



INTERNATIONAL RESORTS COMPANY K.S.P.C.

Board of Directors' Report

Dear Shareholders,

For myself and on behalf of my colleagues, the members of the Board of Directors, I have the pleasure to welcome you to the Ordinary General Assembly of your company and I am pleased to present to you the Annual Report of the Company for the financial year ending as at 31 December, 2018.

General Economic Climate:

The real estate sector during the year 2018 was characterized by a considerable stability where the local real estate market has witnessed a quality leap due to several factors that contributed to such a rebound, the most significant of which was the political stability enjoyed by the atmosphere of the Kuwaiti economy. This climate had a positive impact on all the dealing parties in economic fields. Also, this flourishing was enhanced by the rise in the oil prices during the last period because these rates are satisfactory and thus supportive to the economic development.

This has also been accompanied by a lack of confidence by the real estate investor towards the purchase transactions in foreign markets as a result of fraud and cheating cases that affected thousands of victims, which in turn has directed liquidity towards the local markets, and also no need to mention the scarcity of investment opportunities in other sectors where the return of the real property is still the best return and its value is the most stable in facing the various economic crises. The government's continued support to the private sector has further played a key role through the enactment of the necessary laws and legislations that support the opening of new horizons and creating new opportunities for the financial and commercial activities for the small investors among the citizens and others. This will help to stimulate the movement of funds, diversify income sources, develop the economy and create jobs that support the structure of the national economy.



Performance of International Resorts Company:

The company management has successfully benefited from the stability enjoyed by the real estate sector during the year 2018 where the company has realized net operating earnings for the financial year ending as at 31 December, 2018 amounted to KD 465,795/- at the rate of 3.02 Fils per share with a return rate of equity rights equal to 5.15% compared to the profits of the year 2017 that reached KD 407,640/- at the rate of 2.64 per share with a return rate of equity rights equal to 4.69%. Also, the total liabilities have decreased by the end of 2018 to reach KD 2,364,509/- compared to the total liabilities by the end of 2017 that amounted to KD2,702,923/-. The company management has exerted considerable efforts to relatively maintain the overheads and administrative expenses which had amounted KD290,581/- by the end of 2018 compared to a sum of KD269,409/- for the year 2017.

Honorable Shareholders,

The company management is committed and continues to implement its strategy which was presented to you during the general assembly for the year 2013 in relation to the development of Al-Safat market. During the previous period, the company management has successfully completed all the capital expenditures related to the overall development works of the above real estate that amounted around KD1.5 million. Furthermore, the company management has successfully completed the targeted first phase of the renewal of the tenants` contracts, and we are currently getting ready for commencing the application of the second phase of the contracts renewal in preparation for arriving at the fair rental amount for all the market units in such a manner which shall realize the highest rate of profitability for the company and its shareholders.

In conclusion, I would like to extend our sincere thanks and gratitude to all our honorable shareholders for their confidence in the management of the company and we hope that Allah helps the company and its officials in charge to achieve better results in the coming years, by the grace of Allah.

We hope that Allah provides us with all success.

Best Regards,

Khalid Ali Al-Attal
Chairman of the Board of Directors



الشركة الدولية للمنتجعات ش.م.ل.م.
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