



AL KHALEEJ INVESTMENT^{P.S.C}

Integrated Report 2024



AL KHALEEJ INVESTMENT_{P.S.C}

Contents

- **Board of Directors Report**
- **Auditor's Report**
- **Annual Financial Statements and Notes**
- **Governance Report**
- **Sustainability Report**

Al Khaleej Investment P.S.C
Ras Al Khaimah, U.A.E

Reports and financial statements
For the year ended 31 December 2024

Table of contents	Pages
General information	1
Directors' report	2 - 3
Independent auditor's report	4 - 7
Statement of financial position	8
Statement of profit or loss and other comprehensive income	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 - 33

Al Khaleej Investment P.S.C
Ras Al Khaimah, U.A.E

General information

Principal office address: Al Khaleej Building,
P.O. Box: 5662
Ras Al Khaimah, U.A.E
T: +971 7 228 0101
F: +971 7 228 8400

Website: www.kico.ae

Board of Directors:	<u>Name</u>	<u>Designation</u>	<u>Nationality</u>
	H.E. Khalifa Yousif Alkhoori	Chairman	Emirati
	H.E. Alia Almazrouei	Vice Chairman	Emirati
	Mr. Ahmed Omar Balfaqeeh	Member	Emirati
	Ms. Shaikha Ali Alnuwais	Member	Emirati
	Mr. Nasser Alkhazraji	Member	Emirati
	Mr. Samer Katerji	Member	Lebanese
	Mr. Munther Aldajani (Resigned on 9th November 2024)	Member	Jordanian

Auditor: Crowe Mak
P.O. Box: 6747
Dubai, U.A.E

Bankers: Abu Dhabi Islamic Bank PJSC
Commercial Bank of Dubai PSC
Dubai Islamic Bank PJSC
Emirates NBD Bank PJSC
National Bank of Ras Al Khaimah PJSC



Directors' report

The Board of Directors is pleased to present their report and the audited financial statements for the year ended December 31, 2024.

Principal activities

The principal activities of the Company include real estate enterprise investment, development, institution and management, detection service for real estate, private fund investment, buildings maintenance, commercial enterprise investment, institution and management.

Financial review:

The table below summarizes the results of 2024 and 2023 denoted in '000s of Arab Emirates Dirham (AED).

<u>Financial Review</u>	<u>2024</u>	<u>2023</u>
Revenue	16,969	16,874
Gross profit	13,411	13,385
(Decrease) / increase in fair value of investment properties	159	(838)
Net (loss) from investments carried at FVTPL	3,738	(8,240)
Net profit for the year	11,273	1,906
Basic earnings per share for the year	0.11	0.02

<u>Financial Position</u>	<u>2024</u>	<u>2023</u>
Total Assets	301,618	280,570
Total Liabilities	16,817	5,313
Total Equity	284,801	275,257

<u>Statement of Cash Flows</u>	<u>2024</u>	<u>2023</u>
Net cash generated from operating activities	(324)	7,792
Net cash generated from investing activities	67,611	8,183
Net cash used in financing activities	(642)	(17,813)

Role of the Directors:

The Directors are the Company's principal decision-making forum. The Directors have the overall responsibility for leading and supervising the Company to deliver sustainable shareholder value through their guidance and supervision of the Company's business. The Directors set the strategies and policies of the Company. They monitor the performance of the Company's business, guide and supervise the management.



AL KHALEEJ INVESTMENT P.S.C.

The H Office Tower – Level 31
Sheikh Zayed Road, Dubai



Projections:

With the expected recovery in economic activity and the anticipated price improvements, the positive effects of the economic reforms continue to support the recovery in economic activities and improve sector performance.

The Company seeks to increase its income by replacing assets and increasing income streams through diversification of revenue sources, including the financial portfolio and development of the real estate sector.

Implementation of projects and schemes:

The project to build and construct a property in Ras Al Khaimah has been completed, and the Company is expected to enter another real estate development phase during the coming period to grow its real estate portfolio.

For the investment portfolio, efforts are being made to diversify the sources of income through the investment policies implemented by the Company with the ultimate aim of achieving overall income growth.

Events after the end of the year:

In the opinion of the Board of Directors, no transactions or events of a material and unusual nature, favorable or unfavorable, has arisen in the interval between end of the financial year and the date of this report, which is likely to affect, substantially the results of operations or the financial position of the Company.

Statement of Directors' responsibilities.

The applicable requirements require the Directors to prepare the financial statements for each financial year which presents fairly in all material respects the financial position of the Company and its financial performance for the year then ended. The audited financial statements for the year under review have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Directors confirm that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the Company and enables them to ensure that the financial statements comply with the requirements of applicable statute. The Directors also confirm that appropriate accounting policies have been selected and applied consistently in order for the financial statements to reflect fairly, the form and substance of the transactions carried out during the year under review and reasonably present the Company's financial conditions and results of its operations.

These financial statements which have been prepared on the going concern basis were approved by the Board and signed on behalf, by the authorized representative of the Company.

H.E. Khalifa Yousif Alkhoori

Chairman

06 March 2025



Ref: BN/A2769/March 2025

Independent auditor's report

To,
The Shareholders
Al Khaleej Investment P.S.C
P. O. Box: 5662
Ras Al Khaimah, U.A.E

Report on the Audit of the Financial Statements**Opinion**

We have audited the financial statements of Al Khaleej Investment P.S.C (the "Company"), Ras Al Khaimah, U.A.E, which comprise the statement of financial position as at 31 December 2024 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (Including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities, together with ethical requirements that are relevant to our audit of the financial statements of public interest entities in the United Arab Emirates and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, we have described the key audit matters we identified and have included a summary of the audit procedures we performed to address those matters.

Valuation of the investment properties

We identified the valuation of investment properties as a key audit matter due to the significance of the Company's investment properties in the context of the Company's financial statements as a whole and due to significant judgment is involved in determining the inputs used in the valuation.

As at December 31, 2024, the Company's investment properties amounted to AED 147,886 (2023 : 208,822) which represented 49.0% (2023: 74.4%) of the Company's total assets and a gain on revaluation of investment properties amounting to AED 159 (2023: loss of AED 838) was recognised in the statement of profit or loss for the year then ended.

The Company's investment properties are stated at fair value based on valuations carried out by an independent qualified valuer (the "Valuer"). The valuation was dependent on certain key estimates which requires significant judgement, including yield rates, contractual lease rents and forecasted operating expenses, which are influenced by prevailing market forces and specific characteristics such as property location and income returns of each property in the portfolio. Details of the valuation methodologies and key inputs used in the valuations are disclosed in note 7 to the financial statements.



**To the Shareholders of Al Khaleej Investment P.S.C
Report on the Audit of Financial Statements (continued)**

Key Audit Matters (continued)

How our audit addressed the key audit matters

We have performed the following procedures in relation to the valuation of investment properties:

- We assessed the competence, capabilities and objectivity of the Valuer;
- We reviewed the terms of engagement between Valuer and the Company to determine whether the scope of the work is adequate and there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work;
- We agreed the total valuation in reports of the Valuer to the amount reported in the statement of financial position;
- We assessed the completeness and consistency of information provided by the Company to the Valuer and evaluated the reasonableness of the key inputs used in the valuation on a sample basis;
- We assessed the appropriateness and reasonableness of the valuation methodologies, key assumptions and estimates used in the valuation on a sample basis;
- We reviewed the appropriateness of disclosures in the financial statements with respect to valuation of investment properties;
- We reperformed the arithmetical accuracy of the determination of net fair value gain;
- We reviewed a sample of investment properties valued by the Valuer and assessed whether the valuation of the properties was performed in accordance with the requirements of IFRS 13 Fair Value Measurement, and
- Also, we assessed the disclosures made in relation to this matter to determine if they were in accordance with IFRS requirements.

Other Information

Management is responsible for the other information. The other information comprises the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

**To the Shareholders of Al Khaleej Investment P.S.C
Report on the Audit of Financial Statements (continued)**

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and their preparation in compliance with the applicable provision of the Articles of Association of the Company and the U.A.E Federal Law No. 32 of 2021, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to error or fraud, 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of 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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**To the Shareholders of Al Khaleej Investment P.S.C
Report on the Audit of Financial Statements (continued)**

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Further, as required by U.A.E Federal Law No. 32 of 2021, we report that:

- (a) We have obtained all the information we considered necessary for the purpose of our audit;
- (b) The financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Companies Articles of Association, Memorandum of Association and U.A.E Federal Law No. 32 of 2021;
- (c) The Company maintained proper books of account;
- (d) The contents of the Directors' report which relates to the financial statements are in agreement with the Company's books of account;
- (e) As disclosed in notes 9 and 11 to the financial statements, the Company has purchased or invested in shares during the year ended December 31, 2024;
- (f) Note 14 to the financial statements reflects the disclosures relating to material related party transactions and the terms under which they were conducted, and
- (g) Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the year ended December 31, 2024 any of the applicable provisions of the U.A.E Federal Law No. 32 of 2021, and the Memorandum and Articles of Association of the Company which would materially affect its activities or its financial position as at December 31, 2024.

Crowe Mak



Basil Naser
Partner

Registered Auditor Number: 5507
Dubai, U.A.E
06 March 2025



Statement of financial position as at 31 December 2024

(figures in AED '000s, unless otherwise stated)

	Notes	2024	2023
ASSETS			
Non-current assets			
Property, plant and equipment	5	6,024	4,533
Right-of-use assets	6	11,972	-
Investment properties	7	147,886	208,822
Intangible assets	8	161	133
Investments carried at fair value through other comprehensive income (FVTOCI)	9	-	1,803
Investments carried at amortised cost	10	21,043	21,767
Total non-current assets		187,086	237,058
Current assets			
Investments carried at fair value through profit or loss (FVTPL)	11	30,593	29,412
Trade receivables	12	1,762	2,575
Other receivables	13	8,838	4,832
Fixed deposits	15	117	116
Cash and cash equivalents	16	73,222	6,577
Total current assets		114,532	43,512
Total assets		301,618	280,570
EQUITY AND LIABILITIES			
Equity			
Share capital	17	105,000	105,000
Statutory reserve	18	52,500	52,500
Voluntary reserve	19	50,000	50,000
Other reserve		345	345
Fair value reserve		-	623
Retained earnings		76,956	66,789
Total equity		284,801	275,257
LIABILITIES			
Non-current liabilities			
Employees' end-of-service benefits	20	864	880
Deferred tax liabilities	28	134	-
Lease liabilities	21	9,409	-
Total non-current liabilities		10,407	880
Current liabilities			
Lease liabilities	21	1,965	-
Trade and other payables	22	4,445	4,433
Total current liabilities		6,410	4,433
Total liabilities		16,817	5,313
Total equity and liabilities		301,618	280,570

These financial statements were approved and authorised for issue on 06 March 2025.

The financial statements set out on pages 8 to 33, which have been prepared on the going concern basis were approved by the Directors on the date of these financial statements and signed on behalf of the Company by:

H.E. Khalifa Yousif Alkhoori

Chairman

Mr. Vikram Pradhan

Chief Executive Officer

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

The report of the auditor is set out on pages 4 to 7.



Statement of profit or loss and other comprehensive income for the year ended 31 December 2024

<i>(figures in AED '000s, unless otherwise stated)</i>			
	Notes	2024	2023
Revenue	23	16,969	16,874
Cost of revenue	24	(3,558)	(3,490)
Gross profit		13,411	13,384
Gain / (Loss) from investments carried at FVTPL	25	3,738	(8,240)
Gain / (Loss) on disposal of investment property		1,063	(249)
Other income	26	2,774	3,068
General and administrative expenses	27	(6,720)	(5,213)
Increase / (Decrease) in fair value of investment properties		159	(838)
Allowance for receivables from the Government of Sharjah		(1,920)	-
Finance cost	21	(34)	-
Foreign exchange loss		-	(10)
Profit before income tax		12,471	1,902
Income tax expense	28	(1,198)	-
Net profit for the year		11,273	1,902
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Gain / (Loss) on sale of investments carried at FVTOCI		(329)	17
Net change in fair value of investments carried at FVTOCI		-	623
Total comprehensive income for the year		10,944	2,542
Basic earnings per share for the year	29	0.11	0.02

The accompanying notes and policies form an integral part of these financial statements.
The report of the auditor is set out on pages 4 to 7.

Al Khaleej Investment P.S.C
Ras Al Khaimah, U.A.E

Statement of changes in equity for the year ended 31 December 2024

(figures in AED '000s, unless otherwise stated)

	Share capital	Statutory reserve	Voluntary reserve	Other reserve	Fair value reserve	Retained earnings	Total
As at 31 December 2022	105,000	52,500	50,000	345	(1,057)	66,984	273,772
Profit for the year	-	-	-	-	-	1,902	1,902
Other comprehensive income for the year	-	-	-	-	623	17	640
Total comprehensive income for the year	-	-	-	-	623	1,919	2,542
Transfer of fair value reserve on disposal of investments carried at FVTOCI	-	-	-	-	1,057	(1,057)	-
Board of Directors' remuneration	-	-	-	-	-	(1,057)	(1,057)
As at 31 December 2023	105,000	52,500	50,000	345	623	66,789	275,257
Profit for the year	-	-	-	-	-	11,273	11,273
Other comprehensive income for the year	-	-	-	-	(329)	-	(329)
Total comprehensive income for the year	-	-	-	-	(329)	11,273	10,944
Transfer of fair value reserve on disposal of investments carried at FVTOCI	-	-	-	-	(294)	294	-
Board of Directors' remuneration	-	-	-	-	-	(1,400)	(1,400)
As at 31 December 2024	105,000	52,500	50,000	345	-	76,956	284,801

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

The report of the auditor is set out on pages 4 to 7.

