
Cash from operations	1,488,366	20,386,596
Finance cost paid	-	(7,218,348)
Net cash flows from operating activities	1,488,366	13,168,248
INVESTING ACTIVITIES		
Proceeds from disposal of aircraft, engines and equipment	-	65,791,020
Capital advances refunded by the manufacturer	-	34,854,309
Net movement in short-term deposits	109,118,400	-
Murabaha income received	1,004,448	253,601
Net cash flows from investing activities	110,122,848	100,898,930
FINANCING ACTIVITIES		
Financing facilities repaid	-	(97,262,346)
Dividend paid	(176,573,257)	-
Net cash flows used in financing activities	(176,573,257)	(97,262,346)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(64,962,043)	16,804,832
Foreign currency translation adjustment	1,011,843	(121,260)
Cash and cash equivalents at 1 October	128,077,345	13,105,157
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	64,127,145	29,788,729

The attached notes 1 to 9 form part of this interim condensed consolidated financial information.

ALAFCO Aviation Lease and Finance Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 December 2024

1 INCORPORATION AND PRINCIPAL ACTIVITIES

ALAFCO Aviation Lease and Finance Company K.S.C.P. (ALAFCO) (the "Parent Company") is a Kuwaiti shareholding company registered and incorporated in Kuwait on 21 March 2000. The Parent Company is engaged in providing service to buy aircraft and other related assets on behalf of the aviation companies, coordinating with factories, providing asset management services to different aviation companies, providing operating lease or financing lease services commensurate with the needs and desires of aviation company customers, providing project financing to buy aircraft wholly or partly in light of the evaluation studies and the renewal of risk factors associated with such projects, marketing of aircraft to meet the needs of medium-and long-term for aviation companies wishing with such services, assisting aviation companies in the marketing of their aircraft through selling and leasing, participation in providing services associated with financing and providing technical support to aviation companies, assistance in the joint investment operations and specialized in aviation industry, Wholly or partly investment in providing aircraft, engines and spare parts as appropriate to needs of aviation companies and factories customers, Management and investment of revenues generated and collected from the above mentioned operations. The Parent Company may have an interest or to participate in any aspect in other entities conducting similar activities or which may assist in achieving its objectives in Kuwait or abroad and it may establish, participate or buy these bodies or in their equity.

The Parent Company operates in accordance with the Islamic Sharia'a principles. The Parent Company's registered head office is at Kuwait Chamber of Commerce and Industry Building Annexe, Second Floor, Abdul Aziz Hamid Al Sagar Street, Al-Mirqab, Kuwait.

The shares of the Parent Company are listed on Boursa Kuwait.

The Parent Company is an associate of Kuwait Finance House K.S.C.P. ("the Bank") and Gulf Investment Corporation S.A.G. (GIC).

The interim condensed consolidated financial information includes transactions and balances of the Parent Company and wholly owned Special Purpose Companies ("SPC") (its subsidiaries), together referred to as the "Group". All the transactions of SPC's are entered on behalf of ALAFCO and are guaranteed by ALAFCO.

The interim condensed consolidated financial information of the Group for the three months period ended 31 December 2024 was authorised for issue in accordance with a resolution of the board of directors on 29 January 2025.

2 FUNDAMENTAL ACCOUNTING CONCEPT

In prior years, the Group has entered into sale agreements to sell all the aircrafts of the Group to Macquarie Airfinance Group Limited (the "Buyer") and as of the prior year ended 30 September 2024, all aircrafts were transferred to the Buyer.

During the prior year, on 10 June 2024, the shareholders at the extraordinary general assembly meeting ("EGM") of the Parent Company approved the Parent Company's delisting from Boursa Kuwait, capital reduction, distribution of the reserves, liquidation of the Group subject to regulatory approvals, and distribution of the remaining capital and reserves. As a result, the interim condensed consolidated financial information of the Group are not prepared on a going concern basis. Accordingly, the interim condensed consolidated financial information are prepared on a basis other than going concern, whereby carrying values for the Group's assets as of 31 December 2024 are presented at their net realisable values and liabilities are presented at settlement amounts.

The liquidation will only take place after delisting the Group from Boursa Kuwait and after obtaining regulatory approvals, hence the liquidator is not yet appointed as of 31 December 2024.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 December 2024

3 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

3.1 Basis of preparation

The interim condensed consolidated financial information of the Group is prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*.

The interim condensed consolidated financial information does not contain all information and disclosures required for full consolidated financial statements prepared in accordance with the International Financial Reporting Standards. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the three months period ended 31 December 2024 are not necessarily indicative of the results that may be expected for the financial year ending 30 September 2025. For more details, please refer to the consolidated financial statements and its related disclosures for the year ended 30 September 2024.

The functional currency of the Parent Company is Kuwaiti Dinars as of 31 December 2024 (30 September 2024: US dollars and 31 December 2023: US dollars). The interim condensed consolidated financial information is presented in Kuwaiti Dinars (Note 9).

3.2 New standards, interpretations, and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 September 2024, except for the adoption of new standards effective as of 1 October 2024.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time from 1 October 2024, but do not have an impact on the interim condensed consolidated financial information of the Group.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's interim condensed consolidated financial information.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's interim condensed consolidated financial information.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

ALAFCO Aviation Lease and Finance Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 December 2024

3 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

Amendments to IAS 1: Classification of Liabilities as Current or Non-current (continued)

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's interim condensed consolidated financial information.

