Anan Investment Holding PJSC and its subsidiaries

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

Anan Investment Holding PJSC and its subsidiaries

Consolidated Financial Statements
December 31, 2025

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Anan
Investment Holding

عنان
للاستثمار القابضة

REPORT OF THE BOARD OF DIRECTORS

The Directors submit their report together with the audited consolidated financial statements of Anan Investment Holding PJSC (the "Company") and its subsidiaries (together referred to as the "Group"), for the year ended December 31, 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Group are developing, investing in and managing real estate properties.

RESULTS

For the year ended December 31, 2025, the Group generate revenue of AED 385.8 Million (2024: AED 419.8 Million – *Restated*) and reported profit for the year of AED 47.6 Million (2024: loss for the year of AED 360 thousand - *Restated*).

DIRECTORS

The Directors of the Company are as follows:

Mr. Salem Hadher Mubarak Hadher Al Meheiri
Dr. Khalifa Saif Juma Saif Al Mehairbi
Dr. Abdulaziz Fahad Hamad Al Ongary
Mr. Omar Saeed Juma Alshaikh Al Romaithi

AUDITORS

Grant Thornton were appointed as external auditors of the Group for the year ended December 31, 2025. The Board of Directors has recommended Grant Thornton as the auditors for 2026 for approval by the shareholders at the forthcoming annual general meeting.

For and on behalf of the Board of Directors

Dr. Khalifa Saif Juma Saif Al Mehairbi
Chairman

Date: March 31, 2026

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Independent Auditor's Report
To the Shareholders of Anan Investment Holding PJSC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Anan Investment Holding PJSC (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

As stated in Note 2.2 to the consolidated financial statements, as at December 31, 2025, the Group had accumulated losses of AED 96,402 thousand and bank facilities of AED 490,368 thousand repayable on demand. These events or conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified with respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Independent Auditor's Report

To the Shareholders of Anan Investment Holding PJSC (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Key audit matter	*How our audit addressed the key audit matter*
Valuation of investment properties As disclosed in Note 7 to the consolidated financial statements, as at December 31, 2025, the Group's consolidated statement of financial position includes AED 2,345,008 thousand of investment properties, representing 35% of the total Group assets. Increase in fair value of investment properties of AED 135,000 thousand was recognized in the consolidated statement of profit or loss for the year then ended. The Group's investment properties are stated at fair value based on the valuation carried out by an independent qualified valuer (the "Valuer"). The valuation was dependent on certain key estimates which requires significant judgement. The valuation of investment properties under development was also dependent on the estimated costs that will be incurred to complete the development with appropriate allowance for profit and risk. Details of the valuation methodology and key inputs used in the valuation are disclosed in Note 7 to the consolidated financial statements. We identified the valuation of investment properties as a key audit matter due to the significance of the Group's investment properties in the context of the Group's consolidated financial statements as a whole and because significant judgement is involved in determining the inputs used in the valuation.	We performed the following audit procedures: • Evaluated the competence, capabilities and objectivity of the Valuer. • Made inquiries with management and the Valuer and challenged the key assumptions and estimates adopted in the valuations. • Assessed the appropriateness and reasonableness of the valuation methodology, key assumptions and estimates used in the valuations, based on evidence of comparable and recent market transactions. • We engaged our valuation specialist, as necessary, to assist us in reviewing the methodologies applied including estimates and judgment made. • Assessed the adequacy of the related disclosures in the consolidated financial statements.

Independent Auditor's Report
To the Shareholders of Anan Investment Holding PJSC (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Key audit matter	*How our audit addressed the key audit matter*
Net realizable value of development properties As disclosed in Note 8 to the consolidated financial statements, at December 31, 2025, the Group's consolidated statement of financial position includes AED 3,525,576 thousand of properties under development, representing 53% of the total Group assets. The Group's development properties are stated at lower of cost and net realizable value. Net realizable value determination by management involves key assumptions and estimation in determining the costs to complete the development and the costs necessary to make the sale. Further details about the estimates and assumptions made by management in the determination of net realizable values are disclosed in Note 5.2 to the consolidated financial statements. We identified the assessment of the net realizable values of development properties as a key audit matter due to the significance of the Group's development properties in the context of the Group's consolidated financial statements as a whole and because the assessment of net realizable value involves significant management judgement and estimation of the costs to complete each property development project as well as in assessing the expected selling prices for each property.	We performed the following audit procedures: • Obtained an understanding of management's process in estimating the future costs to completion for the development properties and in determining the future expected sales prices. • Assessed management's methodology and the key estimates, data inputs and assumptions adopted in the assessment, which included comparing expected future selling prices with available market data, such as recently transacted prices within the project or actual sales prices for properties already sold, and compared costs to complete each property development with the budgets maintained by the Group and by verifying the underlying construction contracts and other relevant documents on sample basis. • Re-performed the calculations made by management in arriving at the year-end assessments of net realizable value.

Independent Auditor's Report
To the Shareholders of Anan Investment Holding PJSC (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Key audit matter	*How our audit addressed the key audit matter*
Revenue recognition on sale of properties The Group recognizes revenue on sale of properties in accordance with IFRS 15 *Revenue from Contracts with Customers*. The Group recognises revenue on sale of properties over time based on the terms of contracts with its customer and the relevant laws and regulations of the jurisdiction. The Group estimates total development and infrastructure costs required to satisfy the performance obligations under the contract and recognises proportionate revenue to the extent of satisfaction of performance obligations as at the end of each reporting period. As disclosed on the consolidated statement of profit or loss, the Group recognised revenue of AED 385,835 thousand for property development and AED 298,093 thousand of property development costs for the year ended December 31, 2025. Revenue recognition on the sale of properties has been identified as a key audit matter due to the inherent complexity and judgment involved in assessing whether the Group's performance obligations, as stipulated in property sales contracts, are satisfied over time or at a point in time in accordance with IFRS 15 and estimating the total costs to complete the projects, which impacts the value and timing of revenue and profit recognition throughout the project lifecycle, requires significant judgment.	We performed the following audit procedures: • We gained an understanding of the Group's revenue recognition process, evaluating its compliance with the principles outlined in IFRS 15; • We selected a sample of property sales contracts to determine the Group's performance obligations and assessed whether these obligations are satisfied over time or at a point in time, in accordance with the criteria established by IFRS 15; • We obtained an understanding of design and implementation of relevant controls to revenue recognition process; • We reviewed, on a sample basis, management's estimates applied to assess the appropriateness of the stage of completion. This assessment was based on the comparison of costs incurred to date against the total estimated costs; • We assessed, on a sample basis, the appropriateness of the input method applied in respect of the construction of properties by validating the costs incurred until the reporting date and comparing them to the total estimated costs for the construction; • For costs recognized to date, we performed tests on a sample basis for significant cost components. This involved verifying the completeness and accuracy of the costs by comparing them to relevant supporting documentation; and • We assessed the adequacy of disclosures made in the consolidated financial statements in accordance with the applicable requirements of IFRS Accounting Standards.

Independent Auditor's Report
To the Shareholders of Anan Investment Holding PJSC (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Other Information (continued)

The Directors are responsible for the other information. The other information comprises the information included in the Report of the Board of Directors.

Our opinion on the consolidated financial statements does not cover the other information except for the financial information given in the Report of the Board of Directors, and accordingly, we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB and the applicable provisions of the UAE Federal Decree-Law No. 32 of 2021(as amended) and the Company's Articles of Association, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

Independent Auditor's Report
To the Shareholders of Anan Investment Holding PJSC (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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

As required by the UAE Federal Decree-Law No. (32) of 2021 (as amended), we report that:

- We have obtained all the information we considered necessary for the purposes of our audit;
- The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree-Law No. 32 of 2021 (as amended);
- The Company has maintained proper books of account in accordance with established principles;
- The financial information included in the report of the Board of Directors is consistent with the books of account of the Company;
- The Group has not invested in shares or stocks during the year ended December 31, 2025;
- Note 19 to the consolidated financial statements reflects material related party transactions and the terms under which they were conducted;

Grant Thornton

Independent Auditor's Report
To the Shareholders of Anan Investment Holding PJSC (continued)

Report on Other Legal and Regulatory Requirements (continued)

- 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 financial year ended December 31, 2025 any of the applicable provisions of the UAE Federal Decree-Law No. 32 of 2021(as amended) or of its Articles of Association which would have a material impact on its activities or its consolidated financial position as at December 31, 2025; and
- There were no social contributions made during the year ended December 31, 2025.