Statement of cash flows for the year ended 31 December 2024

(figures in AED '000s, unless otherwise stated)

	Notes	2024	2023
Cash flows from operating activities			
Profit for the year before tax		12,471	1,906
Adjustments for:			
Depreciation of property, plant and equipment	5	214	166
(Gain) / Loss on disposal of property, plant and equipment	5	(16)	-
Depreciation of right-of-use asset	6	113	-
(Gain) / Loss on revaluation of investment properties	7	(159)	838
(Gain) / Loss on sale of investment properties	7	(1,063)	249
Amortisation of intangible assets	8	29	4
Reversal of excess allowance for expected credit losses	12	(1,640)	(10)
Provision for employees' end-of-service benefits	20	180	274
Finance cost	21	33	-
(Gain) / Loss on revaluation of investments carried at FVTPL	25	(1,333)	9,118
(Gain) / Loss on sale of investments carried at FVTPL	25	(2,405)	(878)
Finance income	26	(1,740)	(1,253)
Dividend Income	26	(701)	(1,609)
Operating cash flows before changes in operating assets and liabilities		3,983	8,805
(Increase) in trade and other receivables	12	(1,659)	(87)
Increase in trade and other payables	22	(1,052)	464
Cash generated from operating activities		1,272	9,182
Employees' end-of-service indemnity paid	20	(196)	(333)
Board of Directors' remuneration		(1,400)	(1,057)
Net cash (used in)/generated from operating activities		(324)	7,792
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(1,713)	(2,992)
Proceeds from sale of property, plant and equipment	5	24	15,761
Proceeds from disposal of investment properties	7	62,158	-
Purchase of investment properties	7	-	(5,144)
Purchase of intangible assets	8	(57)	(133)
Purchase of investment carried at FVTOCI	9	(3,716)	(2,981)
Proceeds from disposal of investments carried at FVTOCI	9	5,190	7,607
Inflow / (Outflow) from investments carried at amortised cost	10	724	(10,640)
Proceeds from disposal of investments at FVTPL	11	135,974	20,642
Purchase of investments at FVTPL	11	(133,414)	(24,799)
Proceeds from maturity in fixed deposits	15	-	8,000
Finance income	26	1,740	1,253
Dividend income	26	701	1,609
Net cash generated from investing activities		67,611	8,183
Cash flows from financing activities			
Dividends paid		-	(17,813)
Repayment of lease liabilities	21	(642)	-
Net cash (used in) financing activities		(642)	(17,813)
Net increase/(decrease) in cash and cash equivalents		66,645	(1,838)
Cash and cash equivalents at the beginning of the year		6,577	8,415
Cash and cash equivalents at the end of the year	16	73,222	6,577

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

The report of the auditor is set out on pages 4 to 7.

Notes to the Financial Statements for the year ended 31 December 2024

1 General information

Al Khaleej Investment PSC (the 'Company') is a public joint stock company registered and incorporated under license no. 6061 of the Department of Economic Development in Ras Al Khaimah. The Company was incorporated on July 3, 1982 and is listed on the Abu Dhabi Securities Market. The address of the registered office of the Company is Al Khaleej Building, P.O. Box: 5662, Ras Al Khaimah, U.A.E.

The principal activities of the Company consist of private funds investment, commercial enterprises investment, institution and management, buildings maintenance, detection services for real estate, real estate enterprises investment, development, institution and management.

These financial statements incorporate the operating results of the commercial license no. 6061.

These financial statements also incorporate the operating results of the following branch:

Sr. No	Name of the Branch	Trade License no	Emirate	Activities
1	Al Khaleej Investment - Shj Br	14391	Sharjah	Investing in, establishing and managing commercial projects and investing in, establishing and managing real estate projects

2 Application of new and revised Standards

2.1 New and amended Standards that are effective for the current year

Impact of initial application of other amendments to IFRS standards

In the current year, the Company has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2024.

New and revised Standards

Effective for annual periods beginning on or after

Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2024
IFRS Sustainability Disclosure Standards	1 January 2024

2.2 New and revised Standards in issue but not yet effective

The Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective.

New and revised Standards

Effective for annual periods beginning on or after

Amendments to IFRS 10 and IAS 28 - Sale or Contribution of assets between an investor and its Associates or Joint Venture:	Not yet effective
Amendments to IAS 21 Lack of exchangeability	1 January 2025
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

Management anticipates that these standards will not have any significant impact on these financial statements

Notes to the Financial Statements for the year ended 31 December 2024

3 Material accounting policy information

3.1 Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

3.2 Basis of preparation

The financial statements have been prepared on the historical cost basis as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Current/Non-current classification :

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle or held primarily for the purpose of trading or expected to be realised within twelve months after the reporting year, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.
- All other assets are classified as non-current.

A liability is current when it is : expected to be settled in normal operating cycle or it is held primarily for the purpose of trading or it is due to be settled within twelve months after the reporting year, or there is no

- unconditional right to defer the settlement of the liability or at least twelve months after the reporting year.
- The Company classifies all other liabilities as non-current.

Fair value measurement :

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policy is set out below.

3.3 Functional currency

These financial statements are presented in Emirati Dirham, which is the Company's functional currency.

3.4 Revenue recognition

Performance obligation

Rental income

Rental income is recognised in the financial statements on a straight-line basis over the term of the lease to the extent that it is probable that the economic benefits will flow to the Company.

Dividend income

Dividend income from investment is recognised when the Company's right to receive the payment has been established.

Notes to the Financial Statements for the year ended 31 December 2024

3 Material accounting policy information (continued)

3.4 Revenue recognition (continued)

Interest income

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

3.5 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. 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.

The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3.6 Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3.7 Employee benefits

End of service indemnity

Provision is made for the full amount of end of service indemnity due all employees in accordance with the applicable labour law and is based on current remuneration and their period of service at the end of the reporting year.

3.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Notes to the Financial Statements for the year ended 31 December 2024

3 Material accounting policy information (continued)

3.8 Taxation (continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss because of items of income or expense that are taxable income or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The Directors of the Company reviewed the Company's investment property portfolios and concluded that none of the Company's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the Directors have determined that the 'sale' presumption set out in the amendments to IAS 12 is not rebutted. As a result, the Company has not recognised any deferred taxes on changes in fair value of the investment properties as the Company is not subject to any income taxes on the fair value changes of the investment properties on disposal.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Notes to the Financial Statements for the year ended 31 December 2024

3 Material accounting policy information (continued)

3.9 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income when incurred.

Buildings used for administrative purposes, are stated in the Statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Depreciation is recognised so as to write off the cost (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The following useful lives are used in the calculation of depreciation:

	<u>Useful lives</u>
Buildings	10 - 20 years
Furniture and fixtures	5 - 10 years
Motor vehicles	3 - 5 years
Office equipment	3 - 5 years
Leasehold improvements	5 years

3.10 Investment properties at fair value

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes).

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. All of the Company's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

3.11 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The following useful lives are used in the calculation of amortization:

	<u>Useful lives</u>
Computer software	5 years

Notes to the Financial Statements for the year ended 31 December 2024

3 Material accounting policy information (continued)

3.12 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible 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). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company's of cash-generating units for which a reasonable and consistent allocation basis can be identified. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax 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 (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation reserve.

3.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.14 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

3.15 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial instruments that meet the following conditions are measured subsequently at amortised cost:

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

Notes to the Financial Statements for the year ended 31 December 2024

3 Material accounting policy information (continued)

3.15 Financial assets (continued)

Financial instruments that meet the following conditions are measured subsequently at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at FVTPL.

Despite the foregoing, the Company may make the following irrevocable election / designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below).

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses 'ECL' on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, amounts due from customers under construction contracts, as well as on financial guarantee contracts. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables, amounts due from customers under construction contracts (contract assets) and lease receivables. The ECL on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Financial assets were classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Receivables

Receivables were non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables), bank balances and cash and cash equivalents were measured at amortised cost using the effective interest method, less any impairment.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been

Notes to the Financial Statements for the year ended 31 December 2024

3 Material accounting policy information (continued)

3.15 Financial assets (continued)

recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that was no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.16 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of a Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Company, are measured in accordance with the specific accounting policies set out below.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, which are described in note 3 to these financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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. The significant judgements and estimates made by management that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

Notes to the Financial Statements for the year ended 31 December 2024

4 Critical accounting judgements and key sources of estimation uncertainty (continued)

4.1 Critical judgements in applying accounting policies

Business model assessment

Classification and measurement of financial assets depends on the results of the Solely payments of principal and interest and the business model test (please see financial assets sections of note 3.15). The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or FVTOCI that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Classification of properties

In the process of classifying properties, management has made various judgements. Judgements are needed to determine whether a property qualifies as an investment property, plant and equipment, property under development and/or property held for sale. Management develops criteria so that it can exercise that judgement consistently in accordance with the definitions of investment property, property, plant and equipment, property under development and property held for sale. In making its judgement, management has considered the detailed criteria and related guidance set out in IAS 2 - Inventories, IAS 16 - Property, plant and equipment, and IAS 40 - Investment Property, with regards to the intended use of the property.

4.2 Key sources of estimation uncertainty

Fair value measurement of financial instruments

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

The Company has an established control framework with respect to the measurement of fair values. This includes a management team that has overall responsibility for overseeing all significant fair value measurement.

Impairment of financial asset

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the relevant notes to the financial statements.

Useful lives of property, plant and equipment

Property, plant and equipment is depreciated over its estimated useful life, which is based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

Fair value of investment properties

The best evidence of fair value is current prices in an active market for similar properties. In the absence of such information, the Company determines the amount within a range of reasonable fair value estimates. In making its judgement, the Company considered recent prices of similar properties in the same location and similar conditions, with judgements to reflect any changes in the nature, location or economic conditions since the date of the transactions that occurred at those prices. Such estimation is based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results.

The determination of the fair value of the revenue-generating properties requires the use of estimates such as future cash flows from assets (such as leasing, tenants' profiles, future revenue streams, capital values of fixtures and fittings, and the overall repair and condition of the property) and discount rates applicable to those assets. These estimates are based on local market conditions existing at the end of the reporting period.

Al Khaleej Investment P.S.C
Ras Al Khaimah, U.A.E

Notes to the Financial Statements for the year ended 31 December 2024

5 Property, plant and equipment

(figures in AED '000s, unless otherwise stated)

	Buildings	Furniture and fixtures	Motor vehicles	Office equipment	Capital Work-in- progress	Total
Cost						
As at 1 January 2023	-	541	586	1,034	-	2,161
Additions	2,357	452	-	183	-	2,992
Transfers from investment properties (Note 7)	1,260	-	-	-	-	1,260
Disposals during the year	-	(23)	(48)	(342)	-	(413)
As at 31 December 2023	3,617	970	538	875	-	6,000
Additions	-	-	-	59	1,654	1,713
Disposals	-	-	(28)	(53)	-	(81)
As at 31 December 2024	3,617	970	510	881	1,654	7,632
Accumulated depreciation						
As at 1 January 2023	-	368	519	827	-	1,714
Depreciation expense	-	62	53	51	-	166
Disposals during the year	-	(23)	(48)	(342)	-	(413)
As at 31 December 2023	-	407	524	536	-	1,467
Depreciation expense	-	122	14	78	-	214
Disposals	-	-	(28)	(45)	-	(73)
As at 31 December 2024	-	529	510	569	-	1,608
Carrying amount						
As at 31 December 2023	3,617	563	14	339	-	4,533
As at 31 December 2024	3,617	441	-	312	1,654	6,024

Notes to the Financial Statements for the year ended 31 December 2024

(figures in AED '000s, unless otherwise stated)

	2024	2023
6 Leases (the Company as Lessee)		
<i>Right-of-use assets</i>		
Movement of the recognised right-of-use assets during the year:		
As at 31 December 2023	-	
Additions during the year	12,085	
As at 31 December 2024	12,085	
Charge for the year	113	
Carrying Amount		
As at 31 December 2024	11,972	
As at 31 December 2023	-	
7 Investment properties		
Fair value		
Plots of land located in U.A.E.	11,201	11,169
Buildings located in U.A.E.	136,685	197,653
	147,886	208,822
Balance at the beginning of the year	208,822	215,200
Additions	-	11,730
Disposals	(61,095)	(16,010)
Increase / (Decrease) in fair value of investment properties	159	(838)
Transfers to property, plant and equipment (Note 5)	-	(1,260)
Balance at the end of the year	147,886	208,822

Investment properties consist of lands, commercial and residential properties in Sharjah, Ras Al Khaimah and Ajman, U.A.E. The Company has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

As at December 31, 2024, the fair values of the properties are based on valuations performed by the Valuer who is a specialist in valuing these types of investment properties

The fair values have been determined by taking into consideration the Direct Comparison approach or Income Capitalisation approach:

- The Direct Comparison approach involves making adjustments to the sale price of comparable properties to account for differences in location, plot area and shape, potential built-up areas allowance, height allowance, date of sale, potential views and other characteristics.
- The Income Capitalisation approach involves capitalisation of net rental income, that is the income stream after deduction for the associated operating expenses of the property. The capitalisation rate adopted depends on the type of property, its location, its economic life and the quality, quantity and duration of the income stream.

The capitalisation rate adopted also references the yield rates observed of similar properties in the locality and adjusted based on the Valuers' knowledge of the factors specific to the respective properties.

Accordingly, based on the above valuation, a gain of AED 159 (2023: loss of AED 838) has been recognised in the statement of profit or loss for the year ended December 31, 2024.

Notes to the Financial Statements for the year ended 31 December 2024

7 Investment properties (continued)

The Company's Board of Directors has reviewed the assumptions and methodologies used by the Valuer, and in its opinion, these assumptions and valuation methodology are appropriate and prudent as at the reporting date.

Any significant movement in the assumptions used for the fair valuation of investment properties would result in significantly lower/higher fair values of those assets.

There has been no significant change to the valuation technique during the year.

