The National Investor Pr. J.S.C.

Consolidated financial statements
For the year ended 31 December 2025

Principal business address:
P. O. Box 47435
Abu Dhabi
United Arab Emirates

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Consolidated financial statements
For the Year Ended 31 December 2025

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Independent Auditor's Report
To the Shareholders of The National Investor Pr. J.S.C.

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **The National Investor Pr. J.S.C.** (the "Company") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025 and the related consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 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"), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our 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 (continued)
To the Shareholders of The National Investor Pr. J.S.C. (continued)

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

Key Audit Matters (continued)

1. Valuation of investment properties

Refer to note 6 of the consolidated financial statements.

The valuation of the investment properties is a significant judgment and is driven by a number of key assumptions. The judgment applied is supported by independent valuations by experienced valuers. The existence of significant estimation uncertainty warrants specific audit focus in this area as any bias or error in determining the carrying value, whether deliberate or not, could lead to an understatement/overstatement of consolidated profit or loss for the year. Due to the significance of these properties and the impact on the consolidated statement of profit or loss and related estimation uncertainty, this is considered a key audit matter.

How our audit addressed the key audit matter:

Our audit approach included the following:

- assessing the competence, independence and integrity of the external valuers and reading their terms of engagement with the Group to evaluate whether there were any matters that might have affected their objectivity or may have imposed scope limitations on their work;
- obtaining the external valuation reports for the investment properties and assessing whether the valuation was suitable for use in determining the carrying value in the consolidated statement of financial position;
- assessing the appropriateness of the key assumptions and methodologies used; and
- determining the adequacy of the disclosure in the consolidated financial statements.

2. Impairment assessment of property, fixtures and equipment

Refer to note 5 of the consolidated financial statements.

The carrying values of property, fixtures and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount being the higher of their fair value less costs to sell and their value in use. Due to the significance of Mafraq Hotel property and the impact on the consolidated statement of profit or loss, this is considered a key audit matter.

How our audit addressed the key audit matter:

Our audit approach included the following:

- assessing the competence, independence and integrity of the external valuers of the Group, and assess their competency to evaluate whether there were any matters that might have affected their objectivity or quality of valuation outcome;
- obtaining the valuation report for the property and equipment, and assessing whether the valuation was suitable for use in determining the carrying value in the consolidated statement of financial position;
- assessing the appropriateness of the key assumptions and methodologies used; and
- determining the adequacy of the disclosure in the consolidated financial statements.

Independent Auditor's Report (continued)
To the Shareholders of The National Investor Pr. J.S.C. (continued)

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

Other Information

Management is responsible for the other information. The other information comprises the Chairman's Report of the Group but does not include the consolidated financial statements and our auditor's report thereon. We obtained the Chairman's Report prior to date of our auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above 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

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 their preparation in compliance with the applicable provisions of UAE Federal Law No. (32) of 2021, as amended, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

Our 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.

Independent Auditor's Report (continued)
To the Shareholders of The National Investor Pr. J.S.C. (continued)

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

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

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.
- 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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 auditors' 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.

Independent Auditor's Report (continued)
To the Shareholders of The National Investor Pr. J.S.C. (continued)

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. (32) of 2021, as amended , we report that for the year ended 31 December 2025:

- We have obtained all the information and explanations 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 Law No. (32) of 2021, as amended;
- The Group has maintained proper books of account in accordance with established accounting principles;
- The consolidated financial information included in the Chairman's report, is consistent with the books of account of the Group;
- Note 10 to the consolidated financial statements discloses the purchases and sale of shares made by the Group during the year ended 31 December 2025;
- There were no social contributions made during the year.
- Note 9 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted; and
- Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2025 any of the applicable provisions of the UAE Federal Law No. 32 of 2021, as amended, and in respect of the Group's Articles of Association, which would materially affect its activities or its consolidated financial position as at 31 December 2025.

GRANT THORNTON UAE

Dr. Osama El-Bakry
Registration No: 935
Abu Dhabi, United Arab Emirates
30 March 2026