GRANT THORNTON UAE



Anand Prabhu
Registration No. 5567
Dubai, United Arab Emirates

31 March 2026

Consolidated statement of financial position
As at December 31, 2025

	Notes	December 31, 2025 AED'000	December 31, 2024 AED'000 *Restated*	January 1, 2024 AED'000 *Restated*
ASSETS				
Property and equipment	6	**-**	-	8,707
Investment properties	7	**2,345,008**	2,210,008	2,155,248
Development properties	8	**3,525,576**	3,663,618	3,873,397
Costs to obtain contracts		**170,142**	98,712	-
Financial assets at fair value through other comprehensive income	9	**-**	-	203,041
Contract assets	18	**346,074**	210,092	39,500
Trade and other receivables	10	**6,927**	1,227	14,087
Cash and bank balances	11	**288,591**	169,904	27,624
TOTAL ASSETS		**6,682,318**	6,353,561	6,321,604
EQUITY AND LIABILITIES				
Equity				
Share capital	12	**2,312,729**	2,312,729	2,312,729
Legal reserve	13	**12,216**	7,456	7,456
Acquisition reserve	14	**(755,909)**	(755,909)	(755,909)
Foreign currency translation reserve		**(23,592)**	(23,592)	(23,489)
Fair value reserve of financial assets at fair value through other comprehensive income		**-**	-	140,345
Accumulated losses		**(96,402)**	(139,241)	(251,526)
Total equity		**1,449,042**	1,401,443	1,429,606
Liabilities				
Provision for employees' end of service benefits		**1,241**	1,007	838
Bank borrowings	15	**490,368**	461,213	484,528
Other financial liabilities	16	**372,716**	309,800	207,994
Deferred tax liability	31	**6,079**	730	-
Provisions and trade and other payables	17	**1,821,884**	1,663,813	1,594,908
Contract liabilities	18	**2,516,220**	2,491,606	2,579,448
Due to related parties	19	**24,768**	23,949	24,282
Total liabilities		**5,233,276**	4,952,118	4,891,998
TOTAL EQUITY AND LIABILITIES		**6,682,318**	6,353,561	6,321,604

These consolidated financial statements were approved and authorised for issue by the Board of Directors on 31 MAR 2026 and signed on its behalf by:

Dr. Khalifa Saif Juma Saif Al Mehairbi
Chairman

عنان للاستثمار القابضة ش.م.ع
أبوظبي - أ.ع.م.
Abu Dhabi
U.A.E.
ANAN INVESTMENT HOLDING P.J.S.C.

The attached notes 1 to 32 form part of these consolidated financial statements.

Anan Investment Holding PJSC and its subsidiaries
Consolidated Financial Statements

Consolidated statement of profit or loss
For the year ended December 31, 2025

	Notes	2025 AED'000	2024 AED'000 *Restated*
Revenue from contracts with customers		**385,835**	419,862
Direct costs		**(298,093)**	(321,609)
GROSS PROFIT		**87,742**	98,253
Selling, general and administrative expenses	20	**(51,075)**	(117,016)
Change in fair value of investment properties	7	**135,000**	58,056
Reversal of provisions	25	**-**	120,000
Loss on derecognition of financial assets and other financial liability	9	**-**	(52,054)
Other income	21	**3,981**	1,603
Finance costs	22	**(122,714)**	(108,497)
Finance income		**14**	25
PROFIT FOR THE YEAR BEFORE TAX		**52,948**	370
Income tax	31	**(5,349)**	(730)
PROFIT/(LOSS) FOR THE YEAR		**47,599**	(360)
Earnings per share			
Basic and diluted earnings per share (AED)	23	**0.0206**	(0.0002)

The attached notes 1 to 32 form part of these consolidated financial statements.

Consolidated statement of comprehensive income
For the year ended December 31, 2025

	Note	2025 AED'000	2024 AED'000 *Restated*
PROFIT/(LOSS) FOR THE YEAR		**47,599**	(360)
Other comprehensive loss			
Item that may be reclassified to profit or loss in subsequent periods:			
Exchange loss on translation of foreign operations		-	(103)
Item that will not be reclassified to profit or loss in subsequent periods:			
Change in the fair value of financial assets at fair value through other comprehensive income	9	-	(27,700)
Total other comprehensive loss for the year		-	(27,803)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**47,599**	(28,163)

The attached notes 1 to 32 form part of these consolidated financial statements.

Consolidated statement of changes in equity
For the year ended December 31, 2025

	Share capital AED'000	Legal reserve AED'000	Acquisition reserve AED'000	Foreign currency translation reserve AED'000	Fair value reserve of financial assets at FVOCI AED'000	Accumulated losses AED'000	Total AED'000
As at January 1, 2024 - *As previously reported*	2,312,729	7,456	(755,909)	(23,489)	140,345	(412,266)	1,268,866
Effect of restatement (Note 30)	-	-	-	-	-	160,740	160,740
As at January 1, 2024 - *Restated*	2,312,729	7,456	(755,909)	(23,489)	140,345	(251,526)	1,429,606
Loss for the year - *Restated*	-	-	-	-	-	(360)	(360)
Other comprehensive loss for the year	-	-	-	(103)	(27,700)	-	(27,803)
Total comprehensive loss for the year - *Restated*	-	-	-	(103)	(27,700)	(360)	(28,163)
Transfer of fair value reserve of equity instruments designated at FVOCI	-	-	-	-	(112,645)	112,645	-
As at December 31, 2024 – *Restated*	2,312,729	7,456	(755,909)	(23,592)	-	(139,241)	1,401,443
Profit for the year	-	-	-	-	-	47,599	47,599
Other comprehensive loss for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	47,599	47,599
Transfer to legal reserve (Note 13)	-	4,760	-	-	-	(4,760)	-
As at December 31, 2025	**2,312,729**	**12,216**	**(755,909)**	**(23,592)**	**-**	**(96,402)**	**1,449,042**

The attached notes 1 to 32 form part of these consolidated financial statements.

Anan Investment Holding PJSC and its subsidiaries
Consolidated Financial Statements

Consolidated statement of cash flows
For the year ended December 31, 2025

	Notes	2025 AED'000	2024 AED'000 *Restated*
OPERATING ACTIVITIES			
Profit for the year before tax		**52,948**	370
Adjustments for:			
Depreciation of property and equipment	6	**-**	62
Loss on disposal of property and equipment	6	**-**	3,099
Loss on disposal of investment properties	20	**-**	727
Fair value gain on investment properties	7	**(135,000)**	(58,056)
Loss on derecognition of financial assets and other financial liability	9	**-**	52,054
Provision for employees' end of service benefits		**234**	186
Finance income		**(14)**	(25)
Finance cost	22	**122,714**	108,497
		40,882	106,914
Changes in working capital			
Trade and other receivables and contract assets		**(141,682)**	(157,732)
Development properties	8	**138,042**	209,779
Costs to obtain contracts		**(71,430)**	(98,712)
Advances from customers		**(40,646)**	(256,640)
Due to related parties		**819**	(333)
Trade and other payables		**160,105**	41,186
Bank margin accounts		**-**	1,511
Cash used in operations		**86,090**	(154,027)
Employees' end of service benefits paid		**-**	(17)
Net cash flows from/(used in) operating activities		**86,090**	(154,044)
INVESTING ACTIVITIES			
Proceeds from disposal of property and equipment	6	**-**	5,546
Proceeds from disposal of investment properties		**-**	2,569
Cash flows from investing activities		**-**	8,115
FINANCING ACTIVITIES			
Repayment of bank borrowings		**-**	(3,225)
Other financial liabilities, net		**32,583**	293,075
Finance income received		**14**	25
Finance costs paid		**-**	(155)
Net cash flows from financing activities		**32,597**	289,720
Net increase in cash and cash equivalents		**118,687**	143,791
Cash and cash equivalents at the beginning of the year		**169,866**	26,075
Cash and cash equivalents at the end of the year	11	**288,553**	169,866

The attached notes 1 to 32 form part of these consolidated financial statements.

1 Legal status and principal activities

Anan Investment Holding PJSC (the "Company") is a private joint stock company incorporated on December 21, 2008 and registered in Abu Dhabi, United Arab Emirates. The Company's shares are listed on Abu Dhabi Securities Exchange. The trading of the Company's shares was suspended throughout the year ended December 31, 2024 and was resumed on during the year ended December 31, 2025.

The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are developing, investing in and managing real estate properties.

The registered address of the Company is P.O. Box 53351, Abu Dhabi, United Arab Emirates.

These consolidated financial statements include the financial performance and position of the Company and its operating subsidiaries as listed below (collectively the "Group").

Subsidiary	Principal activities	Ownership		Country of incorporation
		2025	*2024*	
Arabian Hills Investment and Real Estate Development - Sole Proprietorship LLC	Real estate and master development	**100%**	100%	United Arab Emirates
Tasweek Real Estate Brokerage - Sole Proprietorship LLC	Real estate investment	**100%**	100%	United Arab Emirates
Tasweek (Malaysia) Sdn Bhd	Real estate investment	**100%**	100%	Malaysia
UAE Marketing Sdn Bhd	Real estate investment	**100%**	100%	Malaysia
Tasweek Pahang Sdn Bdh	Real estate investment	**100%**	100%	Malaysia
Wahat Al Zaweya Services - Sole Proprietorship LLC	Project management services	**100%**	100%	United Arab Emirates
Palma Real Estate development & investment LLC (formerly Oud & Misk Investment and Real Estate Development)	Real estate development and management	**100%**	100%	United Arab Emirates

2 Statement of compliance and basis of preparation

2.1 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and in compliance with the applicable provisions of the UAE Federal Decree-Law No. 32 of 2021 (as amended).