At December 31, 2024 and 2023, the Company's investment properties are classified as Level 3 in the fair value hierarchy.

(figures in AED '000s, unless otherwise stated)

	Level 1	Level 2	Level 3	Total
Recurring fair value measurement				
Plots of land located in U.A.E.	-	-	11,201	11,201
Buildings located in U.A.E.			136,685	136,685
31 December 2024	-	-	147,886	147,886
Plots of land located in U.A.E.	-	-	11,169	11,169
Buildings located in U.A.E.	-	-	197,653	197,653
31 December 2023	-	-	208,822	208,822

8 Intangible assets

Total

Cost

As at 1 January 2023	417
Additions	133
As at 31 December 2023	550
Additions	57
As at 31 December 2024	607

Accumulated amortisation

As at 1 January 2023	413
Amortisation expenses	4
As at 31 December 2023	417
Amortisation expenses	29
As at 31 December 2024	446

Carrying amount

As at 31 December 2024	161
As at 31 December 2023	133

Notes to the Financial Statements for the year ended 31 December 2024

(figures in AED '000s, unless otherwise stated)

	2024	2023
9 Investments carried at FVTOCI		
Balance at the beginning of the year	1,803	5,788
Additions	3,716	2,981
Changes in fair value	-	623
Sold during the year	(5,519)	(7,589)
Balance at the end of the year	-	1,803

These investments were in quoted equity instruments in the U.A.E 2024: NIL (2023: 1,803)

10 Investments carried at amortised cost

Sukuk Issuers	Call Date/Maturity	%		
ADIB Tier 1	July 18, 2028	7.25	9,916	9,916
Dubai Islamic Bank Tier 1	May 19, 2026	4.63	5,999	5,999
Arada Senior	June 8, 2027	8.13	2,901	2,901
Dar Al-Arkan Senior	Feb 26, 2027	6.88	2,227	2,227
Arab Republic of Egypt	July 18, 2028	6.20	-	724
			21,043	21,767

The profit is receivable semi-annually. During the year ended December 31, 2024, the Company accrued profit amount to AED 1,564 (2023: AED 1,108) on these Sukuk.

The geographical distribution of financial asset is as follows:

In U.A.E	18,816	19,540
In Saudi Arabia	2,227	2,227
	21,043	21,767

11 Investments carried at FVTPL

Equity - quoted	30,593	29,412
Balance at the beginning of the year	29,412	33,495
Additions during the year	133,414	24,799
Disposals during the year	(133,566)	(19,764)
Increase/(Decrease) in fair value during the year	1,333	(9,118)
	30,593	29,412

The geographical distribution of financial asset is as follows:

In U.A.E	30,593	29,412
----------	--------	--------

12 Trade receivables

Trade receivables	6,512	8,965
Less : Allowance for expected credit losses	(4,750)	(6,390)
	1,762	2,575

The average credit period on receivables from rental income is 30 days. No interest is charged on outstanding trade receivables.

Notes to the Financial Statements for the year ended 31 December 2024

12 Trade receivables (continued)

<u>Ageing analysis</u>						
31 December 2024	30 days current	31 - 365 days	1 - 2 years	2 - 3 years	> 3 years	Total
ECL rate	-%	-%	-%	60%	100%	
Est gross carrying amount at default	147	666	728	556	4,415	6,512
Lifetime ECL	-	-	-	335	4,415	4,750
						<u>1,762</u>
31 December 2023						
ECL rate	-%	-%	-%	97%	100%	
Est gross carrying amount at default	1,263	658	636	729	5,679	8,965
Lifetime ECL	-	-	-	711	5,679	6,390
						<u>2,575</u>
The movement in allowance for ECL is as follows:						
Balance as at 1 January 2023						6,400
Reversal during the year						(10)
Balance as at 31 December 2023						6,390
Reversal during the year						(1,640)
Balance as at 31 December 2024						<u>4,750</u>

(figures in AED '000s, unless otherwise stated)

	2024	2023
13 Other receivables		
Prepayments	442	361
Advances to suppliers	455	352
Funds held by brokers	6,016	-
Receivable from Government of Sharjah*	1,920	1,920
Less : Allowance for ECL	(1,920)	-
Dividend receivable	440	1,131
Other receivables	1,485	1,068
	<u>8,838</u>	<u>4,832</u>

*Represents the amount receivable from the Government of Sharjah, post acquisition of a portion of the Company's land, with plot number 2084, at Industrial area 7, Sharjah during the year 2022. During the year ended December 31, 2024, the Company had created a provision of AED 1,920 (2023: NIL) against this other receivable.

14 Related party balances and transactions

The Company enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard 24 Related Party Disclosures. Related parties comprise companies and entities under common ownership and/or common management and control, key management personnel and shareholders. The management decides on the terms and conditions of the transactions and services received/rendered from/to related parties.

Related party transactions during the year		
Board of Directors fee	<u>162</u>	<u>202</u>

Notes to the Financial Statements for the year ended 31 December 2024

(figures in AED '000s, unless otherwise stated)

	2024	2023
14 Related party balances and transactions (continued)		
<i>b) Compensation of key management personnel</i>		
The remuneration of Directors and other members of key management personnel during the year was as follows:		
Short-term benefits	263	420
Board of Directors' remuneration	1,400	1,057
	<u>1,663</u>	<u>1,477</u>
15 Fixed deposits		
Fixed deposits	<u>117</u>	<u>116</u>
The above fixed deposits are held under lien for credit card facility granted by bank.		
16 Cash and cash equivalents		
Cash on hand	2	-
Bank balances	9,220	4,077
Fixed deposits	<u>64,000</u>	<u>2,500</u>
	<u>73,222</u>	<u>6,577</u>
The bank balances are also subject to impairment requirements of IFRS 9, however, balances with banks are assessed to have low credit risk of default. Fixed deposit as of December 31, 2024 amounting to AED 64,000 (2023: 2,500) is having maturity of 3 months. During the year, the Company earned finance income of AED 183 (2023: AED 145).		
17 Share capital		
Authorised, issued and paid up share capital:		
105,000,000 shares of AED 1.00 each	<u>105,000</u>	<u>105,000</u>
18 Statutory reserve		
Balance at the beginning of the year	<u>52,500</u>	<u>52,500</u>
Balance at the end of the year	<u>52,500</u>	<u>52,500</u>
According to the Articles of Association of the Company and U.A.E Federal Law No. 32 of 2021, 10% of annual net profits is allocated to the statutory reserve. The transfer to statutory reserve may be suspended, when the reserve reaches 50% of the paid-up capital. This reserve is not available for distribution.		
19 Voluntary reserve		
Balance at the beginning of the year	<u>50,000</u>	<u>50,000</u>
The Company in earlier years has transferred up to 10% of the profits to the voluntary reserve. There were no transfers to voluntary reserve during the years 2024 and 2023.		
20 Employees' end-of-service benefits		
Balance at the beginning of the year	880	939
Charge for the year	180	274
Payments during the year	<u>(196)</u>	<u>(333)</u>
Balance at the end of the year	<u>864</u>	<u>880</u>

Notes to the Financial Statements for the year ended 31 December 2024

(figures in AED '000s, unless otherwise stated)

	2024	2023
21 Lease liabilities		
Lease liabilities recognized and maturity analysis:		
Amount due for settlement within 12 months	1,965	
Not later than 1 year (shown under current liabilities)	1,965	
Amount due for settlement after 12 months	9,409	
Later than 1 year and not later than 5 years	9,409	
	11,374	
The movement in lease liabilities is as follows:		
Additions during the year	11,983	
Amortization of interest expense*	33	
Repayment of lease liabilities	(642)	
As at the end of the year	11,374	
*The Company uses 6% incremental borrowing rate as the discount rate for determining its lease liabilities at the lease commencement date.		
22 Trade and other payables		
Trade payables	119	442
Accrued expenses and other payables	1,067	1,086
Contract liabilities - rent received in advance	1,335	1,791
Corporate tax payable	1,064	-
Tenants' refundable deposits	860	1,114
	4,445	4,433
23 Revenue		
Disaggregation of revenue – over time		
Property rentals	16,969	16,874
Primary Geographical Markets		
U.A.E	16,969	16,874
24 Cost of revenue		
Salaries and related benefits	1,351	1,249
Maintenance cost	1,033	820
Utilities	899	1,004
Government charges	113	54
Insurance cost	69	79
Cleaning expenses	20	218
Advertising expenses	10	23
Other direct cost	63	43
	3,558	3,490
25 Results from Investments		
Realised gain on financial assets at FVTPL	2,405	878
Gain / (loss) on financial assets at FVTPL (Note 11)	1,333	(9,118)
Net gain / (loss) on financial investments at FVTPL	3,738	(8,240)

Notes to the Financial Statements for the year ended 31 December 2024

(figures in AED '000s, unless otherwise stated)

		2024	2023
26	Other income		
	Finance income	1,740	1,253
	Dividend income	701	1,609
	Gain on disposal of property, plant and equipment	16	-
	Other operating income - miscellaneous	317	206
		<u>2,774</u>	<u>3,068</u>
27	General and administrative expenses		
	Salaries	3,483	2,365
	Other employee benefits	1,065	988
	Legal, license and professional	516	393
	Director's expenses	497	314
	Government expenses	236	377
	Depreciation of property, plant and equipment (Note 5)	214	166
	Communication	137	134
	Depreciation of right-of-use assets (Note 6)	113	-
	Utilities	74	98
	Bank charges	54	177
	Printing and stationery	47	33
	Amortisation of intangible assets (Note 8)	29	4
	Insurance	23	16
	Repairs and maintenance	14	50
	Others	218	98
		<u>6,720</u>	<u>5,213</u>
28	Income Tax		
	Reconciliation of tax		
	Current income tax expense	1,064	
	Add : Deferred tax liability	134	
	Net Income tax expense	<u>1,198</u>	
	Reconciliation of accounting profit with taxable income		
	Accounting profit for the year	12,471	
	Less : Effect of standard exemption	(375)	
	Less : Income not subject to tax	(701)	
	Less : Income taxable on realisation basis	(1,492)	
	Add : Non deductible expenditure	1,922	
	Net taxable income	<u>11,825</u>	
	Deferred tax asset / (liability)		
	Income taxable on realisation basis	(134)	
		<u>(134)</u>	
29	Basic earnings per share		
	Net profit for the year	11,273	1,902
	Number of shares	105,000	105,000
	Basic earnings per share	<u>0.11</u>	<u>0.02</u>

Basic earnings per share is calculated by dividing the profit for the year by the weighted average number of shares outstanding at the end of the reporting year. The Company has not issued any instruments which would have a dilutive impact on earnings per share when exercised.

Notes to the Financial Statements for the year ended 31 December 2024

30 Financial instruments and risk management

Material accounting policy information

Details of material policies and methods adopted including the criteria for recognition for the basis of measurement in respect of each class of financial assets and financial liabilities are disclosed in Note 3 to the financial statements.

(figures in AED '000s, unless otherwise stated)

Categories of financial instruments

	Financial assets	Financial liabilities
31 December 2024		
Investments carried at amortised cost (Note 10)	21,043	-
Trade and other receivables (Note 12)	3,697	-
Fixed deposits (Note 15)	117	-
Cash and cash equivalents (Note 16)	73,222	-
Trade and other payables (Note 22)	-	4,070
Lease liability (Note 21)	-	11,374
	98,079	15,444
31 December 2023		
Investments carried at amortised cost (Note 10)	21,767	-
Trade and other receivables (Note 12)	6,700	-
Fixed deposits (Note 15)	116	-
Cash and cash equivalents (Note 16)	6,577	-
Trade and other payables (Note 22)	-	2,642
	35,160	2,642

Fair value measurements

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices at the close of the business on the reporting date.
- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Valuation techniques and assumptions applied for the purposes of measuring fair value

1) Fair value measurements recognised in the statement of financial position

Some of the Company's financial assets are measured at fair value at the end of the reporting year. The following

	Fair value hierarchy	Valuation techniques and key inputs	2024	2023
Investments carried at FVTOCI	Level 1	Quoted Price	-	1,803
Investments carried at FVTPL	Level 1	Quoted Price	30,593	29,412

Financial risk management objectives

The Company's financial risk management policies set out the Company's overall business strategies and risk management philosophy. The Company's overall financial risk management program seeks to minimise potential adverse effects to the financial performance of the Company. The management carries out overall financial risk management covering specific areas, such as market risk (including foreign exchange risk and interest rate risk), credit risk, and liquidity risk and investing excess cash.

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

The Company does not hold or issue derivative financial instruments for speculative purposes.

Notes to the Financial Statements for the year ended 31 December 2024

30 Financial instruments and risk management (continued)

Interest risk

Interest risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date, there is no significant interest rate risk as there are no borrowings at year end.

Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Market risk exposures are measured using sensitivity analysis. There has been no change to the Company's exposure to market risks or the manner in which it manages and measures the risk.

Foreign currency risk

The Company does not have any significant exposure to currency risk, as most of its assets and liabilities are denominated in Arab Emirates Dirham.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. As at 31 December 2024, the Company's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Company due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Company arises from the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

In order to minimise credit risk, the Company has tasked its management to develop and maintain the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, management uses other publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the management which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial instruments. The contractual maturities of the financial instruments have been determined on the basis of the remaining period at the reporting date to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained. The maturity profile of the financial assets and financial liabilities at the reporting date based on contractual repayment arrangements was as follows:

(figures in AED '000s, unless otherwise stated)

As at 31 December 2024

	Interest bearing			
	On demand or less than 3 months	Within 1 year	More than 1 year	Total
Financial assets				
Fixed deposits	-	117	-	117
Investments carried at amortised cost	-	-	21,043	21,043
Cash and cash equivalents	64,000	-	-	64,000
	64,000	117	21,043	21,160
Financial liabilities				
Lease liability	-	1,965	9,409	11,374

Notes to the Financial Statements for the year ended 31 December 2024

30 Financial instruments and risk management (continued)

(figures in AED '000s, unless otherwise stated)

Non Interest bearing				
Financial assets				
Trade receivables	-	1,762	-	1,762
Other receivables	-	1,935	-	1,935
Cash and cash equivalents	9,222	-	-	9,222
Investments carried at FVTPL	-	30,593	-	30,593
	9,222	34,290	-	43,512
Financial liabilities				
Trade and other payables	-	4,070	-	4,070

As at 31 December 2023

	Interest bearing			
Financial assets				
Fixed deposits	-	116	-	116
Investments carried at amortised cost	-	-	21,767	21,767
	-	116	21,767	21,883
</				

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the equity balance and complying with statutory requirements.