4 BASIC AND DILUTED EARNINGS (LOSSES) PER SHARE

Basic and diluted earnings (losses) per share are calculated by dividing profit (loss) for the period by the weighted average number of ordinary shares outstanding during the period as follows:

	<i>Three months ended 31 December</i>	
	<i>2024</i>	<i>2023</i>
Profit (loss) for the period (KD)	592,984	(3,935,276)
Weighted average number of ordinary shares	100,000,000	952,093,482
Basic and diluted earnings (losses) per share	5.93 fils	(4.13) fils

As there are no dilutive instruments outstanding, basic and diluted earnings (losses) per share are identical.

5 SHARE CAPITAL AND ANNUAL GENERAL ASSEMBLY

The authorised, issued and fully paid share capital as at 31 December 2024 comprises 100,000,000 ordinary shares (30 September 2024: 100,000,000 ordinary shares and 31 March 2024: 952,093,482 ordinary shares) of 100 fils each paid in cash and bonus shares.

Subsequent to the reporting date, on 8 January 2025, the shareholders at the annual general assembly meeting ("AGM") of the Parent Company approved the consolidated financial statements for the year ended 30 September 2024 and approved distribution of cash dividends of KD 30,531,798. The shareholders at the annual general assembly of the Parent Company have also approved directors' remuneration of KD 230,000 for the year ended 30 September 2024.

6 RELATED PARTY TRANSACTIONS

Related parties represent the major shareholders, directors and key management personnel of the Parent Company, and entities controlled, jointly controlled, or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Parent Company's management and Board of Directors.

Significant transactions with related parties included in the interim condensed consolidated financial information are as follows:

ALAFCO Aviation Lease and Finance Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 December 2024

6 RELATED PARTY TRANSACTIONS (continued)

Interim condensed consolidated statement of income:

	<i>Three months ended</i>	
	<i>31 December</i>	
	2024	2023
	KD	KD
Murabaha income		
- Bank	828,460	261,119
- Other related parties *	272,732	-
	1,101,192	261,119
Finance costs		
- Bank	-	1,244,526
	-	1,244,526
<i>Key management compensation:</i>		
Salaries and other short-term benefits	117,533	164,335
End of service benefits	26,117	52,283
	143,650	216,618

Interim condensed consolidated statement of financial position:

	<i>Bank</i>	<i>Shareholders</i>	<i>Other related</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>parties *</i>	<i>KD</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
31 December 2024				
Cash and cash equivalents	63,802,303	-	-	63,802,303
Receivables and other assets **	96,744	-	-	96,744
30 September 2024 (Audited)				
Cash and cash equivalents	127,404,443	-	-	127,404,443
Short-term deposits	-	-	109,118,400	109,118,400
Receivables and other assets **	-	-	1,764,081	1,764,081
Amount due to shareholders	-	176,573,257	-	176,573,257
31 December 2023				
Cash and cash equivalents	20,108,974	-	-	20,108,974
Receivables and other assets **	6,323	-	-	6,323
Due to financial institutions	78,320,409	-	-	78,320,409
Other liabilities***	524,918	-	-	524,918

* Other related parties represent subsidiary of the Bank.

** Receivables and other assets represents accrued Murabaha income.

*** Other liabilities represent accrued finance costs on Islamic finance facilities obtained from the Bank.

ALAFCO Aviation Lease and Finance Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 December 2024

7 SEGMENT INFORMATION

The Group is engaged primarily in only one business segment, aircraft leasing segment. However, for management purposes, the Group is organized into four geographical segments.

31 December 2024:

	<i>Middle East KD</i>	<i>Asia KD</i>	<i>Europe KD</i>	<i>America KD</i>	<i>Total KD</i>
Segment revenue	1,118,473	-	-	-	1,118,473
Segment results before taxations	618,328	-	-	-	618,328
Total assets	64,211,900	-	185,365	-	64,397,265
Total liabilities	1,965,471	-	30,204	-	1,995,675
Other segmental information: Depreciation	-	-	-	-	-

31 December 2023:

	<i>Middle East KD</i>	<i>Asia KD</i>	<i>Europe KD</i>	<i>America KD</i>	<i>Total KD</i>
Segment revenue	666,383	3,062,270	1,854,393	1,700,974	7,284,020
Segment (losses) results before taxations	(4,305,655)	1,115,183	125,519	(870,323)	(3,935,276)
Total assets	259,299,889	267,134,979	86,103,200	171,110,338	783,648,406
Total liabilities	184,461,047	203,664,157	59,332,057	120,288,952	567,746,213
Other segmental information: Depreciation	1,703,837	1,226,327	451,189	674,881	4,056,234

8 SUBSEQUENT EVENTS

Subsequent to the reporting period, on 8 January 2025, the shareholders at the annual general assembly meeting (AGM) of the parent company, approved a cash dividend of KD 30,531,798 for the year ended 30 September 2024.

Subsequent to the reporting period, on 8 January 2025, the shareholders at the extraordinary general assembly (EGM) of the parent company approved the following:

- The shareholders approved to change the legal name of the Parent Company to “ALAFCO Real Estate Services Company K.S.C.P.”.
- The shareholders approved to change the primary activities of the Parent Company. The Parent Company will carry out its activities to achieve its objectives in accordance with the provisions of Islamic Sharia and may, for this purpose, carry out the following activities:
 - a. Auctions in non-stores;
 - b. Real estate consultations;
 - c. Management of other’ properties;
 - d. Organizing and managing exhibitions;
 - e. Buildings’ maintenance services.
- The shareholders approved the reduction in the authorised, issued and paid-up share capital by KD 9,250,000 from KD 10,000,000 to KD 750,000.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)**

As at and for the period ended 31 December 2024

9 CHANGE IN FUNCTIONAL CURRENCY

As of 31 December 2024, the functional currency of the Group has changed from US Dollars to Kuwaiti Dinars due to the significant changes in the economic environment of the Group after ceasing of the Group's operations. Accordingly, the foreign currency translation reserve was recycled to retained earnings.

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