2.2 Going concern

As at December 31, 2025, the Group had accumulated losses of AED 96,402 thousand it had bank facilities of AED 490,368 thousand repayable on demand (Note 15) due to defaulting payments. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Group's going concern is dependent on its ability to raise funds from the future sales of properties under development and utilize those funds in completing its project in due course, while being able to settle its liabilities, as and when they fall due.

2 Statement of compliance and basis of preparation (continued)

2.2 Going concern (continued)

These consolidated financial statements have been prepared on a going concern basis based on management's detailed assessment and taking into consideration the following factors:

- On June 2, 2025, the Abu Dhabi Judicial Department announced that it has successfully settled and concluded all legal cases related to 'Wahat Al Zaweya' and 'Wahat Yas' projects that were executed.
- During the year ended December 31, 2025, the Group successfully secured sale contracts exceeding AED 140 million.
- The Group has signed a sale and purchase agreement with an investment and development company for the acquisition of one of its projects in Arabian Hills with a value of AED 150 million. This transaction is expected to significantly support the Company's cash flows.
- At December 31, 2025, the Group has cash balances in Escrow accounts of AED 277,762 thousand relating to amounts collected from customers, which are available for payments to contractors.
- The Group has signed contracts with multiple contractors and subcontractors and development work is underway and some projects have reached up to 45-65% completion stage projects at the date of the issuance of these consolidated financial statements.
- All necessary municipal and governmental approvals related to the Group's key projects have been obtained, and legal formalities have been finalized, ensuring smooth continuation of operations.
- Management remains confident in the Group's ability to continue as a going concern. This assessment is supported by detailed budgeted plans, projected future cash flows, and operational strategies, which indicate that the Group will be able to operate without material curtailment for at least twelve months from the date of approval of these consolidated financial statements.
- The Group has received AED 32,583 thousand of net funding from a shareholder during the year ended December 31, 2025. Furthermore, the Group's majority of the shareholders have confirmed that they will provide the necessary financial support to enable the Group to meet its obligations as they fall due and to continue operations sustainably for a period of at least twelve months from the date of the issuance of the consolidated financial statements.
- The Group expects to settle a portion of its liabilities to related and other parties through transfer of properties and is in negotiations with the major bank to reschedule the defaulted term loan.

2.3 Basis of preparation

The consolidated financial statements have been prepared on an accruals basis and under the historical cost convention, except for investment properties and financial assets at fair value through other comprehensive income that have been measured at fair value.

The consolidated financial statements are presented in Arab Emirates Dirham ("AED"), which is also the Company's functional currency, and all the values are rounded to the nearest thousand (AED'000), except where otherwise indicated.

The consolidated statement of financial position has been presented on liquidity basis and based on management's assessment that the same provides information that is reliable and more relevant.

2 Statement of compliance and basis of preparation (continued)

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at December 31, 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

3 New or revised standards or interpretations

3.1 New Standards adopted as at January 1, 2025

The accounting pronouncement that is listed below, has become effective from January 1, 2025 and has therefore been adopted by the Group, but does not have any significant impact on the Group's financial results or position.

- Lack of Exchangeability (Amendments to IAS 21)

3.2 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

3 New or revised standards or interpretations (continued)

3.2 Standards issued but not yet effective (continued)

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Group is currently working to identify all impacts the amendments will have on the primary consolidated financial statements and notes to the consolidated financial statements

Other standards issued but not yet effective

Management anticipates that all other relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. These new standards, amendments and Interpretations that are not early adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's consolidated financial statements.

3.3 Standards issued by the International Sustainability Standards Board (ISSB)

On June 26, 2023, the ISSB published first two IFRS Sustainability Disclosure Standards at the IFRS Foundation Conference 2023:

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

IFRS S1 sets out overall requirements with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to the primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 Climate-related Disclosures

IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

Subject to adoption by the local jurisdiction, both Standards are effective for annual periods beginning on or after January 1, 2024, with substantial transitional reliefs to allow preparers more time to align reporting of sustainability related financial disclosures and consolidated financial statements.

The Group did not adopt these standards on the effective date given that they have not yet been adopted by the United Arab Emirates.

4 Material accounting policies

4.1 Revenue

To determine whether to recognise revenue, the Group follows a 5-step process:

1 Identifying the contract with a customer
2 Identifying the performance obligations
3 Determining the transaction price
4 Allocating the transaction price to the performance obligations, and then
5 Recognising revenue when/as performance obligation(s) are satisfied

The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amount collected on behalf of third parties. The Group recognises revenue when it transfers controls of a product or service to a customer.

The Group recognises revenue over time if any one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- The Group 's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group 's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance obligation completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Sale of development properties

Revenue from contracts for sale of development properties is recognised over time using an input method (Note 5.2) to measure progress towards complete satisfaction of the contract, because the Group 's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance obligation completed to date.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., delivery, installation, warranties etc.). In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Significant financing component

The Group receives advance payments from customers for the sale of properties in addition to periodic payments during the development period of the project until the expected date of hand over and transfer of the legal title, which is usually over a period of three to five years after signing the contract with the customers. There is no significant component for these contracts, and such payment plan is customary for the property industry in the UAE and is for reasons other than financing (Note 18).

The Group may receive significant advance payments or full payments in advance under different contractual terms than the Group's standard contracts with customers. There is a significant financing component for these contracts considering the length of time between the customers' payment and the transfer of the property, as well as the prevailing interest rate in the market. As such, the transaction price for these contracts is discounted, using the interest rate implicit in the contract (i.e., the interest rate that discounts the standard payment terms of the sale of property to the amounts paid under a different payment plan). This rate is commensurate with the rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception.

4 Material accounting policies (continued)

4.1 Revenue (continued)

Cost to obtain a contract

The Group pays sales commission to sales agents for certain contracts that they obtain for sales of properties. The Group recognises as an asset such incremental costs of obtaining a contract with a customer as the entity would not have incurred such costs if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained is recognised as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

Contract balances

Contract assets

A contract asset is initially recognised for revenue earned from services because the receipt of consideration is conditional on successful completion of the service. Upon completion of the service and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (4.6) *Financial instruments.*

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (4.6) *Financial instruments.*

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

4.2 Direct costs

Direct costs include the cost of land and development costs. Development costs include the cost of infrastructure, roads, utility and power installation and any infrastructure costs as per the master development obligations.

The cost of revenue in respect of sale of properties is recognised on the basis of per square feet average cost of land and cost of construction. Per square feet average cost is derived from total saleable area and total construction cost.

4.4 Investment properties

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Group, are classified as investment properties. Investment properties also includes properties that are being constructed or developed for future use as investment properties.

Investment properties are measured initially at cost, including transaction costs and, where applicable, borrowing costs. After initial recognition, investment properties are carried at fair value, which reflects market conditions at the reporting date. Investment properties are measured at fair value if the fair value is considered to be reliably determinable.

Investment properties for which the fair value cannot be determined reliably, but for which the Group expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed, whichever is earlier.

4 Material accounting policies (continued)

4.4 Investment properties (continued)

Fair value is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections.

Valuations are performed as of the reporting date by independent professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the consolidated financial statements.

Investment properties that are being redeveloped for continuing use as investment properties or for which the market has become less active continues to be measured at fair value. The fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions. Subsequent expenditures are capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditures will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

When part of an investment property is replaced, the carrying amount of the replaced part is derecognised. Changes in fair values are recognised in the consolidated statement of profit or loss. Investment properties are derecognised when they have been disposed. Where the Group disposes of a property, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the consolidated statement of profit or loss.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to development property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If development property becomes an investment property, the Group accounts for such property in accordance with the policy stated under development properties up to the date of change in use.

4.5 Development properties

Properties acquired or properties being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, are held as development properties and are measured at the lower of cost and net realisable value. Cost includes:

- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction; and
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer fee, construction overheads and other related direct costs.

Furthermore, cost includes the cost of land, infrastructure, construction and other related expenditure such as professional fees and engineering costs attributable to the project, which are capitalised as and when activities that are necessary to get the assets ready for the intended use are in progress.

Direct costs from the start of the project up to completion of the project are capitalised. Completion is defined as the earlier of issuance of a certificate of practical completion, or when management considers the project to be completed. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Transfers are made to (or from) development property only when there is a change in use (see Note 4.4).

4.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument at another entity.

4 Material accounting policies (continued)

4.6 Financial instruments (continued)

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies of revenue.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, if it is held within a business model whose objective is to hold assets to collect contractual cash flows: and it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into categories. The categories applicable to the Group are as follows:

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the consolidated statement of profit or loss when the asset is derecognised, modified or impaired.