The capital structure of the Company consists of cash and cash equivalents and equity comprising issued capital, reserves and retained earnings as disclosed in the financial statements.

Al Khaleej Investment P.S.C
Ras Al Khaimah, U.A.E

Notes to the Financial Statements for the year ended 31 December 2024

31 Segment reporting

The Company's activities comprise two main business segments: 1) real estate and 2) investments. The details of segment revenue, result, assets and liabilities have been provided below. General and administrative expenses have been allocated to real estate and investment sector on a reasonable basis.

(figures in AED '000s, unless otherwise stated)

	31 December 2024			31 December 2023		
	Real estate	Investments	Total	Real estate	Investments	Total
Revenue	16,969	-	16,969	16,874	-	16,874
Other (loss) / income	1,521	6,180	7,701	(881)	(5,389)	(6,269)
Results	8,464	4,010	12,474	8,857	(6,952)	1,905
* General and administrative expenses has been allocated to real estate and investment sector on a reasonable basis as 70: 30.						
Assets	249,875	51,752	301,627	237,968	58,525	280,575
Liabilities	16,819	-	16,819	22,722	-	22,722

Notes to the Financial Statements for the year ended 31 December 2024

32 Uncertainty related to key estimates

Fair value of investments

The fair value of equities decreases as a result of changes in the levels of equity index and the value of individual stocks. The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities.

The effect on equity (fair value reserve) as a result of a change in the fair value of equity instruments quoted on different stock exchange markets and held at FVTOCI at December 31, 2024, due to reasonably possible changes in the prices of these quoted shares held by the Company, with all other variables held constant, is as follows:

(figures in AED '000s, unless otherwise stated)				
	31 December 2024		31 December 2023	
	Changes in market prices %	Effect on equity (fair value reserve)	Changes in market prices %	Effect on equity (fair value reserve)
Market index				
Dubai Financial Market	+5%	-	+5%	90
	-5%	-	-5%	(90)

The effect on statement of profit or loss and other comprehensive income as a result of a change in the fair value of equity instruments quoted on different stock exchange markets and held at FVTPL at December 31, 2024, due to reasonably possible changes in the prices of these quoted shares held by the Company, with all other variables held constant, is as follows:

	31 December 2024		31 December 2023	
	Changes in market prices %	Effect on statement of profit or loss and other comprehensive income	Changes in market prices %	Effect on statement of profit or loss and other comprehensive income
Market index				
Abu Dhabi Securities Exchange	+5%	1,530	+5%	1,229
	-5%	(1,530)	-5%	(1,229)
Dubai Financial Market	+5%	-	+5%	242
	-5%	-	-5%	(242)

33 Contingent liabilities and capital commitments

Capital work-in-progress	1,544
Lease commitments	
Due within one year	2,569
Due after one year and less than 5 years	10,614
	14,728

Except for the above, and ongoing business obligations which are under normal course of business, there has been no other known contingent liabilities and capital commitments on Company's financial statements as of reporting date.

34 Events after the reporting period

There are no significant events after the reporting period, which affect the financial statements or disclosures.



AL KHALEEJ INVESTMENT P.S.C

Governance Report

Year 2024



Table of Contents

#	Content	#
	Introduction	5
First	Measures for completing the Governance System	6
Second	Transactions of Board Members, Spouses, and Sons in Securities	7
Third	Composition of the Board of Directors ('Board'):	8
	3.1 Governing council composition	8
	3.2 Statement on gender composition of the Board	11
	3.3 Statements since no female component nominated to the Board	11
	3.4 Statement determines Board member compensation and meeting attendance allowances	12
	3.5 Number of meetings of the Board	13
	3.6 Decisions to pass within a year	14
	3.7 Board functions and terms of reference are performed by members authorized by the Board.	14
	3.8 Dealings of relevant parties (stakeholders)	15
	3.9 Company's full organizational structure	15
	3.10 Breakdown of Management compensation	16
Fourth	External auditor	17
	4.1 Profile of the external Auditor: Crowe Mak	17
	4.2 Statement of external Auditor's fees and costs	17
Fifth	Audit Committee	18
Sixth	Nominations and Reward Committee	22
Seventh	Insiders Monitoring Committee	24
	7.1 Composition decisions	24
	7.2 Functions and responsibilities of the Insiders Monitoring Committee	24
	7.3 Summary of the Committee's 2024 work report	24



#	Content	#
Eighth	Executive Committee	25
Ninth	Internal system	26
	9.1 Board Resolution	26
	9.2 Organizational Structure of the Inner Circle	26
	9.3 Duties and Responsibilities of the Interior Department	26
Tenth	Violations committed during the fiscal year 2024	28
Eleventh	The Company's contribution to community and environmental development	28
Twelfth	General information	29
	12.1 Statement of share price on the Abu Dhabi Stock Exchange for FY2024	29
	12.2 Comparing the KICO's shares with the general market and sector index	29
	12.3 Breakdown of shareholder ownership.	30
	12.4 Names of major shareholders and their ownership	30
	12.5 Statement of shareholder distribution by ownership size	30
	12.6 Statement of actions taken on investor relations management	31
	12.7 Statement of special resolutions introduced, and action taken by the General Assembly.	31
	12.8 Names of Rapporteur of meetings	31
	12.9 Statement of substantial events	31
	12.10 Statement of the Company's transactions with related parties	31
	12.11 Written statement of localization in the Company by the end of 2024	31
	12.12 Statement of innovative projects and initiatives in progress.	31
Thirteenth	Assessment of the Board, its committees, and executive management	32



AL KHALEEJ INVESTMENT SC



**His Highness Sheikh Zayed Bin
Sultan Al Nahyan
Founder of the UAE**



**His Highness Sheikh Mohammed
bin Zayed Al Nahyan
President of the UAE**



**His Highness Sheikh Saud bin Saqr
Al Qasimi
Member of the Supreme Council of
the Federation
Ras Al Khaimah Governor**

Introduction

Al Khaleej Investment PSC ('KICO' or 'the Company') is a diversified investment holding company that invests in real estate, facilities management, financial services, and portfolio investments, among others. KICO is regulated by the Emirates Securities & Commodities Authority ('SCA') and trades on the Abu Dhabi Securities Exchange ('ADX').

At KICO, we take pleasure in our strategic vision and market knowledge, which allow us to recognize and capitalize on new possibilities in the real estate and investment sectors. Our strategy is based on a thorough grasp of market dynamics, allowing us to execute projects that have a substantial impact on the UAE's urban and economic development.

Our portfolio comprises a wide range of developments, including both residential and commercial properties. As of today, the Company has adopted a fresh approach to all its investment plans, laying the groundwork for the future. It is committed to providing transparency to all its shareholders to maximize returns on its diverse assets. KICO is led by the Chairman, the Board, and a strong management team with an average of 25 years of industry expertise.

At KICO, we recognize the significance of implementing the Chairman of Authority's Boards' Decision no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide. The Company applies best governance practices derived from the Company's values and rationality, reflecting the extent to which the Board and Senior Executive Management ('SEM') adhere to government controls and their importance in terms of securing accountability and culture, thereby increasing market confidence and attracting new investors, thereby maximizing shareholder profitability.

To fulfill its corporate governance goals, the organization is establishing and developing transparency, safety, integrity, and internal control practices, as well as promoting business ethics. The Company realizes that the best practices in corporate governance rely on continual monitoring of governance developments at the local and regional levels. and the replication of corporate commitment to governance needs and the pursuit of the highest governance standards. It is made up of a system of controls and procedures that maintain institutional discipline in the Company's relationships and management. The framework adheres to international standards by outlining the responsibilities and duties of the Company's Board and SEM. It also considers the safeguarding of shareholders' and stakeholders' rights.

First: Measures for completing the Governance System

KICO emphasizes the importance and continuity of adhering to the decision of the Chairman of the Boards of the Authority, Decision No. (03/R.M) of 2020, regarding the approval of the Corporate Governance Guide for Public Joint Stock Companies. This aims to elevate disclosure and transparency requirements and ensure sound management through transparency, fairness, financial control, adopting clear responsibility limits, and granting the right to hold the Company's management accountable.

These actions lead to the creation of an attractive investment environment that encourages investors. The Company considers these elements to be essential for its success and for its governance system.

Given the importance of the governance system, the Company is keen to fulfill the requirements outlined in Decision No. (03/R.M) of 2020, regarding the approval of the Corporate Governance Guide for Public Joint Stock Companies. In this regard, the Company has taken several key actions to enhance its corporate governance system and practices, which includes the following:

1. Corporate Governance Executive Regulations:

The Company has developed executive standards for corporate governance, which cover critical issues related to the Board and its subcommittees, work ethics, internal controls, policies and procedures, risk management, and external auditing.

2. Guidelines for Board and its Committees Meetings:

Guidelines for the meetings of the Board and its committees have been established. These guidelines aim to organize the decision-making process during meetings to make them more structured and efficient. The Company has also established a framework to activate corporate governance and achieve its purpose, which includes the following:

- Compliance Policy derived from the Company's values.
- Code of Professional Conduct for KICO.
- Policies and procedures for implementing strategic plans.
- Insider Trading Period Ban (for those with access to sensitive information).



Second: Transactions of Board Members, Spouses, and Sons in Securities

The transactions of Board members, employees, and their immediate family members in the securities issued by KICO are governed by several procedures and rules, including:

- Ongoing adherence to the laws and regulations of regulatory bodies such as the SCA and the market.
- Commitment to not disclosing material information that affects the stock price in the financial market, except by the authorized management.
- Commitment to professional conduct and refraining from actions that may harm the stock price through speculative trading, which negatively affects trading activity.
- Avoiding participation in any actions or behaviors aimed at manipulating prices or artificially increasing trading volumes.
- Avoiding actions meant to mislead market participants.
- Refraining from trading or recommending others to trade based on insider information that could impact stock prices.

The following table shows a statement of ownership of the Company's securities by Board members, spouses, and sons:

#	Name	Position / Relationship	Shares owned as in 31/12/2024	Total sale	Total procurement
1	H.E. Khalifa Yousif Alkhoori	Chairman	--	--	--
2	Mrs. Noora Mohamed Aqeel	Wife of Chairman	8,193,665	--	8,193,665
3	H.E. Alia Almazrouei	Vice Chairman	--	--	--
4	Mr. Ahmed Omar Balfaqeeh	Member	--	--	--
5	Ms. Shaikha Al Nowais	Member	--	--	--
6	Mr. Nasser Alkhazraji	Member	--	--	--
7	Mr. Samer Katerji	Member	--	--	--
8	Mr. Munther Aldajani (Resigned)	Member	--	--	--

Third: Composition of the Board

The Board is the highest administrative authority within the organizational structure, making it the ultimate decision-making body. Its main responsibility is to maximize and ensure an appropriate return for shareholders in exchange for their investments in the Company, while also safeguarding their rights. In addition, the Board is responsible for approving strategic plans, financial statements and budgets, investments, overseeing and managing the financial situation, and other matters that will be clarified below.

3.1. Governing council composition:

The Company's Articles of Association ('AOA') stipulate that the management of the Company shall be entrusted to a Board, which is elected by the Company's General Assembly through voting in accordance with the laws of the SCA and the applicable regulations. The term of the Board is three years.

The Company's Board consists of seven members, who were elected at the Company's Ordinary General Assembly meeting held on February 29, 2024, for a term of three years.

3.1.1 Board of Directors:

A seven-member Board manages KICO.

Name / Position	Description
 H.E. Khalifa Yousif Alkhoori Chairman	<ul style="list-style-type: none"> • His Excellency Mr. Khalifa Yousif Alkhoori is certainly an influential investor and entrepreneur in the UAE and elsewhere. • He is a director in several public and private joint stock companies in the UAE and is a trusted representative for private family wealth management offices. • Over the years he has been involved in the founding of several companies in the UAE and certainly enjoys a wealth of experience in the fields of investments, media, trading, services, manufacturing, real estate, building material, oil & gas and others. • He has had an active leadership role in merger and acquisition, bond issuance and taking company public.
 H.E. Alia Al Mazrouei Vice Chairman	<ul style="list-style-type: none"> • Her Excellency Alia Al Mazrouei has been named Minister of State for Entrepreneurship in the newly formed UAE cabinet in July 2024. Prior to joining the government, she was the Group COO of Mazrui International LLC. • As CEO of the Khalifa Fund for Enterprise Development, she oversaw the organization's efforts to foster entrepreneurship and support small and medium-sized firms in the UAE. • She has worked as an advisor to the Chairman of the Abu Dhabi Department of Economic Development and the Director General of the Human Resources Authority (HRA) in Abu Dhabi and served as the Director General of the Abu Dhabi School of Government. • In 2013, she received the Arab Women's Award for Entrepreneurship, and in 2014, she was ranked twenty-sixth on Forbes Middle East's list of the world's 200 most powerful Arab women. In 2017, Forbes named her one of the world's 100 most powerful Arab businesswomen. • She earned a Bachelor of Business Administration (BBA) in Management Information Systems from the United Arab Emirates University in 2001 and a Master of Business Administration (MBA) in Global Leadership at the same institution, which she earned in 2005.

 <p>Mr. Ahmad Omar Balfaqeeh Board Member</p>	<ul style="list-style-type: none"> • Mr. Ahmed Balfaqeeh has spent his whole career with the Abu Dhabi National Oil Company (ADNOC) Group, where he has held several positions and gained extensive knowledge in marketing, logistics, supply, shipping, refining, and petrochemicals. • Before taking on his current post, he was COO of ADNOC Refining and CEO of Borouge. • He has headed various Board Sub-Committees, including the Board Advisory, Projects, and Audit Committees, and has sat on the Boards of ADNOC Refining, Borouge PTE, Borouge ADP, and ADNOC Logistics & Services. • He is now the Deputy CEO/Assistant Downstream and Asset Management at ADNOC. • While in Takreer he has held several positions like Chief Operating Officer, Assistant General Manager Operations, Director of Ruwais Refinery and Director of Abu Dhabi Refinery. • He has a Bachelor's degree in Chemical Engineering from Kuwait University and a Master's degree in Corporate Governance and Leadership from John Moores University in Liverpool, United Kingdom.
 <p>Ms. Shaikha Al Nowais Board Member</p>	<ul style="list-style-type: none"> • Ms. Shaikha has been the Vice President of Owner Relations at Rotana Hotel Management Company since October 2018. • She was the Director of the Internal Audit Department at Rotana Hotel Management Company from 2012 to 2016 and previously worked in the Internal Audit Department at KPMG from 2008 to 2011. • In 2006, she earned a Bachelor of Business in Finance from Zayed University, UAE. • Currently she is Member of the Board of Directors in Al Ain Ahlia Insurance Company PJSC and Member of the Abu Dhabi Businesswomen Council from 2022 to date.
 <p>Mr. Nasser AlKhazraji Board Member</p>	<ul style="list-style-type: none"> • He is the Managing Director of the National Investment Corporation in the UAE. • He previously served as CEO of Emaar Malls for 15 years, overseeing the Company's digital transition and expansion. His significant successes include the Company's listing on the Dubai Financial Market, the opening of Dubai Mall, Dubai Marina Mall, Souk Al Bahar, and the Dubai Fountain. He also looked into new mall opportunity in emerging markets. • Nasser was Managing Director of Hamptons International - Middle East before joining Emaar and serving with the Dubai Police for almost a decade. • He has a Master's degree in Computer Science (AI) from Eastern Washington University and experience in digital transformation and ERP.
 <p>Mr. Samer Katerji Board Member</p>	<ul style="list-style-type: none"> • He is currently CEO and Managing Director of Trussbridge, an investment advisory firm based in DIFC and regulated by the DFSA for over 22 years. • Prior to this, he oversaw Citigroup Global Markets' Middle East Financial Institutions and Financial Sponsors advisory practice and was instrumental in the region's franchise expansion. • He has also held key positions with SHUAA Capital in Dubai, Prime Corp Finance, and Middle East Capital Group in Beirut and was the Director in Hayat Insurance Company PSC. • He graduated from the American University of Beirut with a Master's and Bachelor's degree in Business Administration, as well as a Bachelor's degree in Science (biology).

 <p>Mr. Munther Aldajani Board Member (Resigned)</p>	<ul style="list-style-type: none"> • He has 38 years of experience providing audit and advisory services to clients in the financial and non-financial sectors, as well as Islamic and conventional financial organizations. • Between 2004 and 2016, he served on the Board of KPMG Lower Gulf and held position of Senior Partner in Abu Dhabi and Managing Partner in Kuwait. <ul style="list-style-type: none"> ◦ Senior Partner - KPMG Abu Dhabi ◦ Managing Partner - KPMG Qatar • On November 9, 2024, Mr. Munther Al-Dajani resigned as a member of KICO's Board.
--	--

3.2. Statement on gender composition of the Board:

Women hold 33.33% of Boards seats at the year end.

3.3 Statements since no female component nominated to the Board:

HE Aliya Al Mazrouei and Ms. Shaikha Al Nowais have been nominated for positions on the Board of the Company. This reflects confidence in their capabilities and expertise in areas that will contribute to our development and enhanced performance.

3.4 Statement determines Board member compensation and meeting attendance allowances:

The remuneration of Board members is determined based on the provisions of Article (29) of the decision of the Chairman of the Board of Directors No. (03/R.M) of 2020, regarding the adoption of the Corporate Governance Guide for Public Shareholding Companies. based on the Provisions of Article (171) Federal Decree Law No. (32) of 2021 on Commercial Companies, whereby the remuneration of board members consists of a percentage of the net profit.

The Company may also pay additional expenses or fees or a monthly salary to the extent determined by the Board to any of its members if the member serves on any committee, makes special efforts or does additional work to serve the Company above its duties as a member of the corporate Board. Thus, the remuneration of the Chairman and Board members will be determined, provided that it is approved by the General Assembly shall state the method for calculating the remuneration of the Board Members provided that it does not exceed 10% of the net profits of the fiscal year after deducting all the depreciations and reserves. Or subject to the regulations issued by SCA in this regard, a Board Member may be paid a lump sum fee not exceeding (AED200,000) two hundred thousand dirhams at the end of the fiscal year, whenever the Company's statute permits so, and subject to the General Assembly's approval of payment of these fees, in the following cases:

- The Company's failure to achieve profits.
- If the Company makes profits and the Board member's share in those profits is less than (200,000) two hundred thousand dirhams, and in this case the remuneration and fees may not be combined. Pursuant to this statement, the remuneration of the members of the Board shall be determined by a proposal or recommendation of the Board and shall be submitted to the Regular General Assembly



of the Company for the approval of the shareholders, in accordance with the provisions of the above-mentioned articles and laws concerning the remuneration of the Board.

The proposed equivalent of the fiscal year ending December 31, 2024, for the members of the Board will be set at the next General Assembly.

The previous Boards' pay was disbursed after being approved by the General Assembly on February 29, 2024, in the sum of 1,400,000 AED. The remunerations were distributed as follows:

#	Name	AED
1	Abdulaziz Alzaabi	200,000
2	Sultan Ahmad Almarri	200,000
3	Abdulrahman Alabdouli	200,000
4	Raman Garg	200,000
5	Abdullatif Al-Zair	200,000
6	Haytham Al Naeem	200,000
7	Mohamed Hassan Al Awadi	200,000

As for the attendance allowance of the previous Chairman and previous Board members for the meetings of the Board, no amount has been paid to the members of the Board in 2024.

The following table shows the allowance for the attendance of the Chairman or members of committees of the Board:

#	Name	EC	N&R	AC	AED
1	Mr. Ahmad Omar Balfaqeeh	-	1	3	10,000
2	Ms. Shaikha Al Nowais	-	1	3	10,000
3	Mr. Samer Katerji	1	1	-	10,000
4	Mr. Nasser AlKhazraji	1	-	-	5,000
5	H.E. Alia Al Mazrouei	1	-	-	5,000
6	Mr. Munther Aldajani	-	-	3	5,000

Previous Board members					
7	Abdullatif Al-Zair	-	2	1	10,000
8	Sultan Ahmad Almarri	1	-	1	10,000
9	Haytham Ahmed Al Naeem	-	2	1	10,000
10	Mohamed Hassan Al Awadi	1	2	-	10,000
11	Abdulrahman Alabdouli	1	-	-	5,000
12	Raman Garg	1	-	-	5,000

*Note: An amount of AED 16,605 was disbursed to Mr. Abdullatif Al-Zair for travel and accommodation allowances.
Audit committee (AC), Nominations and Remuneration (N&R), Executive Committee (EC)*



3.5 Number of meetings of the Board:

The table below indicates the number of personal attendance of members of the Board at meetings with dates.

#	Name	Meeting # 1 29/02/2024	Meeting # 2 06/05/2024	Meeting # 3 05/08/2024	Meeting # 4 08/11/2024
1	Mr. Khalifa Yousif Alkhoori	✓	✓	✓	✓
2	H.E. Alia Al Mazrouei	✓	--	✓	--
3	Mr. Ahmad Omar Balfaqeeh	--	✓	✓	✓
4	Ms. Shaikha Al Nowais	✓	✓	✓	✓
5	Mr. Nasser AlKhazraji	✓	✓	✓	✓
6	Mr. Samer Katerji	✓	✓	✓	✓
7	Mr. Munther Aldajani	✓	✓	✓	✓

Previous Board members					
#	Name	Meeting # 1 02/02/2024			
8	Abdulaziz Alzaabi	✓	-	-	-
9	Sultan Ahmad Almarri	✓	-	-	-
10	Abdulrahman Alabdouli	✓	-	-	-
11	Raman Garg	✓	-	-	-
12	Abdullatif Al-Zair	✓	-	-	-
13	Haytham Ahmed Al Naeem	✓	-	-	-
14	Mohamed Hassan Al Awadi	✓	-	-	-

On November 9, 2024, Mr. Munther Al-Dajani resigned from his position as member Board. We are working on appointing a new member of the Board, and this appointment will potentially be presented to the General Assembly at its next meeting for approval or for the appointment of another member, unless the Company's Articles of Association stipulate otherwise. The new member will complete the remaining term of his predecessor.

3.6 Decisions to pass within a year:

There is one resolution by passing, which is the Boards' resolution to adopt the financial powers matrix, dated February 29, 2024.



3.7 Board functions and terms of reference are performed by members as authorized by the Board:

Based on the powers vested in the Board to manage the Company and in accordance with the statutes of the Company and Federal Regulation, the Board has been granted the following:

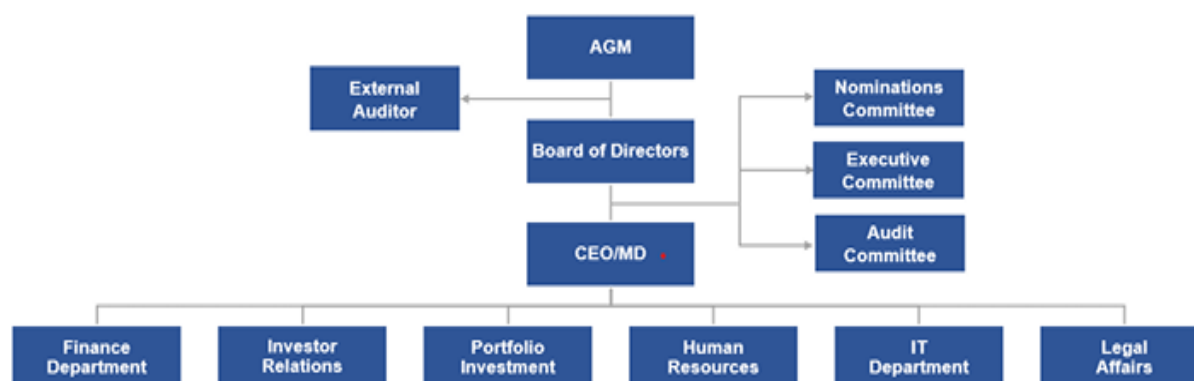
#	Name	Valid Authorization	Duration of authorization
1	H.E Khalifa Yousif Alkhoori	He shall be an authorized and empowered agent of the Board and shall have all the powers as stated in the Company's Articles of Association. This authorization shall be valid with all entities in which the Company or its subsidiaries have bank accounts, deposits, or securities.	This authorization shall be valid until the end of the term of the current Board and shall be considered valid unless it is revoked by the Board.

3.8 Dealings of relevant parties (stakeholders):

Statement of the relevant Party	Relationship	Type of the transaction	Value of the transaction
---------------------------------	--------------	-------------------------	--------------------------

There are no transactions with related parties

3.9 Company's organizational structure:





3.10 Breakdown of Management compensation:

#	Position	Joining Date	Total Salaries for 2024	Total Bonus paid for 2023
1	Chief Executive Officer	15/07/2024	970,967	-----
2	Chief Financial Officer	11/11/2024	200,000	-----
3	Head of HR and Admin	28/10/2024	106,451	-----
4	Legal Affairs Manager	20/09/2020	214,666	25,875

Note: No staff bonus has been approved for 2024 to date.

Fourth: External Auditor

4.1 Profile of the external auditor, Crowe Mak:

Crowe Mak is a member of Crowe Global, where Crowe Global ranks eighth in the world's largest accounting network, and has more than 200 accounting and consulting firms in more than 130 countries where each member is independent and separate.

A leading company in auditing, taxation, consulting, and risk with a national presence to complement our international deployment. .

4.2 Statement of External Auditor's fees and costs:

At its meeting of 29/02/2024, the General Assembly re-appointed Crowe Mak and set their annual professional fees at AED125,000 to perform the Company's audit functions for 2024 years.

Their services included all professional services related to the audit of the four (interim) as well as annual financial reports in accordance with the International Accounting Standards and SCA Regulation.

It also emphasizes the independence of the external auditor and his failure to provide any additional substantive, administrative or consulting services or work related to the work done.

Regarding the appointment of the Company's external auditor for the current fiscal year 2025, KPMG has been finalized as our next statutory auditor.

There was no other external auditor for 2024 besides Crowe Mak.



Fifth: Audit Committee ('AC')

The AC is Boards sub-committee composed of three members of the Board. The following table shows the composition of the AC and the number of attendance and dates of the committee's meetings during 2024:

#	Members	Position	Category	No. of attendances
1	Mr. Munther Aldajani*	Chairman	Independent	3
2	Mr. Ahmad Omar Balfaqeeh	Member	Independent	3
3	Ms. Shaikha Al Nowais	Member	Independent	3

**Note: Mr. Munther Aldajani resigned from his position as a member of the Board on November 9, 2024.*

Previous Board members				
4	Abdullatif Al-Zair	Chairman	Independent	1
5	Sultan Ahmad Almarri	Member	Independent	1
6	Haytham Ahmed Al Naeem	Member	Independent	1

The AC meets at least four times a year, or as needed. The final minutes of the audit meetings are signed by all members of the Audit Committee, and the Company is committed to providing the necessary resources for the AC to perform its duties.