The Group financial assets at amortised cost includes trade and other receivables, due from related parties and cash and bank balances.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

4 Material accounting policies (continued)

4.6 Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group
- has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECL") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integrated to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade and other receivables, bank balance and due from related parties, the Group applies a simplified approach in calculating ECLs based on lifetime expected credit losses at each reporting date. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected credit losses are recognised in the consolidated statement of profit and loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

4 Material accounting policies (continued)

4.6 Financial instruments (continued)

Financial liabilities (continued)

Initial recognition and measurement (continued)

The Group's financial liabilities include trade and other payables, due to related parties, lease liabilities, bank borrowings and other financial liabilities.

Subsequent measurement

Subsequently, trade and other payables, due to related parties, lease liabilities, bank borrowings and other financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges are included within finance costs in the consolidated statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the financial assets and settle the financial liabilities simultaneously.

4.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and escrow accounts, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value

4.8 Fair value measurement

The Group measures financial asset such as financial assets at fair value through other comprehensive income and non-financial asset such as investment properties, at fair value at each reporting date. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For investments traded in an active market, fair value is determined by reference to quoted market bid prices. The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics. For unquoted equity investments, fair value is determined by reference to the market value of a similar investment or is based on the expected discounted cash flows. The fair value of forward foreign exchange contracts is calculated by reference to current forward exchange rates with the same maturity. Fair value of interest rate swap contract is determined by reference to market value for similar instruments.

4 Material accounting policies (continued)

4.8 Fair value measurement (continued)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 – Fair value measurements are those derived from quoted prices in an active market (that are unadjusted) for identical assets or liabilities.
- Level 2 – Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Group 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 as explained above.

4.9 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

4.10 Contingencies

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

4 Material accounting policies (continued)

4.11 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset is capitalised as part of the cost of the asset. Capitalisation of borrowing costs commences when all of the following conditions are met: (a) it incurs expenditure for the asset (b) it incurs borrowing costs, and (c) it undertakes activities that are necessary to prepare the asset for its intended use. Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use are complete. The Group suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

All other borrowing costs are recognised in the consolidated statement of profit or loss in the period in which they are incurred.

4.12 Taxes

Value added tax

Output value added tax related to sales is payable to tax authorities on the earlier of (a) collection of receivables from customers or (b) delivery of goods or services to customers. Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. The tax authorities permit the settlement of VAT on a net basis. VAT related to sales and purchases is recognised in the consolidated statement of financial position on a gross basis and disclosed separately as an asset and liability. Where provision has been made for the ECL of receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available to be utilised, except in circumstances where IAS 12 does not permit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets are recognised to the extent it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognised in full, although IAS 12 specifies limited exemptions.

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

4 Material accounting policies (continued)

4.12 Taxes (continued)

Deferred tax (continued)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

4.13 Foreign currency translation

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at period-end exchange rates are recognised in profit or loss, except for monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items are not retranslated at the period-end. They are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Foreign operations

In the Group's consolidated financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the AED are translated into AED upon consolidation. The functional currencies of entities within the Group have remained unchanged during the reporting period.

On consolidation, assets and liabilities of foreign operations have been translated into AED at the closing rate at the reporting date. Income and expenses have been translated into AED at the average rate over the reporting period. Exchange differences on the Group's net investment in a foreign operation are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

4.14 Dividend distribution

Dividend distribution to the shareholders is recognised as a liability in the consolidated financial statements in the period in which the dividends are approved by the shareholders.

4.15 Current versus non-current distinction

The Group discloses the amount expected to be recovered or settled after more than twelve months for each asset and liability line item that combines amounts expected to be recovered or settled (a) no more than twelve months after the reporting period (current), and (b) more than twelve months after the reporting period (non-current). An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

4 Material accounting policies (continued)

4.15 Current versus non-current distinction (continued)

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are considered non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting periods. The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group considers all other liabilities as non-current.

4.16 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

5 Significant accounting judgements, estimates and assumptions

When preparing the Group's consolidated financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, revenue and expenses

5.1 Significant management judgements

The following are the significant judgements made by management in applying the accounting policies of the Group that have the most significant effect on these consolidated financial statements.

Determining the timing of revenue recognition on the sale of property

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue. The Group has assessed that based on the sale and purchase agreements entered into with customers with specific identification of unit, and the provisions of relevant laws and regulations, where contracts are entered into to provide real estate assets to customer, the Group does not create an asset with an alternative use to the Group and usually has an enforceable right to payment for performance completed to date. In these circumstances, the Group recognises revenue over time. Where this is not the case, revenue is recognised at a point in time.

Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement, the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component in the contract and any non- cash consideration in the contract.

5 Significant accounting judgements, estimates and assumptions (continued)

5.1 Significant management judgements (continued)

Consideration of significant financing component in a contract for sale of property

For most contracts involving the sale of property, the Group is entitled to receive an advance payment in addition to monthly instalments over a period of up to 5 years. The Group concluded that this is not considered a significant financing component because it is for reasons other than the provision of financing to the Group. The initial advance is used to protect the Group from the other party failing to adequately complete some or all of its obligations under the contract where customers do not have an established credit history or have a history of late payments.

For a major contract for the sale of property, the Group has received the entire payment in advance. The Group concluded that there is a significant financing component in the contract because it is for the provision of financing to the Group. The Group determined the transaction price in respect of this contract by assessing the impact of the significant financing component in the contract.

Classification of investment properties

The Group determines whether a property under development is classified as investment property based on a careful consideration of the project's master plan as well as management's intentions and most recent plans for the development of such properties.

5.2 Estimates and assumptions

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Fair value of investment properties

The fair values of investment properties are determined by an independent professional valuer. The valuation techniques adopted comprise the comparable method and residual value method.

The residual value method involves the calculation of the Gross Development Value (GDV) of the proposed development assuming it is complete and discounting the GDV at an appropriate discount rate for the period of construction. The construction costs of the proposed development are assumed and deducted from the GDV to arrive at a residual value for the land. The residual approach is used when there is lack of direct comparable evidence and transactions.

The residual approach requires the use of estimates such as future cash flows from assets (comprising of selling and leasing rates, future revenue streams, construction costs and associated professional fees, and financing cost, etc.), targeted internal rate of return and developer's risk and targeted profit. These estimates are based on local market conditions existing at the end of the reporting period.

The comparable approach of valuation involves the collection of data on recent sales transactions and listed prices for similar properties within the vicinity. Further adjustments are applied in terms of the various characteristics of the subject property versus comparable data collected to derive at a market value of the subject property based on the valuer's market knowledge and professional judgment.

Net realisable values of development properties

Net realisable value in respect of inventory property under development is assessed with reference to market prices at the reporting date for similar completed property and/or current or subsequent sales, less estimated costs to complete the development and the estimated costs necessary to make the sale, taking into account the time value of money, if material.

5 Significant accounting judgements, estimates and assumptions (continued)

5.2 Estimates and assumptions (continued)

Net realisable values of development properties (continued)

The estimates for cost to complete include the cost of providing infrastructure activities, selling cost, borrowing costs, project management costs, potential claims by sub-contractors and the cost of meeting other contractual obligations to the customers and the regulatory authorities. Management estimates such costs by taking into consideration, as far as possible, signed contracts with contractors and service providers as well as based on their knowledge of current market prices and costs required to complete the project.

Provisions against claims and contingent liabilities

The Group's management, with the support of it legal counsels, carries out on a regular basis a detailed assessment of each claim and contingent liability that arise primarily due to delays in projects, and accordingly, makes an assessment of the provision required to settle them. These detailed assessments are based on the past experience of the management in settling these claims and contingent liabilities on commercial terms, weighting of possible outcomes against their associated probabilities. Should the estimate significantly vary, the change will be accounted for as change in estimate and the consolidated financial statements would be significantly impacted as a result.

Allocation of transaction price to performance obligations in contracts with customers

The Group has elected to apply the input method in allocating the transaction price to performance obligations where revenue is recognised over time. The Group considers that the use of the input method which requires revenue recognition on the basis of the Group's efforts to the satisfaction of performance obligations provides the best reference for revenue actually earned. In applying the input method, the Group estimates the costs to complete the project in order to determine the amount of revenue to be recognised.

Cost to complete the projects

The Group has estimated the costs to complete the projects in order to determine the cost attributable to the revenue being recognised. The estimates include the cost of providing infrastructure, potential claims by contractors as evaluated by the project consultant and the cost of meeting other contractual obligations to the customers. When determining the cost to complete the projects, the Group takes into consideration signed contacts with contractors, consultants and other service providers.