Meeting	Number	Date
(1)	01/2024	01 Feb 2024
(2)	02/2024	01 May 2024
(3)	03/2024	01 Aug 2024
(4)	04/2024	06 Nov 2024

The AC undertakes the following tasks and duties:

- Review the Company financial and accounting policies and procedures.
- Monitor and review the integrity of the Company financial statements and reports (annual, semi-annual, and quarterly) and its control regulation as part of its normal operation during the year.
- It shall concentrate on the following:
 - Any changes in accounting policies and practices.
 - Ensure that the Company annually updates its policies, procedures, and control systems.
 - Substantive amendments resulting from the audit.
 - Assumption of business continuity.
 - Compliance with the accounting standards established by the Authority.



- Compliance with listing and disclosure rules and other legal requirements related to financial reporting.
- Coordinate with the Company Board, senior executive administration, the financial manager, or the manager delegated with the same duties in the Company, to perform its duties.
- Reviewing any important and unusual items that should be included in reports and accounts, and off-balance sheet items). Giving due attention to any matters raised by the financial manager, the manager with similar responsibilities, compliance officer, or the auditor.
- Raise recommendations to the Board regarding the selection, resignation, or dismissal of the auditor. In case the Board does not approve the AC recommendations in this regard, the Board shall attach to the Governance report a statement explaining the AC recommendations and the reasons why the Board has not followed them.
- Develop and implement the policy of contracting with the auditor, and submit a report to the Board, outlining the issues that it deems necessary to be taken, along with providing recommendations for steps to be taken.
- Ensure that the auditor meets the conditions stated in the applicable laws, regulations, and decisions and in the Company AOA, along with following up and monitoring its independence.
- Meet the auditor of the Company without presence of any of the SEM personnel or its representatives and discuss the same regarding the nature and scope of the audit process and its effectiveness in accordance with the audited standards.
- Approve any additional works done by an external auditor for the Company and the fees received in consideration for that work.
- Examine all matters related to the auditor's work, his work plan, correspondence with the Company, his observations, suggestions and reservations, and any substantial queries raised by the auditor to the SEM regarding the accounting records, financial accounts or control systems, in addition to following up the response of the Company management and provision of the necessary facilities to do his work.
- Ensuring that the Board and SEM respond promptly to essential queries raised in the auditor's letter.
- Review and evaluate the Company internal auditing and risk management systems.
- Discuss the internal auditing system with the Board, and make sure it performs its duty regarding establishing an effective internal control system.
- Consider the results of the main investigations regarding the internal auditing matters assigned to it by the Board or at the initiative of the AC and the approval of the Board.
- Review the auditor's evaluation of the internal control procedures and ensure that there is coordination between the internal and external auditors.
- Ensure of the availability of necessary resources for the internal auditing department, review and monitor the effectiveness of such department.



- Examine internal auditing reports and follow up implementation of corrective actions of the observations contained therein.
- Establishing controls enabling employees and stakeholders to report potential violations in financial reports, internal audits, or other matters confidentially. Implementing procedures to conduct independent and fair investigations into such violations, with adequate measures to protect whistleblowers and closely monitoring their execution.
- Monitor the Company's compliance with the rules of professional conduct.
- Review related party transactions with the Company, ensure that there are no conflicts of interest and raise recommendations about them to the Board before concluding them.
- Ensure the application of the business rules of its functions and the powers entrusted to it by the Board.
- Submit reports and recommendations to the Board on the above matters mentioned in this Article.
- Consider any other matters determined by the Board.

Challenges Faced by the AC:

- **Challenges Related to Changes in Laws and Regulations:** Some local and international regulations were updated during the year, requiring the committee to stay abreast of these changes and evaluate their impact on financial reporting and audit processes.
- **Internal Control Challenges:** Some areas requiring improvement in internal controls were identified to ensure effective oversight of financial operations.
- **Pressure from Economic Crises:** Despite the Company's efforts to manage global economic crises, the committee remained vigilant in monitoring cash flows and the performance of subsidiaries.

Recommendations:

- **Strengthening Internal Controls:** The committee recommends continuing to strengthen internal systems to ensure the timely detection and mitigation of risks.
- **Ongoing Training:** Encouraging the management to organize regular training sessions for staff involved in financial oversight to maintain high level of competence.
- **Keeping Up with Regulatory Changes:** Continuously monitor updates to accounting standards and regulations to ensure company compliance.

Sixth: Nominations and Reward ('N&R') Committee

The N&R Committee consists of three members of the Board, the table below shows the formation of the N&R Committee, the number of times and dates of attendance at the committee's meetings during 2024:

#	Members	Position	Category	No. of attendances
1	Mr. Ahmad Omar Balfaqeeh	Chairman	Independent	1
2	Ms. Shaikha Al Nowais	Member	Independent	1
3	Mr. Samer Katerji	Member	Independent	1
Previous Board members				
4	Mohamed Hassan Al Awadi	Chairman	Independent	2
5	Abdullatif Abdullah Al-Zair	Member	Independent	2
6	Haytham Ahmed Al Naeem	Member	Independent	2

The N&R Committee held three meetings during the year 2024 on the following dates:

Meeting	Meeting Number	Date of the meeting
(1)	01/2024	19 Jan 2024
(2)	02/2024	16 Feb 2024
(3)	03/2024	01 Apr 2024

The N&R Committee has the following functions and responsibilities:

- Develop a policy to apply for Board membership, aiming at considering gender diversity within the formation and encouraging women through incentive and training programs and benefits.
- Organize and follow up the procedures for applying for Board membership in accordance with the applicable laws and regulations and the provisions of this resolution.
- Ensure the independence of independent members on an ongoing basis.
- Ensure availability of continuity of the membership conditions in the Board members annually.
- If the committee finds that a member has lost the conditions for independence, it must present the matter to the Board to notify the member by a registered letter to his address go the justifications for his lack of independence.
- The member must respond within fifteen days, and if there is no response, the Board issues a decision considering whether the member is independent or not.
- Subject to the provisions of Article (145) of Companies Law, if the decision of the Board regarding lacking reasons or justifications for the member independence affects the minimum percentage of its independent members, the Board shall appoint an independent member to replace this member if he submits his resignation due to lack of independence. If the member refuses to resign, the Board shall



present the matter to the General Assembly for a decision to approve the appointment of another member or to open the door for candidacy for electing a new member.

- Developing the policy for granting remuneration, benefits, incentives, and salaries to members of the Board and employees, reviewing it annually, ensuring that the benefits granted to senior executives are reasonable and commensurate with the Company's long-term performance.
- Ensure linking the remunerations and bonuses, including the other deferred options and remunerations and benefits offered to SEM in the performance of the Company in the medium and long term.
- Annually review the required needs of the suitable skills for Board membership and prepare a description of the abilities and qualifications required for Board membership, including determining the time that the member should set for the Board work.
- Review the structure of the Board and make recommendations regarding changes.
- Identify the Company needs for competencies at the level of SEM and staff and the basis of selecting them.
- Prepare the policy related to human resources and training in the Company and monitor its implementation, along with reviewing it annually.
- Ensuring the existence of an appropriate and updated plan for the continuation and succession of the work of the Company's senior executives and Chairs of the Boards committees.
- Any other matters determined by the Board.

Seventh: Insiders Monitoring Committee

7.1 Composition decisions:

A three-member committee was formed to oversee the dealings of people familiar with the Company during 2024. The Committee for Monitoring and Supervising the Dealings of Knowledgeable Persons is composed of three members:

#	Members	Position
1	Ms. Noof Almansoori	Chairman
2	Mr. Naji Merhaby	Member
3	Mr. Mohamed Alqasby	Member and Rapporteur

7.2 Functions and responsibilities of the Insiders Monitoring Committee:

- Keep a record of insiders.
- Follow-up and supervision of insiders' records, dealings and properties.
- Review and control of informed persons trading policies, if any.
- Receipt and review of reports on transactions by informed persons.
- Consideration and prior approval of applications for trading in shares.

7.3 Summary of the Committee's 2024 work report.

A meeting was held on 30 December 2024, wherein update reports and statements containing the Company's insiders' names and dealings were discussed and it reviewed the trading processes of its shareholders during 2024.

Eighth: Executive Committee ('EC')

The EC is composed of three members of the Board. The table below shows the composition of the EC and the number of attendance and dates of the committee's meetings during 2024:

#	Members	Position	Category	No. of attendances
1	Mr. Nasser AlKhazraji	Chairman	Independent	1
2	H.E. Alia Al Mazrouei	Member	Independent	1
3	Mr. Samer Katerji	Member	Independent	1
Previous Board members				
4	Sultan Ahmad Almarri	Chairman	Independent	1
5	Abdulrahman Alabdouli	Member	Independent	1
6	Mohamed Hassan Al Awadi	Member	Independent	1

The EC held two meetings during the year 2024 on the following dates:

Meeting	Meeting Number	Date of the meeting
(1)	01/2024	04 Jan 2024
(2)	02/2024	29 April 2024

The EC shall:

- Assisting the Board in fulfilling its responsibilities, aiming to review, evaluate, and propose recommendations to the management, and to formulate the Company's strategy and its related matters. The EC is also responsible for implementing and executing strategic deals and approving the Company's investments.
- Proposing regulations and decisions necessary to organize the workflow within the Company.
- Proposing amendments to the current investment policies and controls and presenting them to the Board.
- Reviewing topics related to the Company's activities referred by the Chairman of the Board or presented by the CEO and making appropriate decisions within the defined authorities.
- Proposing necessary actions to ensure the smooth operation of the Company, enhancing performance efficiency, and following up on implementation in accordance with the Company's regulations.
- Reviewing proposed amendments to the Company's organizational structure and submitting recommendations to the Board for approval.
- Discussing the work plan, the draft annual budget, the final accounts, and submitting them to the Board for approval, as well as developing investment plans and policies for current business development.

Ninth: Internal System

9.1 Board Resolution:

Applying the governance and directives of the SCA, the Board approved the establishment of the Internal Audit Department, its organizational structure, its reporting line to the Board, and the definition of its tasks and responsibilities. The Board also acknowledged its full responsibility for the internal control system, reviewing its operation mechanisms, and ensuring its effectiveness.

9.2 Organizational Structure of the Inner Circle:

The Internal Audit Department reports to the AC and is primarily aimed at verifying the SEM's compliance with the Company's policies, procedures, and the Boards' decisions. It also evaluates the effectiveness of risk management, applies governance rules, and ensures the Company and its employees comply with the applicable laws and regulations that govern various aspects of the Company's operations, as well as adherence to internal procedures.

Mr. Rakan Hani was appointed to head the Internal Audit Department on October 26, 2021. He holds a Bachelor's degree in accounting, specializing in Financial and Banking Sciences, and has extensive experience in internal and external auditing, accounting, and financial management at auditing firms and public joint-stock companies. Mr. Hani resigned for personal reasons on December 28th, 2024.

9.3 Duties and Responsibilities of the Interior Department:

To avoid any major problems, the Internal Audit team is pursuing policies and systems aimed at improving the quality and effectiveness of the team, including:

- Preparing internal control reports and submitting them to the AC and the Board, if they include the audit objectives, work program, scope and implementation methodology, and presenting a summary of audit and audit results and recommendations regarding them to improve performance.
- Cooperating with the Company's management and making recommendations and proposals that help improve work and solve the issues they face and that do not require the preparation of official reports.
- Cooperating and coordinating work with the Company's external auditor, regarding his observations, reports and ways to implement his recommendations after the approval of these recommendations by the management.
- Verify the commitment of the Company and its employees to the provisions of the applicable laws, regulations and decisions that regulate the work of internal policies and procedures.
- Performing audits on various financial and accounting operations.
- Carry out any audit work or tasks assigned by the Board or the AC.
- Verifying the effectiveness of the Company's internal control procedures and proposing rules and regulations to raise the efficiency of internal control in the Company's various departments.
- Verifying the proper implementation of Company policies in accordance with the applicable regulations in this regard.



- Ensuring the efficient and effective use and preservation of the Company's financial and human resources.
- Audit the reports and financial statements and verify their accuracy and commitment to the application of international standards for the preparation of financial reports.
- Carrying out audits on various financial and accounting operations, and their compliance with the rules and regulations.
- Continuous review and evaluation of the internal control systems and procedures in force within the Company to reach the highest levels of efficiency in risk management.
- In the event of any significant violations, the internal control policy requires immediate reporting of these violations to the AC and SEM, along with the proposed corrective actions. Additionally, measures and controls are activated to prevent the recurrence of such violations in the future.
- No significant issues were encountered by the Company during the year 2024.



Tenth: Violations Committed during the Fiscal Year 2024

KICO has been highly committed to fulfilling the established requirements concerning corporate governance and the governance standards for public joint-stock companies, ensuring its adherence to governance controls and corporate discipline standards.

According to reports provided by the Internal Audit Department and the external auditor, which are presented to the Board and its subcommittees on a regular basis, no significant violations were identified during the year 2024 regarding any matters related to the financial markets or any applicable laws.

Eleventh: The Company's Contribution to Community and Environmental Development

The Company had no significant activities in this regard; therefore, the management has focused its attention on supporting and developing the local community in the coming year, in belief of the importance of contributing to local community development and environmental preservation.



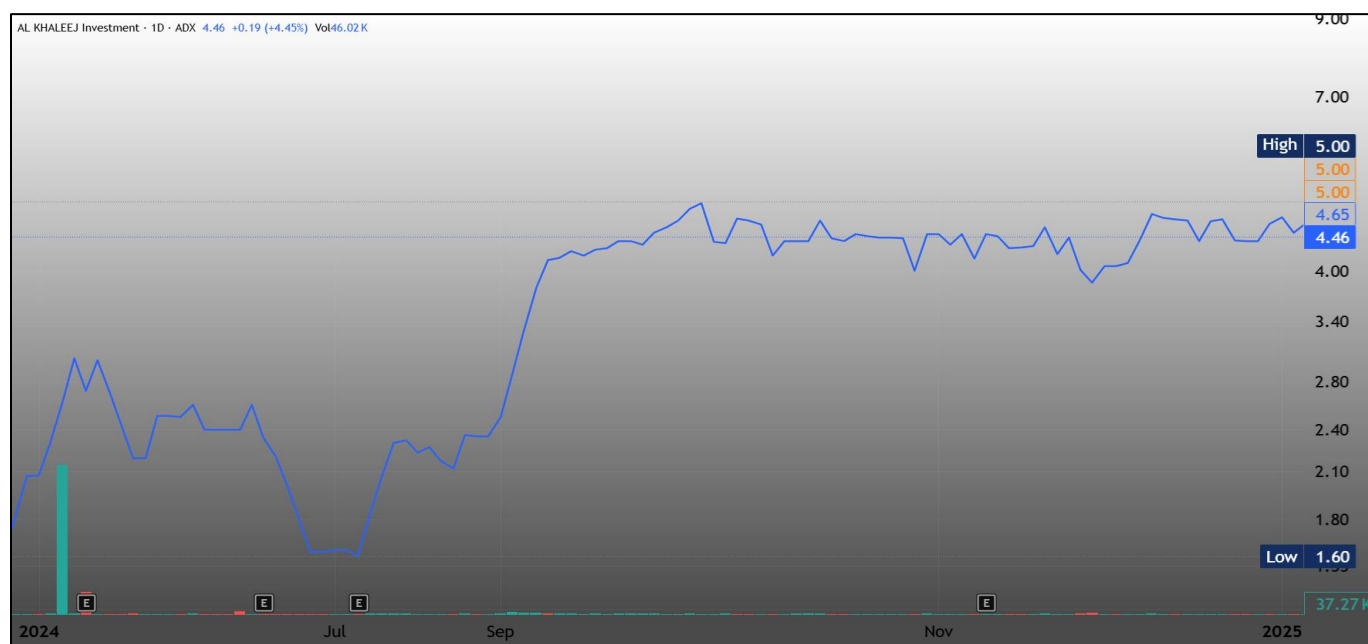
Twelfth: General Information

12.1 Statement of share price on the ADX for FY2024.

Month	Open (AED)	Close (AED)	High (AED)	Low (AED)
Jan	2.300	3.020	3.020	2.070
Feb	2.720	2.720	2.720	2.720
Mar	2.700	2.600	3.000	2.190
Apr	2.400	2.600	2.600	2.400
May	2.340	2.200	2.340	2.200
Jun	2.000	1.620	2.000	1.620
Jul	1.630	1.630	1.630	1.630
Aug	1.600	2.350	2.400	1.600
Sep	2.340	4.370	5.000	2.320
Oct	4.800	4.450	4.850	4.000
Nov	4.150	4.060	4.600	3.620
Dec	4.060	4.650	4.800	4.060

12.2 Comparing the KICO's shares with the general market and sector index:

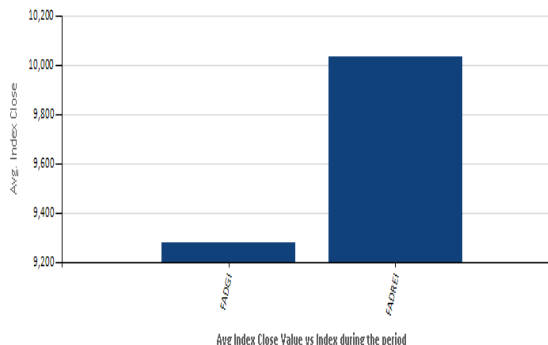
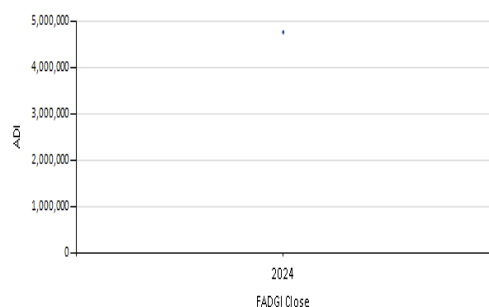
The following is a graph showing the performance of KICO's share with the general market index and the industry sector index during the year 2024.



Source: TradingView.com



Year to Date FADGI Value



12.3 Breakdown of Shareholder ownership:

Shareholders	Individuals	Companies	Government	Number of shares	(%)
UAE	49.30%	30.60%	-	83,916,406	79.90%
Gulf	17.30%	0.50%	-	18,675,883	17.80%
Arab	1.93%	-	-	2,027,374	1.93%
Alien	0.36%	-	-	380,337	0.36%
Total	72,312,084	32,687,916	-	105,000,000	-
Percentage (%)	68.90%	31.10%	-	100%	100%

12.4 Names of major shareholders and their ownership:

The following is a statement of the shareholders who own 5% or more of the Company's capital on December 31, 2024:

#	Shareholder's name	No. of shares as at 31/12/2024	Ratio of ownership in capital (%)
1	Salama Amer Omer Saleh	31,038,253	29.56%
2	Alramz Corporation for Investment and Development	30,773,053	29.31%
3	Noora Mohamad Aqeel	8,193,665	7.80%

12.5 Statement of shareholder distribution by ownership size:

The following is an indication of how the shareholders are distributed according to the volume of ownership as of 31 December 2024:



Capital share ratio	No. of shareholders	No. of shares owned	% of shares owned by the capital
less than 50,000	649	9,194,729	8.76%
From 50,000 to less than 500,000	201	19,217,216	18.30%
From 500,000 to less than 5,000,000	9	6,583,084	6.27%
More than 5,000,000	3	70,004,971	66.67%
Total	862	105,000,000	100%

12.6 Statement of actions taken on investor relations management:

Applying the governance requirements and directives of the SCA, it was decided to establish the Department of Investor Relations and adopt its regulatory structure in accordance with the decision. Investor relations management data:

Name of the investor relations officer	Mohamed Mahmoud Al-Qasabi
Email	Kico-shares@Kico.ae
Direct phone number	72281152-00971
Mobile phone number	00971-564550704
Company website	http://www.Kico.ae

12.7 Statement of special resolutions introduced, and action taken by the General Assembly during 2024:

There are no special resolutions presented at the General Assembly.

12.8 Name of Rapporteur of meetings:

Mr. Naji Merhaby, Board Secretary and Committee Rapporteur, was appointed on November 22, 2024.

12.9 Statement of substantial events during 2024

The Company appointed new CEO and CFO.

12.10 Statement of the Company's transactions with the related parties in 2024 equal to 5% or more of the Company's capital:

There are no dealings with related parties equal to or greater than 5%.

12.11 Statement of the Company's Emiratizations ratio by the end of 2024:

In 2024, about % 6.1 of the Company's total staff.

12.12 Statement of innovative projects and initiatives undertaken or under development by the Company during 2024:

The Company did not undertake any innovative initiative or projects during 2024.



Thirteenth: Assessment of the Board, its Committees, and SEM during 2024.

In line with the provisions of the Companies Law and governance regulations set forth by the SCA, and in accordance with the Company's AOA, the evaluation of the Board, its committees, and the SEM for the year 2024 is conducted as follows:

- Evaluation of the performance of the Board, members of its Committees, and SEM.
- The evaluation process is led by the Chairman of the Board, with support from the Board Secretary. The purpose is to assess the performance of the Board, its committees, and SEM. This evaluation focuses on the skills, experiences, and operational effectiveness of the Board as a whole, identifying both strengths and weaknesses. For individual members of the Executive Board, their performance is assessed based on the following criteria:
 - Fulfillment of suitability criteria.
 - Commitment to performing their duties and responsibilities.
- Based on the evaluation, the strengths and weaknesses are identified, and corrective measures are proposed to address any issues that may arise. These measures are designed to align with the best interests of the Company. The Board remains committed to addressing any weaknesses identified during the process.

Key Evaluation Criteria:

- **Suitability Criteria:** The extent to which each member meets the requirements of their position.
- **Commitment to Attendance:** The level of commitment of members to attend meetings and actively participate.
- **Independence:** The independence of members, ensuring there is no conflict of interest that could impede their duties.

To further enhance the effectiveness of the evaluation process, the Board will arrange for an independent professional external party to conduct a comprehensive performance evaluation every three years. This third-party evaluation will provide an objective, impartial assessment.

Approach:

The Company employs updated models for the evaluation of the Board, its committees, and the SEM. These models aim to demonstrate the effectiveness of the Board and the performance of its committees, ensuring the Company remains compliant with governance standards and promotes continuous improvement in its leadership practices.

This structured evaluation process helps identify areas for growth and fosters a high-performance culture, ensuring the Board and SEM work in the best interests of the Company and its stakeholders.



AL KHALEEJ INVESTMENT SC

H.E. Khalifa Alkhoori

Chairman



Date: March 6, 2025



AL KHALEEJ INVESTMENT PSC SUSTAINABILITY REPORT 2024



Foreword

The Sustainability Report has been developed to emphasize our dedication to sustainability practices in relation to our primary stakeholders. These commitments include working towards a sustainable future, supporting our employees and our local community, and demonstrating via our shared values that we have made significant efforts to address the climate issue.



This report will cover why sustainability is at the top of our priority list, our accomplishments to date, and our future aims and goals.

Sustainability is more than just lowering or offsetting carbon emissions; it also includes minimizing waste production through better recycling activities as well as encourage our staff to acquire and maintain environmentally responsible behaviors.

Our Chairman's Message



H.E. Khalifa Yousif Al khoori
Chairman

We are responsible to preserve this planet, and the way forward is to implement a sustainable business model that is economically viable, environmentally friendly, and socially acceptable. Despite our proud accomplishments and ambitions, we still have a long way to go, and we must do more to achieve our objectives in accordance with the UAE's vision.

The UAE is primarily concerned with Sustainable Development Goals ('SDGs'), that allow us to have access to clean energy and adequate food at affordable prices, as well as quality

education and health care, sustainable economic growth, healthy ecosystems, and enhanced resource efficiency. All of these topics resonate deeply in the UAE. By continuing to collaborate and emphasize sustainability, we will ensure that future generations have a green future.

I want to express my gratitude to our esteemed stakeholders for their unwavering support and faith in us throughout the year. I am excited to put our planned economic and sustainability achievements into action, as well as to continue to engage all stakeholders.

We are pleased to share with you our 2024 sustainability report herewith, which highlights our performance and initiatives in the fields of governance, social justice, and the environment.

Our Company

- » Our company was established in 1982, in the Emirate of Ras Al Khaimah by an Amiri decree issued by His Highness the Late Sheikh Saqr bin Mohammed Al Qasimi, Ruler of Ras Al Khaimah, under the name Gulf Livestock PJSC.
- » Since 2005, we shifted our business focus from Livestock supply to Investments; gradually increasing our investments in Real Estate and the Equities market.
- » In 2014, the company underwent a significant rebranding, changing its name from Gulf Livestock Company PJSC to Al Khaleej Investment PSC. This change represented a strategic shift towards larger investing activities, particularly in real estate development and management, establishing itself as a prominent player in the UAE's real estate sector.
- » Today, Al Khaleej Investment is looking beyond real estate to analyze potential in futuristic areas such as energy, technology, logistics, commodities, financial services and more, with an emphasis on long-term growth and diversification of its investment portfolio.



Our Sustainability Focus



Our Goals



To meet the needs of investors and customers, exceed their expectations, and connect effectively with them.

- » Operate and develop our businesses in compliance with the highest ethical and professional standards.
- » Provide high-quality and useful offerings.
- » Being our clients' preferred partner.
- » Building effective, long-term partnerships with our clients based on our core beliefs.
- » Provide support to the community.
- » Develop our task forces' abilities to achieve the greatest levels of excellence and innovation.

Sustainability goals



- » We promise to raising owners' understanding of our core Environmental, Social, and Governance ('ESG') themes, as well as determining how our non-financial measures can help create long-term value and a sustainable, responsible, and client-centered business model.
- » We launched the Sustainability Report to highlight our commitment to sustainable practices with important stakeholders.
- » These commitments include striving toward a more sustainable future, as well as supporting our employees and the local community, based on trust.
- » This paper describes our ESG practices, which aims to provide long-term sustainable value as active investors and co-owners.