Going concern assessment

The management has performed an assessment of the Group's ability to continue as a going concern, which covers a period of at least twelve months from the date of the issuance of these consolidated financial statement. As disclosed in Note 2.2, management has taken several factors into consideration in making this assessment including the preparation of forecasted cash flows. The forecasts have been prepared taking into consideration the nature and condition of the business, the degree to which it is affected by external factors and other financial and non-financial data available at the time of preparation of such forecasts. Based on such forecasts, management is of the opinion that the Group has adequate resources to continue its operation and that the going concern assumption is appropriate. The appropriateness of the going concern assumption is reassessed at each reporting date.

6 PROPERTY AND EQUIPMENT

Property and equipment mainly comprised of land and buildings under construction. During the year 2024, the Group disposed of these assets for a cash consideration of AED 5,546 thousand resulting in a loss on disposal of AED 3,099 thousand recognized in profit or loss (Note 20)

7 INVESTMENT PROPERTIES

The movement in investment properties during the year is as follows:

	Residential units *AED'000*	*Land under development* *AED'000*	*Total* *AED'000*
As at January 1, 2024	27,205	2,128,043	2,155,248
Change in fair value	(3,601)	61,657	58,056
Disposals	(3,296)	-	(3,296)
As at December 31, 2024	20,308	2,189,700	2,210,008
Change in fair value	-	135,000	135,000
As at December 31, 2025	**20,308**	**2,324,700**	**2,345,008**

7.1 Residential units

Residential units comprise vacant residential apartments in Malaysia that are held for capital appreciation, which are mortgaged in favor of a bank in Malaysia against banking facilities. The fair valuation of these properties at the reporting date has been performed by management by reference to ask prices of similar properties in similar locations and conditions based on public information, as well as by reference to actual sales transactions entered into by the Group on these residential units up to the date of the issuance of these consolidated financial statements. Based on its assessment of the property market in Malaysia, management believes that any difference between the carrying amounts of the properties at the reporting date and the expected future gains or losses is not expected to be material.

7.2 Land under development

Land under development comprises development land within the master community 'Arabian Hills' (previously 'Wahat Al Zaweya') located in Al Faqaa, Al Ain, UAE, to be developed mainly as residential units with the purpose of earning rentals in the future.

The fair value of the land under development was performed by an external accredited independent valuer in accordance with RICS valuation standards using the residual value method. The future development costs as per valuer's report and management estimations were assessed and accrued to carrying amount in order to evaluate the change in the fair value. Management estimates that this fair valuation is reliable and has adopted the valuation conclusions which showed a gain in change in fair value of the investment properties of AED 135 million (2024: AED 58.06 million - *restated*). Refer Note 29 for fair value disclosures.

The key valuation method used in the valuation of land under development is the residual value method with the following key inputs:

Significant unobservable inputs	**Range (average)**	
	2025	2024
Estimated sale price per square foot of residential units (AED)	**1000-1,150**	1,000
Estimated sale price per square foot of retail units (AED)	**1,500**	1,500
Estimated construction cost of buildings per square foot (AED)	**300**	300
Discount rate	**10%**	10%
Estimated fees & costs of construction as % of construction cost	**15%**	15%
Estimated profit as % of GDV	**5%**	5%
Estimated profit and selling costs as % of GDV	**2%**	2%

7 INVESTMENT PROPERTIES (continued)

7.2 Land under development (continued)

In addition to the above, the valuer has considered the time value of money and assumed that the sales of properties will occur over 5 years, the development of the properties will take 3 years and payment plans are for 3 years (2024: 5 years, 4 years, and 2 years, respectively). Significant increases (decreases) in the above estimates in isolation would result in a significantly higher (lower) fair value of the properties.

7.3 Restrictions and contractual obligations

The Group has no restrictions on the realisability of its investment properties, other than the properties that are pledged against bank borrowings. The Group has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

8 DEVELOPMENT PROPERTIES

8.1 Details of development properties

At December 31, 2025 and 2024, development properties comprise development land within the master community 'Arabian Hills' (previously 'Wahat Al Zaweya') located in Al Faqaa, Al Ain, UAE, to be developed as plots of land mainly for residential sale and use as well as commercial units to serve the community.

The carrying amount of development properties comprise the initial cost of acquisition of land, cost of design and earth works, and infrastructure cost. Development properties are carried at the lower of the acquisition fair value of the land plus development costs, and the net realizable value. The contractual commitments at the reporting date in relation to cost of development of these properties is disclosed in Note 25.1.

The movement in development properties during the year is as follows:

	2025	2024
	AED'000	AED'000
		Restated
As at January 1,	**3,663,618**	3,873,397
Additions during the year	**206,753**	67,366
Transferred to direct costs – net	**(344,795)**	(277,145)
As at December 31,	**3,525,576**	3,663,618

The Group expects to fund the completion of the master development from the instalments and advances from current buyers, future sales, bank facilities and shareholders' financial support.

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at fair value through other comprehensive income (FVOCI) comprised equity shares of Gulf Navigation PJSC listed on Dubai Financial Market (DFM).

The movement in the financial assets during the year is as follows:

	2025	2024
	AED'000	AED'000
As at January 1,	**-**	203,041
Change in fair value	**-**	(27,700)
Disposals	**-**	(175,341)
As at December 31,	**-**	-

During the year ended December 31, 2023, the Group entered into an agreement with Creation and Innovation Commercial Brokers LLC, a related party, to sell and transfer its entire shareholding in Gulf Navigation for a consideration of AED 124 million, and to repurchase these shares at their sale value after 3 years from the date of the agreement.

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (continued)

Management had assessed that the agreement represented a repurchase agreement under IFRS 15, and accordingly, the Group continued to recognize the financial assets on the consolidated statement of financial position although their legal title was transferred to the related party, because the Group had an obligation to reacquire control on these assets. The proceeds from this transaction were accounted for as a financing obtained from the related party (Note 16).

On August 30, 2024, the Group and Creation and Innovation Commercial Brokers LLC mutually agreed to terminate the repurchase agreement. As a result, all rights and obligations under the original arrangement were cancelled, and the Group was no longer required to repurchase the transferred shares. Accordingly, the financial assets at fair value through other comprehensive income and the related financing obtained from the related party (Note 16) were derecognized and the net difference in their carrying amounts at the date of disposal of AED 52,054 thousand was recognized as a loss in the consolidated statement of profit or loss.

10 TRADE AND OTHER RECEIVABLES

	2025 AED'000	2024 AED'000
Trade receivables	**243**	111
Refundable deposits	**681**	681
Prepayments	**1,054**	133
Advances to suppliers	**4,778**	-
Other receivables	**171**	302
As at December 31,	**6,927**	1,227

Trade and other receivables are due within 12 months from the reporting date.

11 CASH AND CASH EQUIVALENTS

	2025 AED'000	2024 AED'000 *Restated*
Cash on hand	**268**	3,394
Bank balances – current and Escrow accounts (1)	**288,285**	166,472
Bank balances – margin deposits (2)	**38**	38
Cash and bank balances	**288,591**	169,904
Less: margin deposits	**(38)**	(38)
Cash and cash equivalents	**288,553**	169,866

(1) As at December 31, 2025, an amount of AED 277,762 thousand (2024: AED 151,003 thousand) was held with banks in Escrow accounts for advances received from customers against sale of development properties. These balances are available for payments to contractors with relation to development of properties.

(2) Margin deposits represent non-interest-bearing deposits held with local banks against bank borrowings.

12 SHARE CAPITAL

The Company's share capital as at December 31, 2025 and 2024 consists of authorised, issued and paid up 2,312,729,034 shares of AED 1 each.

12 SHARE CAPITAL (continued)

The ownership of the shareholders in the Company as of December 31 is as follows:

	Ownership		No. of shares	
	2025	2024	**2025**	2024
Royal Majestic Investment - Sole Proprietorship L.L.C	**29%**	39%	**672,688**	892,814
Commercial Bank International PSC	**20%**	-	**460,126**	-
Ajman Bank P.J.S.C	**11%**	11%	**250,000**	250,000
Al Rakaaiz Investment LLC	**-**	10%	**-**	240,000
Tabarak Commercial Investment LLC	**9%**	9%	**201,744**	201,744
Alssawari Real Estate Investment LLC	**6%**	6%	**129,187**	134,187
Investors holding less than 5%	**25%**	25%	**598,984**	593,984
			2,312,729	2,312,729

13 LEGAL RESERVE

As required by Article 241 of the UAE Federal Decree-Law No. 32 of 2021 (as amended) and in accordance with the Company's Articles of Association, 10% of the profit for each year is transferred to a non-distributable legal reserve. Transfers to this reserve are required to be made until such time as it equals 50% of the paid-up share capital of the Company.

14 ACQUISITION RESERVE

The acquisition reserve resulted from the acquisition of Arabian Hills Investment and Real Estate Development - Sole Proprietorship LLC and its subsidiary (the "acquiree").

The Group issued 2,200,000 thousand shares with a nominal value of AED 1 per share to the former shareholders of the acquiree in exchange of acquiree's net assets of AED 1,444,091 thousand. The difference between fair value of acquiree net assets and the share capital issued was recognized as acquisition reserve.

15 BANK BORROWINGS

	2025	2024
	AED'000	AED'000
Term loan – local bank (15.1)	**316,363**	316,363
Term loan – foreign bank (15.2)	**88,224**	88,224
Murabaha facilities (15.3)	**2,339**	2,339
Accrued finance cost	**83,442**	54,287
Due within 12 months (on demand)	**490,368**	461,213

15.1 Term loan – local bank

The Group had obtained several term loan facilities during the years 2016 through 2019 from a local bank for the purpose of developing properties. In 2022, the loans were aggregated into a single term loan. As per the signed agreement with the bank, the loan was repayable over a period between 5 to 7 years on quarterly instalments, carrying variable interest rate of 6-month EIBOR plus 3.5% per annum (2024: 6-month EIBOR plus 3.5% per annum). The Group had defaulted on payments of principal, and accordingly, the entire balance of the term loan was classified as current liability repayable on demand as of December 31, 2024.

During the year ended December 31, 2025, the Group signed an agreement with the bank and rescheduled the loan to be repaid in 41 monthly instalments commencing May 2025 for a total amount of AED 426 million comprising principal and interest. However, no repayment has been made to the bank against the loan, and accordingly, the loan continues to be classified as current liability repayable on demand.

15 BANK BORROWINGS (continued)

15.1 Term loan – local bank (continued)

Subsequent to the year end, an amount of AED 30 million was settled against the principal portion of the term loan by way of a loan obtained from a related party, Al Ain University, from the same bank. At the date of the issuance of these consolidated financial statements, the Group is in discussions with the bank for the settlement of the overdue instalments from the proceeds of the related party loan.

15.2 Term loan – foreign bank

The Group obtained a term loan facility during 2017 from a foreign bank for the purpose of developing properties. As per the signed agreement with the bank, this loan is repayable over a period of 5 years on monthly instalments, carrying variable interest of LIBOR plus 5% per annum (2024: LIBOR plus 5% per annum). However, the Group did not make any payment to the bank on account that the bank ceased operations in 2020. Accordingly, the Group considers the balance to be repayable on demand and continues to accrue interest on the loan as per the contractual rate.

15.3 Murabaha facilities

The Murabaha facilities consist of four different loans with two Malaysian banks and carry interest ranging from 6.6% to 6.85% per annum (2024: 6.6% to 6.85%). These facilities are payable in monthly instalments and have maturities of eight to ten years. The Group has defaulted the payment of these facilities, and accordingly, has classified the borrowings as current liabilities repayable on demand.

15.4 Securities

The above facilities are mainly secured by the following:

Term loans – local banks

- Guarantee amounting to AED 30 million from Al Ain Science & Technology University, a related party of the Group;
- First degree mortgage on properties worth AED 578 million at the time of registration with the municipality;

Term loan – foreign bank

- Restriction on the sale, mortgage and pledge of properties owned by a related party.

Murabaha facilities

- Mortgage of properties with a carrying of amount AED 20,308 thousand (2024: AED 20,308 thousand)
- Assignment of rentals of the mortgaged properties.
- Corporate guarantees from several related parties of the Group.

16 OTHER FINANCIAL LIABILITIES

	2025 AED'000	2024 AED'000
Due after 12 months		
Project financing from a third party (3)	**97,058**	66,725
Project financing from a related party (4)	**100,000**	100,000
Due within 12 months or on demand		
Non-interest-bearing loans from a related party (5)	**175,658**	143,075
	372,716	309,800

16 OTHER FINANCIAL LIABILITIES (continued)

(1) During the year ended December 31, 2023, the Group entered into agreement with Dar Al Marefah Commercial Investment LLC, a related party, under which it was agreed that the Group will receive AED 110 million in cash and repay an amount of AED 300 million after 5 years. The proceeds from this transaction have been recognized as a financial liability at amortized cost, which were being amortized over 5 years at the implicit interest rate of 20.55% compounded on monthly basis.

Effective January 1, 2024, the Group agreed to settle the financial liability against transfer of development properties to the related party upon completion of their development, and accordingly, the financial liability was transferred to advances from customers as of that date (Note 18).

(2) During the year ended December 31, 2023, the Group received financing from Creation & Innovation Commercial Brokers LLC, a related party, in the amount of AED 124 million repayable after 3 years at the same amount, which was secured against the Group's financial assets at FVOCI by way of a share repurchase agreement (Note 9). The Group had accounted for the proceeds from this transaction as a financial liability at amortized cost of AED 87,896 thousand using a discount rate of 11.5%, which reflects the rate at which the Group is expected to obtain financing after considered the nature of the financing, its credit risk and other factors. The difference between the discounted amount of the financial liability and the cash proceeds were accounted for as 'Deferred interest' under trade and other payables (Note 18), which were being amortized on a systematic basis over the duration of the contract to match the period over which the Group will benefit from the financing.

As disclosed in Note 9, on August 30, 2024, the Group and Creation and Innovation Commercial Brokers LLC mutually agreed to terminate the repurchase agreement, and accordingly, the financial liability was derecognized as of that date.

Finance cost in 2024 related to this financing amounted to AED 7,348 thousand.

(3) During the year ended December 31, 2024, the Group entered into a project financing agreement with a third party under which the Group received AED 50 million in cash to be used for the development of one of the Group's projects and whereby the Group will repay an amount of AED 150 million after 3 years. The proceeds from this transaction have been recognized as a financial liability at amortized cost, which are being amortized over 3 years at the implicit interest rate of 38.06% compounded on monthly basis.

The Group will also be liable to pay a portion of the profit it will earn from the project if such profit is in excess of the agreed repayment amount. In the event that the Group is unable to settle the repayment amount after 3 years, the financing party will be eligible to receive the settlement through transfer of properties owned by the Group.

Finance cost for the year related to this financing amounted to AED 30,333 thousand (2024: AED 16,725 thousand).

(4) During the year ended December 31, 2024, the Group entered into a project financing agreement with Aylah Investment LLC, a related party, under which the Group received AED 100 million in cash to be used for the development of one of the Group's projects and whereby the Group will repay an amount of AED 165 million after 3 years. In addition, the Group entered into another contract with the same party and agreed to settle the interest on the financial liability by transfer of properties upon completion of their development. Management assessed that the interest that will accrue on the liability, in substance, constitutes periodic payments for the sale of development properties, and accordingly, such interest is being accrued for as advances from customers (Note 18). The proceeds from this transaction have been recognized as a financial liability at amortized cost, which are being amortized over 3 years at the implicit interest rate of 13.9% compounded on monthly basis.

Finance cost for the year related to this financing amounted to AED 16,163 thousand (2024: AED 9,113 thousand) recognized as finance cost in profit or loss against advances from customers.

16 OTHER FINANCIAL LIABILITIES (continued)

(5) During the year, the Group obtained an interest-free short-term loan of AED 33,003 thousand (2024: AED 150 million) from Aylah Investment LLC, a related party, to be repaid in cash or in kind, out of which AED 420 thousand was repaid during the year (2024: AED 7 million).

17 PROVISIONS AND TRADE AND OTHER PAYABLES

	2025 AED'000	2024 AED'000 *Restated*
Trade payables	**567,149**	478,215
Accrued project expenses (1)	**154,347**	72,340
Provisions (2)	**202,465**	207,969
Provision for onerous contracts (3)	**802,004**	848,707
Retentions payable	**25,327**	19,764
Dividend payable (3)	**26,000**	26,000
Other accruals and payables	**44,592**	10,818
	1,821,884	1,663,813
Less: due within 12 months	**(817,415)**	(607,137)
Due after 12 months	**1,004,469**	1,056,676

(1) Accrued project expenses represent material/services received but not yet invoiced by vendors.

(2) The provisions primarily relate to amounts claimed by contractors, consultants, and customers.

(3) Provision for onerous contracts relate to contracts with customers primarily entered into in previous years.

(3) Represents the 50% unpaid portion of dividends declared in 2019.

The Group has utilised the exemption available under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and disclosed the provisions within 'Provisions and trade and other payables' in the consolidated statement of financial position.

18 CONTRACT ASSETS AND CONTRACT LIABILITIES

Contract liabilities represent advances from customers received on sale of plots of land net of amounts recognized as revenue based on the progress of the respective project. Revenue recognized in excess of advances received from customers are recognized as contract assets in the consolidated statement of financial position. The movement in the contract liabilities during the year was as follows:

	2025 AED'000	2024 AED'000 *Restated*
As at January 1,	**2,491,606**	2,579,448
Advances received from customers	**223,706**	421,418
Finance cost on advance from a related party (1)	**49,097**	43,888
Finance cost on other financial liability (Note 16)	**16,163**	9,113
Refunds against court orders (2)	**(14,499)**	(432,500)
Transfer from financial liabilities (Note 16)	**-**	119,509
Transferred to revenue	**(249,853)**	(249,270)
As at December 31,	**2,516,220**	2,491,606

18 CONTRACT ASSETS AND CONTRACT LIABILITIES (continued)

(1) During the year ended December 31, 2023, the Group entered into agreement with Ara Real Estate Development LLC, a related party, for providing AED 350 million financing to the Group over a period of 5 years repayable on maturity at AED 700 million. The agreement was later amended whereby the parties agreed that the settlement will be by way of transfer of land under development properties with an agreed current sale price of AED 700 million.