1. Environmental

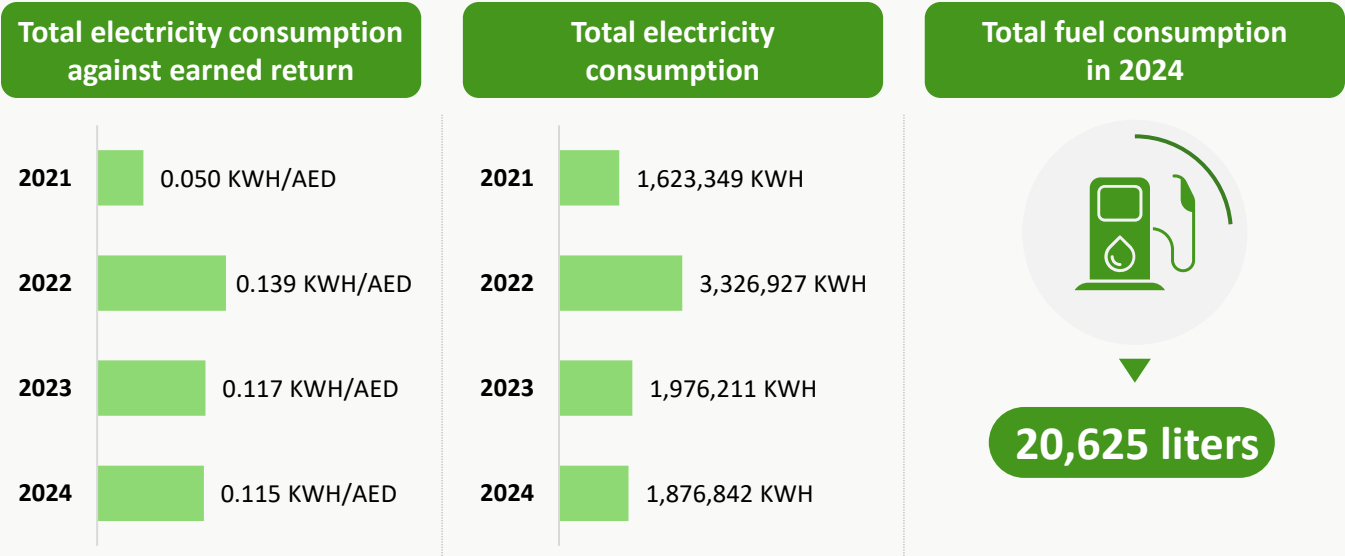


- Responsible environmental management contributes to the reduction of negative environmental effects as it is our greatest responsibility towards future generations.
- We strive to reduce our environmental impact and improve our efficiency in optimizing resource utilization over time, recognizing the importance of our efforts in protecting the integrity of the environment.
- As a result, we ensure that buildings are maintained on a regular basis in accordance with the welfare elements of living-in units, and we work hard to reduce environmental impact while still preserving energy and exterior desirable appearances.
- Carbon footprint is a worldwide issue, and its reduction is dependent on our actions and behaviors. We want to lower our carbon footprint and raise awareness among our personnel.

1.1 Energy Use and Greenhouse Gas Emissions

Excessive use of energy and gases absorbs greenhouse gases and emits radioactive energy in the thermal infrared spectrum, resulting in the Greenhouse Effect. The real estate sector accounts for c.30% of worldwide CO₂ emissions, coming 60% from building operations and 30% from construction.

When direct and indirect emissions are measured, the relevance of GHG reduction becomes clear in terms of sustainability. Greenhouse gas control is critical for maintaining an ideal temperature; thus, we measure these factors in accordance with our environmental and sustainability objectives.



Net greenhouse gas emissions intensity for revenue is 208 metric tons of carbon dioxide equivalent.

20.80 tons per year

First Domain

861.10 tons per year

Second Domain

4.79 tons per year

Third Domain

1.2 Water Use

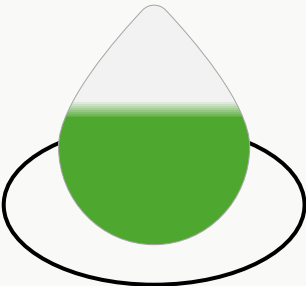


The company has no excess water consumption because of its real estate and equity investment activities, as the water consumption is attributed to employee use at their workplaces and public service buildings for rent. One of our primary goals is to minimize the environmental impact of our business activities.

In a few years, we intend to mitigate our environmental effect by establishing eco-friendly policies and activities. We also track our annual water and energy consumption to show that serious efforts and measurable results are helping us accomplish our sustainability targets more quickly. We aspire to consistently improve our operational performance, thereby making a significant contribution to a sustainable future.

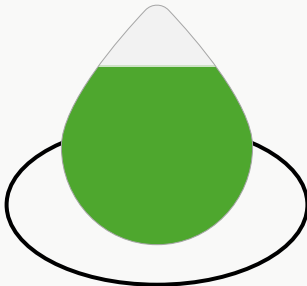
Total water consumed

2022



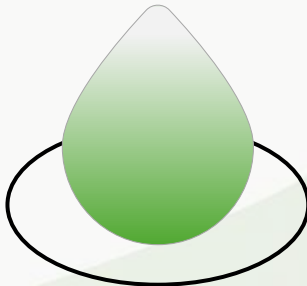
860,073
لتر

2023



1,020,134
لتر

2024



1,136,745
لتر

1.3 Environmental Processes

Waste management and safe disposal are critical components of environmental and resource conservation efforts. As a result, the Company's real estate portfolio uses a garbage collection system linked to the municipal system, so that waste is disposed of by Municipalities based on the Al Khaleej Investment property area.

We want to introduce more ecologically friendly measures to reduce / recycle waste from our office premises. As part of our waste management strategy, we clean and sterilize the garbage stream system every year.

In terms of wastewater, the company's real estate is part of our managed real estate portfolio and is connected to a municipal wastewater harvesting system.



The following environmentally friendly activities were carried out:



► lights being replaced with LED

Pest control in the service area.



► Installation of solar-powered lamps

Every week, we polish and sanitize the lift.



► Clean and disinfect the water tanks.

Installed occupancy-sensitive lighting in certain buildings' corridors.



2. Social



Our company's performance is directly proportional to the success of its employees. They are the foundation of the company's strength.

We are continually aware of their requirements and concerns. CSR actions help to improve employees' performance and overall performance.

We also organize CSR events and intend to hold several workshops in the near future, understanding how

they contribute to both individual growth and environmental concern.

It is also crucial to pay attention to our social roots (i.e., employees), always appreciating their accomplishment, and to focus more on giving diverse and equal options for everybody, allowing us to give opportunities to people of all genders and backgrounds.

Employees are vital to the company's success, thus they must be nurtured and cared for.



2.1 Salary Rate and Job Turnover

Total full-time staff	47	Total part-time staff	N/A
-----------------------	----	-----------------------	-----

Change in the full-time system	N/A
--------------------------------	-----

Lower Positions - Men	19	Lower Positions - Women	N/A
Middle Positions - Men	20	Middle Positions - Women	5
Senior Positions - Men	2	Senior Positions - Women	1

Number of male employees

41

6

Number of female employees

The average male to female remuneration in the Al Khaleej Investment is:



2.2 Infection Rate



Our employees' health and safety are our primary concern, and we prioritize ensuring their safety at work. We instruct them to adopt necessary safety precautions at work in order to avoid endangering employees' health or safety, which is crucial to stakeholders.

We take care of our customers by protecting our employees, because it is our employees who are in charge of accomplishing our customers' and stakeholders' goals and aspirations while ensuring that they are not at risk.

2024

We dealt with **3** consultants , **123** contractors and **274** suppliers in 2024.

Number of deaths in 2024 = **0**

2.3 Children, Compulsory Employment and Human Rights



We are dedicated to upholding all components of UAE Human Resources Law and human rights principles.

This is based on the UAE's perspective, cultural heritage, and Constitution, which guarantee civil liberties for all, as well as its legislative system, which promotes the principles of justice, equality, tolerance, respect for rights, humanitarian and relief work, non-discrimination, and sexual harassment, all of which are consistent with the Universal Declaration of Human Rights.

2.4 Health Global Safety



The company provides comprehensive insurance coverage for its employees, including treatment at numerous private health care facilities, broader geographical coverage, and other medical benefits.

If staff members' health and safety are jeopardized, which can affect their productivity, it is critical to constantly monitor their health and safety and ensure that they are not at risk.



2.5 Emiratizations



AL Khaleej Investment is committed to providing employment opportunities for UAE citizens and recognizes that UAE citizens must be given appropriate job opportunities and training to contribute to the country's prosperity, in accordance with the UAE Government's vision.

The percentage of Emirati employees in the company is 6.1% in 2024, with the Company dedicated to expanding this ratio.

2.6 Community Development and Environmental Conservation



The company has not previously engaged in any such operations.

The Management has looked into the problem of community support and development.

This year, the Department aims to make tangible progress towards this goal, emphasizing its importance.



3. Governance



The Board of Directors of AL Khaleej Investment, through its committees, attaches great importance to the subject of governance and institutional discipline by overseeing the management of the Company and the implementation of its responsibilities and duties through its powers, as well as overseeing the application and development of the Company's policies and procedures to ensure the efficiency and effectiveness of the Company's internal controls.

The Company's statute states that the Company will be managed by a Board of Directors elected by the Company's General Assembly through a vote in compliance with the Securities and Commodities Authority's legislation and the relevant laws.

The Board of Directors shall serve for a term of three years.

3.1 Diversity and Independence of the Board of Directors

The Board of Directors of the Company consists of seven members elected at the Regular General Assembly



**H.E. Khalifa Yousif Abdulla
Husain Alkhoori**
Chairman- Independent



H.E. Alia Abdulla Al Mazrouei
Vice Chairman- Independent



**Mr. Nasser Abdulrahman
AlKhazraji**
Board Member- Independent



Mr. Ahmad Omar Balfaqeeh
Board Member- Independent




Ms. Shaikha Nasser Ali Alnwais
Board Member- Independent



Mr. Samer Abudlrahman Katerji
Board Member- Independent



Mr. Munther Jawdat Aldajani
Board Member- Independent
*On November 9, 2024, he resigned
from BOD*



Constitutes **100%** of
board seats for
independent members



Currently, **2** Emirati women are proudly
Board members of our esteemed
Company

3.2 Ethics and Anti-corruption



According to reports submitted by the Department of Internal Oversight and the External Auditor on a regular basis to the Board of Directors and its committees, no material irregularities were identified in 2024 relating to financial markets or applicable laws.

3.3 Data Specificities



Work on implementing the Board of Directors' approved insider trading policy.

A three-member committee was constituted to oversee the actions of company insiders in 2024. It covers the follow-up committee's activities and duties, as well as overseeing the dealings of personnel familiar with the following:



Propose changes to the insider trading policy to better match with the Company's governance requirements and structure.



Meetings to investigate and follow up on informed individuals and their interactions.



Inform the compliance officer of any transactions involving informed personnel while they are present in the Executive Department.

The Committee ensured that no insider trading infractions occurred throughout 2024. The list of new board members and top executives appointed in 2024 has also been updated.



Appendix: Metrics

Environmental	
Greenhouse gas emissions	
Total direct greenhouse gas emissions	Page 7
Total GHG indirect energy emissions	Page 7
Total other indirect greenhouse gas emissions	Page 7
Energy use	
Total amount of energy consumed directly	Page 7
Total quantity of energy consumed indirectly	Page 7
Use water	
Total quantity of water consumed	Page 8
Total processing quantity	Page 8
Environmental processes	
Is your company following an official environmental policy?	Page 9
Does your company pursue specific waste, water, energy and/or recycling policies? Yes/No	Yes
Does your company use a recognized energy management system?	Potential journals are being evaluated for coverage in future reports
Environmental control	
Does the management team oversee and/or manage sustainability issues? Yes/No	Yes
Climate risk mitigation	
Total amount invested annually in climate infrastructure, resilience and product development	Potential journals are being evaluated for coverage in future reports
Social	
Executive Director's salary rate	
Ratio: C.E.O.'s total compensation compared to average gross full-time remuneration	Page 11
Does your company report this measure in regulatory filings? Yes/No	Yes
Salary rate between men and women	
Average male to female remuneration	Page 11
Employee turnover	
Percentage: annual change of full-time staff	Page 11
Percentage: annual change of part-time staff	The institution has no part-time staff.
Percentage: annual change of contractors/consultants	Page 12
Gender diversity	
Percentage: Total number of employees in the institution occupied by men and women	Page 11
Percentage: lower and middle positions held by men and women	Page 11
Percentage: Senior and executive positions held by men and women	Page 11
Proportion of temporary workers	
Percentage: total number of posts in the organization held by part-time staff	Page 11
Percentage: Total number of posts in the enterprise occupied by contractors and/or consultants	Page 12
Non-discrimination	
Does your company pursue a policy of non-discrimination? Yes/No	Page 10-13
Infection rate	
Percentage: frequency of injury incidents relative to total workforce time	Page 12



Appendix: Metrics

Social	
Global Health and Safety	
Does your company follow the Global Occupational Health and/or Health and Safety Policy? Yes/No	Yes, page 14
Children and compulsory employment	
Is your company pursuing a policy to combat child labor and/or forced labor? Yes/No	Yes
Social Human Rights	
Does your company pursue human rights policy? Yes/No	Yes
If yes, does human rights policy include suppliers and vendors? Yes/No	Yes
Emiratizations	
Does your company pursue a policy of non-discrimination? Yes/No	Page 13
Community investment	
The amount invested in the community as a percentage of the company's revenue	Work is underway next year 2025
Governance	
Diversity of the Board of Directors	
Percentage: Total board seats held by men and women	Page 18
Percentage: Chairmanship of commissions held by men and women	Page 18
Diversity of the Board of Directors	
Percentage: Total board seats held by men and women	Page 18
Percentage: Committee seats held by men and women	Page 18
Independence of the Board of Directors	
Does the company prevent the CEO from serving as Chairman of the Board of Directors? Yes/No	Yes
Percentage: Total board seats held by independent board members	Page 18
Salaries and incentives	
Do executives get incentives for sustainability? Yes/No	No
Supplier's Behavioral Rules	
Are sellers and suppliers obliged to comply with behavioral rules? Yes/No	Yes
If yes, what percentage of suppliers have officially proven their compliance with the Code?	80%
Ethics and Anti-Corruption	
Does your company pursue ethics and/or anti-corruption policy? Yes/No	Yes
If the answer is yes, what percentage of your workforce has officially proven their compliance with the policy?	100%
Data privacy	
Does your company publish sustainability reports? Yes/No	Yes
Disclosure practices	
Does your company provide sustainability data for sustainability reporting frameworks? Yes/No	No, we are working towards this goal, to be disclosed in other reports.
Is your company focused on specific United Nations sustainable development goals? Yes/No	Yes
Does your company set goals and report on progress in the UN Sustainable Development Goals? Yes/No	This is us fifth report. In the future, we will provide data.
External authentication	
Are sustainability disclosures guaranteed or verified by external auditors? Yes/No	No, we chose the internal guarantee of this year's report as our fifth report.