Management assessed that this transaction, in substance, constitutes sale of development properties for a total consideration of AED 350 million plus accrued interest up to the date of the amendment of the agreement that is fully received in advance. Based on its review of current payment plans for the sale of development properties, management assessed that such transaction includes a significant component with an effective interest rate of 11.53% per annum, resulting in a transaction price of AED 615 million.

(2) These amounts are paid to the Abu Dhabi court towards settlement of legal cases filed by customers related to executed cases as well as ongoing cases at the reporting date, which were executed and fully settled (Note 25.4).

19 RELATED PARTY BALANCES AND TRANSACTIONS

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

19.1 Transactions with related parties

	2025 AED'000	2024 AED'000
Entities under common control		
Consultancy fees	**(624)**	(2,376)
Rent expense	**(510)**	(360)
Finance costs on other financial liabilities (Note 16)	**30,333**	27,784
Finance cost on other financial liability recognized as advance from customer (Note 16)	**16,163**	9,113
Finance cost on customer advances (Note 22)	**49,097**	43,888
Commissions	**-**	9,000

Other related party transactions are disclosed in Notes 9, 16, 17, 18 and 22.

19.2 Related party balances

	2025 AED'000	2024 AED'000
Entities under common control		
Due to related parties		
Bonyan International Investment Group Holding PSC	**23,211**	23,432
Tabarak Commercial Investment LLC	**1,557**	517
	24,768	23,949
Advances from customers (Note 18)		
Ara Real Estate Development LLC	**453,027**	403,930
Aylah Investment LLC	**25,276**	9,113
Other financial liabilities (Note 16)		
Aylah Investment LLC	**275,658**	243,075

Dividends payable to the shareholders of the Company are disclosed in Note 17.

19 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

19.3 Key management compensation

The remuneration of members of key management comprises short-term benefits of AED 4,218 thousand (2024: AED 1,440 thousand).

20 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	2025 AED'000	2024 AED'000 *Restated*
Commissions	**27,527**	49,233
Marketing expenses	**945**	25,041
Legal compensation to customers	**1,015**	13,467
Staff costs	**14,361**	8,977
Professional fees	**3,850**	4,598
Loss on disposal of property and equipment (Note 6)	**-**	3,099
Loss on disposal of investment properties	**-**	727
Bank charges	**384**	153
Depreciation of property and equipment	**-**	62
Other expenses	**2,993**	11,659
	51,075	117,016

21 OTHER INCOME

	2025 AED'000	2024 AED'000
Administrative fees	**3,967**	1,230
Contract cancellation income	**14**	124
Others	**-**	249
	3,981	1,603

22 FINANCE COSTS

	2025 AED'000	2024 AED'000
Interest expense on bank borrowings	**27,121**	27,712
Interest expense on a customer advance (Note 19.1)	**49,097**	43,888
Interest expense on other financial liabilities	**46,496**	36,897
	122,714	108,497

23 EARNINGS PER SHARE

Basic earnings per share for the year is calculated by dividing results for the year by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the results for the year by the weighted average number of ordinary shares outstanding during the year, adjusted for the effects of dilutive instruments. As at December 31, 2025 and December 31, 2024, the Group did not have any dilutive instruments.

	2025	2024 *Restated*
Profit/(loss) for the year attributable to the ordinary equity holders of the Company (AED'000)	**47,599**	(360)
Weighted average number of ordinary shares in issue ('000)	**2,312,729**	2,312,729
Basic and diluted earnings per share (AED)	**0.0206**	(0.0002)

24 SEGMENT REPORTING

The Group operates in the single reporting segment of developing, investing in and managing real estate properties. All the relevant information relating to this reporting/operating segment is disclosed in the consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and notes to the consolidated financial statements.

IFRS Accounting Standards also require an entity to report its segment assets and revenue along geographical regions. All activities of the Group are performed in the UAE.

There are no additional information required by IFRS 8 *Segment reporting* relevant to the Group as at and for the year ended December 31, 2025 and 2024.

25 CONTINGENCIES AND COMMITMENTS

25.1 Capital expenditure commitments

Estimated capital expenditures contracted for at the reporting date but not provided for:

	2025 AED'000	2024 AED'000
Signed contracts for development properties (active contracts)	**1,956,136**	834,416

25.2 Sales commitments

	2025 AED'000	2024 AED'000
Total sales committed to customers	**3,595,378**	3,435,458

Sales commitments represent sales agreements signed with customers to whom the properties have not yet been handed over to the customer and revenue has not yet been recognised.

25.4 Legal cases

The Group has been acting as defendant in lawsuits filed by customers and vendors representing legal actions and claims related to its ordinary course of business and mainly due to the delays caused in the major property development project of the Group.

Management, based on the legal opinions of its legal advisors and the value of claims, had assessed that the liabilities recognized by the Group against those claims are sufficient to meet the obligations that are expected to arise from these lawsuits. As at December 31, 2023, the value of unsettled claims raised by customers amounted to AED 546,333 thousand and the value of unsettled claims raised by vendors amounted to AED 302,980 thousand.

During the year ended December 31, 2024, the Group was able to make settlements with most vendors and customers, either directly or through the court, resulting in a reversal of provision for legal cases in the amount of AED 120 million in profit or loss. In addition, the Group transferred funds to the court (Note 18) to allow it to settle all remaining and ongoing litigations.

Additional payments made by the Group during the year with relation to legal cases amounted to AED 15,000 thousand and AED 10,000 thousand subsequently.

The Group is still acting as defendant in several legal cases against customers and contractors for which management assessed that adequate provisions and liabilities are recognized by the Group at the reporting date.

26 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

26.1 Financial assets

	2025 AED'000	2024 AED'000
Debt instruments at amortized cost		
Trade and other receivables	**2,149**	1,227
Cash and bank balances	**288,591**	169,904
	290,740	171,131
Total realisable within 12 months	**290,740**	171,131
Total realisable after 12 months	**-**	-

26.2 Financial liabilities

	2025 AED'000	2024 AED'000
Interest-bearing loans and borrowings		
Bank borrowings	**490,368**	461,213
Other financial liabilities	**372,716**	309,800
	863,084	771,013
Financial liabilities at amortized cost		
Trade and other payables	**817,415**	607,137
Due to related parties	**24,768**	23,949
	842,183	631,086
Total financial liabilities	**1,705,267**	1,402,099
Total due within 12 months	**1,508,209**	1,235,374
Total due after 12 months	**197,058**	166,725

26.3 Financial instruments risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised in Note 26.2. The main types of risks are market risk, credit risk and liquidity risk.

The Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's senior management is responsible for developing and monitoring the Group's risk management policies and report regularly to the Board of Directors on their activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The management of the Group reviews and agrees policies for managing each of these risks which are summarised below.

Market risk analysis

Foreign exchange risk

Most of the Group's transactions are carried out in AED. Exposures to currency exchange rates arise from the Group's overseas purchases, which are primarily denominated in United States Dollar (USD) and from the Group's operations in Malaysia, having the Malaysian Ringgit (MYR) as functional currency. Since the AED is pegged to the US Dollar, the Group's foreign exchange risk with respect to transactions in US Dollar is insignificant.

26 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

26.3 Financial instruments risk management objectives and policies

Market risk analysis (continued)

Foreign exchange risk (continued)

Reasonable fluctuations of 4% in the exchange rate of each of the MYR against the AED are not expected to have any significant impact on these consolidated financial statements. This percentage has been determined based on the average market volatility in exchange rates in the previous twelve months.

Interest rate risk

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

At December 31, 2025 and 2024, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other financial liabilities are at fixed interest rates.

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of ±1% (2024: ±1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Increase/ (decrease) in basis points	Effect on results for the year and equity AED'000
December 31, 2025	**+100**	**(4,046)**
	-100	**4,046**
December 31, 2024	+100	(4,046)
	-100	4,046

Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to credit risk from financial assets including cash and cash equivalents held at banks and trade and other receivables.

The Group's maximum exposure to credit risk for the components of the consolidated statement of financial position at December 31, 2025 and 2024 is the carrying amounts of the financial assets disclosed in Note 26.1.

Management concluded that the credit risk of the Group is not significant as the Group's policy is to deal only with reputable banks and financial institution, the majority of the Group's sales occur through instalments including advance payments, and due from related party balances are settled on timely basis.

Liquidity risk

Liquidity risk is that the Group might be unable to meet its obligations. The Group considers expected cash flows in assessing and managing liquidity risk, in particular its cash resources and future advances from customers, as well as availability of funding from banks and related parties.

26 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

26.3 Financial instruments risk management objectives and policies (continued)

Liquidity risk (continued)

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	On demand AED'000	Less than 1 year AED'000	Between 1 and 5 years AED'000	Total AED'000
December 31, 2025				
Bank borrowings	**490,368**	**-**	**-**	**490,368**
Other financial liabilities	**150,000**	**25,658**	**250,000**	**425,658**
Trade and other payables	**-**	**817,415**	**-**	**817,415**
Due to related parties	**-**	**24,768**	**-**	**24,768**
	640,368	**867,841**	**250,000**	**1,758,209**
December 31, 2024				
Bank borrowings	461,213		-	461,213
Other financial liabilities	-	143,075	250,000	393,075
Trade and other payables	-	607,137	-	607,137
Due to related parties party	-	23,949	-	23,949
	461,213	774,161	250,000	1,485,374

27 CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The policies are based on management's assessment of available options, in conjunction with the shareholders.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total interest-bearing liabilities less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

The gearing ratio at December 31, 2025 and 2024 was as follows:

	2025 AED'000	2024 AED'000 *Restated*
Bank borrowings	**490,368**	461,213
Other financial liabilities	**372,716**	309,800
Total debt	**863,084**	771,013
Less: cash and cash equivalents	**(288,591)**	(169,904)
Net debt	**574,493**	601,109
Equity	**1,449,042**	1,401,444
Capital	**2,023,535**	2,002,553
Gearing ratio	**28.4%**	30.0%

28 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	January 1, 2025 AED'000	Cash flows AED'000	Other* AED'000	December 31, 2025 AED'000
Current:				
Bank borrowings	**461,213**	**-**	**29,155**	**490,368**
Other financial liabilities	**143,075**	**32,583**	**-**	**175,658**
Non-current:				
Other financial liabilities	**166,725**	**-**	**30,333**	**197,058**
Total liabilities from financing activities	**771,013**	**32,583**	**59,488**	**863,084**

	January 1, 2024 AED'000	Cash flows AED'000	Other AED'000	December 31, 2024 AED'000
Current:				
Bank borrowings	484,528	(3,225)	(20,090)	461,213
Other financial liabilities	-	143,075	-	143,075
Non-current:				
Other financial liabilities	207,994	150,000	(191,269)	166,725
Total liabilities from financing activities	692,522	289,850	(211,359)	771,013

*Other movement of AED 191,269 thousand in 2024 is related to the derecognition of the balance of other financial liabilities upon cancellation of the respective agreements of AED 207,994 thousand net of accrued finance cost recognized during the year.

29 FAIR VALUES

Management assessed that the fair values of cash and bank balances, trade and other receivables, trade and other payables, due from and to related parties as at December 31, 2025 and 2024 approximate their carrying amounts largely due to the short-term maturities of these instruments.

Management assessed that the carrying amounts of long-term borrowings as at December 31, 2025 and 2024 approximate their fair values due to the fact that they bear variable interest rates that reflect current market interest rates for similar borrowings. As a result, the values of the future discounted cash flows on those borrowings are not significantly different from their current book values.

Fair value measurement of investment properties is disclosed in Note 7 and is included under level 3 of the fair value hierarchy.

There have been no transfers made between the valuation levels during the current year and the previous year.

30 RESTATEMENT OF PRIOR PERIOD

During the year, the Group reassessed its accounting policy for revenue recognition relating to the sale of land plots under off-plan development arrangements. Previously, revenue from such contracts was recognised at a point in time upon completion of development and transfer of legal title to the customer.

30 RESTATEMENT OF PRIOR PERIOD (continued)

Following a detailed review of the contractual terms of the Sale and Purchase Agreements ("SPAs") and the application of IFRS 15 *Revenue from Contracts with Customers*, management concluded that the relevant performance obligation is satisfied over time. This conclusion is based on the Company's development of infrastructure and common areas that enhance a specifically identified land plot, to which the customer has enforceable rights from contract inception. Additionally, the customer is economically committed to the arrangement and is exposed to the risks associated with the underlying asset during the development phase, indicating that control in substance is transferred as the asset is created. Accordingly, revenue is recognised progressively over the development period using an appropriate measure of progress.

This change in accounting policy has been applied in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, as it resulted from a reassessment of the application of IFRS 15 to the Group's contractual arrangements. Management believes that the revised policy provides more relevant and reliable information by reflecting the transfer of control of the underlying asset in line with the economic substance of the transaction.

The change has been applied retrospectively, and comparative information has been restated where applicable. As a result:

- Revenue is recognised over the development period rather than at handover; and
- Contract assets or contract liabilities are recognised depending on the timing of revenue recognition relative to cash receipts.

Significant judgement has been applied in determining that the criteria under IFRS 15 for over-time recognition are met, including assessment of customer control over the underlying asset during development and the absence of alternative use of the asset.

The restatement had the following impact on the consolidated financial statements of the prior periods:

Impact on equity (increase/(decrease) in equity)

	December 31, 2024 AED'000	January 1, 2024 AED'000
Development properties	**(185,101)**	230,901
Contract assets	**210,092**	39,500
Cost to obtain contracts	**98,712**	-
Deferred tax asset	**(5,196)**	-
Net increase in total assets	**118,507**	270,401
Contract liabilities (Advances from customers)	**(943,852)**	(694,582)
Provisions and trade and other payables	**848,707**	804,243
Deferred tax liability	**730**	-
Net (decrease)/increase in total liabilities	**(94,415)**	109,661
Net increase in equity	**212,922**	160,740

Impact on consolidated statement of profit or loss (increase/(decrease) in profit)

	December 31, 2024 AED'000
Revenue from contracts with customers	**419,862**
Direct costs	**(321,609)**
Selling, general and administrative expenses	**(40,145)**
Income tax	**(5,926)**
Net impact on profit for the year	**52,182**

30 RESTATEMENT OF PRIOR PERIOD (continued)

Impact on basic and diluted earnings per share (EPS) (increase/(decrease) in EPS)

	December 31, 2024 AED
Increase in earnings per share	**0.0226**

In addition, the Group reassessed the presentation of bank balances held in Escrow accounts and concluded that these balances meet the definition of cash and cash equivalents. Accordingly, an amount of AED 151,003 thousand previously excluded from cash and cash equivalents has been reclassified and included within cash and cash equivalents in the current year's restated comparatives.

The above restatement and reclassification of Escrow accounts have impacted the comparative consolidated statement of cash flows by decreasing the net cash flows used in operating activities by AED 128,685 thousand and increasing the balance of cash and cash equivalents at December 31, 2024 and January 1, 2024 by AED 151,003 thousand and AED 22,318 thousand, respectively.

31 INCOME TAX

On December 9, 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax ("CT") to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after June 1, 2023. Accordingly, the Company and its UAE subsidiaries became taxable effective January 1, 2024 at the rate of 9% applicable to taxable income exceeding AED 375,000.

The major components of income tax expense for the year ended December 31, 2025 and 2024 are:

	2025 AED'000	2024 AED'000 *Restated*
Current income tax:		
Current income tax charge	-	-
Deferred tax:		
Relating to origination of temporary differences	**5,349**	730
Income tax expense reported of profit or loss	**5,349**	730

Reconciliation of tax credit and the accounting profit multiplied by UAE's domestic tax rate:

	2025 AED'000	2024 AED'000 *Restated*
Accounting profit before tax	**52,948**	370
At the UAE's statutory income tax rate of 9%	**4,765**	33
Other adjustments	**674**	697
At the effective tax rate of 10.3%	**5,439**	730

Deferred tax relates to the following:

	2025 AED'000	2024 AED'000
Revaluations of investment properties to fair value	**17,699**	5,549
Non-deductible finance costs carried forward	**(3,688)**	(2,360)
Losses available for offsetting against future taxable income	**(7,932)**	(2,459)
Net deferred tax liabilities	**6,079**	730

32 SUBSEQUENT EVENTS

32.1 Partial settlement of term loan

As disclosed in Note 15.1, subsequent to the year end, an amount of AED 30 million was settled against the principal portion of the term loan by way of a loan obtained from a related party, Al Ain University, from the same bank.

At the date of the issuance of these consolidated financial statements, the Group has not yet agreed with the related party on the terms and conditions with relation to the settlement of the AED 30 million.

32.2 Geopolitical situation

On February 28, 2026, geopolitical tensions in the Middle East intensified following military actions involving the United States, Israel and Iran. These developments resulted in retaliatory actions that affected the wider region, including the United Arab Emirates, leading to certain security-related incidents and temporary restrictions on regional airspace and maritime activities.

As at the date of issuance of these consolidated financial statements, management is not aware of any direct adverse impact on the Group's assets or operations as a result of this conflict. However, prolonged disruptions to regional trade, logistics, travel or markets could give rise to increased uncertainty and may have a potential impact on the Group's projects in future periods. Management continues to monitor developments closely and assess potential operational and financial implications on the Group.