Consolidated statement of financial position
As at 31 December 2025

	Note	2025 AED'000	2024 AED'000
ASSETS			
Non-current assets			
Property, fixtures and equipment	5	**134,560**	139,164
Investment properties	6	**88,390**	88,390
Investments at fair value through other comprehensive income	11	**433**	597
Investments in associates	7	**10,646**	7,560
		234,029	235,711
Current assets			
Trade receivables and other current assets	8	**7,441**	4,592
Amounts due from related parties	9	**233**	177
Investments at fair value through profit or loss	10	**-**	8,000
Cash and bank balances	12	**39,145**	26,444
		46,819	39,213
TOTAL ASSETS		**280,848**	274,924
LIABILITIES AND EQUITY			
LIABILITIES			
Non-current liabilities			
Term loans	13	**-**	509
End of services benefits	14	**960**	878
		960	1,387
Current liabilities			
Term loans	13	**-**	8,496
Trade and other liabilities	15	**10,708**	8,967
Amounts due to related parties	9	**1,323**	371
Income tax payable	32	**1,366**	-
		13,397	17,834
TOTAL LIABILITIES		**14,357**	19,221
EQUITY			
Share capital	16	**235,000**	235,000
Legal reserve	17	**62,496**	62,101
Optional reserve	18	**4,468**	3,678
Fair value reserve		**(11,256)**	(14,148)
Accumulated losses		**(71,056)**	(74,390)
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY		**219,652**	212,241
Non-controlling interests	19	**46,839**	43,462
TOTAL EQUITY		**266,491**	255,703
TOTAL LIABILITIES AND EQUITY		**280,848**	274,924

These consolidated financial statements were approved and authorized for issue by the Board of Directors on 30 March 2026, and signed on their behalf by:

Mr. Saeed Mohamed Almasoud
Chairman

Ms. Mera Abouyoussef
Financial Controller

The notes from 1 to 35 form an integral part of these consolidated financial statements.

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

	Note	**2025** **AED'000**	2024 AED'000
Fee and service income	21	**44,381**	35,445
Net income from investments at fair value through profit or loss	22	**1,208**	550
Share of results of associates	7	**30**	860
Impairment on investment in associate	7	**-**	(1,014)
Loss on sale of investment in associate	7	**-**	(4,930)
Loss on sale of investment property	6	**-**	(4,700)
Fair value loss on financial instruments at fair value	10	**-**	(1,600)
Interest income	23	**571**	605
Other income	24	**112**	1,807
		46,302	27,023
Operating expenses	25.1	**(12,002)**	(11,340)
General and administrative expenses	25.2	**(12,154)**	(12,087)
Selling and marketing expenses		**(1,361)**	(975)
Staff costs	26	**(4,544)**	(5,147)
Depreciation and amortization	5	**(6,593)**	(6,479)
Interest expense	27	**(184)**	(813)
Provision for expected credit losses on trade receivables	8	**(202)**	(36)
		(37,040)	(36,877)
Profit / (loss) for the year before tax		**9,262**	(9,854)
Income tax expense	32	**(1,366)**	-
Profit / (loss) for the year after tax		**7,896**	(9,854)
Attributable to:			
Shareholders of the Parent Company		**4,519**	(10,897)
Non-controlling interests	19	**3,377**	1,043
		7,896	(9,854)
Basic and diluted earnings / (loss) per share (AED)	28	**0.019**	(0.042)

The notes from 1 to 35 form an integral part of these consolidated financial statements

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

	Note	**2025** **AED'000**	2024 AED'000
Profit / (loss) for the year		**7,896**	(9,854)
Other comprehensive income:			
Items that will not be reclassified to consolidated profit or loss			
Fair value (loss) / gain on financial assets at fair value through other comprehensive income	11	**(164)**	114
Share of other comprehensive income from associate		**3,056**	1,031
Total other comprehensive income		**2,892**	1,145
Total comprehensive income / (loss)		**10,788**	(8,709)
Attributable to:			
Shareholders of the Parent Company		**7,411**	(9,752)
Non-controlling interests		**3,377**	1,043
		10,788	(8,709)

The notes from 1 to 35 form an integral part of these consolidated financial statements.

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

	Share capital AED'000	Legal reserve AED'000	Optional reserve AED'000	Fair value reserve AED'000	Accumulated losses AED'000	Equity attributable to the shareholders of Parent Company AED'000	Non-controlling interests AED'000	Total AED'000
Balance as at 1 January 2024	285,000	62,101	3,678	(15,293)	(63,493)	271,993	42,419	314,412
Loss for the year	-	-	-	-	(10,897)	(10,897)	1,043	(9,854)
Other comprehensive income	-	-	-	1,145	-	1,145	-	1,145
Return of capital to shareholders (note 16)	(50,000)	-	-	-	-	(50,000)	-	(50,000)
Balance as at 31 December 2024	235,000	62,101	3,678	(14,148)	(74,390)	212,241	43,462	255,703
Balance as at 1 January 2025	**235,000**	**62,101**	**3,678**	**(14,148)**	**(74,390)**	**212,241**	**43,462**	**255,703**
Profit for the year	**-**	**-**	**-**	**-**	**4,519**	**4,519**	**3,377**	**7,896**
Other comprehensive income	**-**	**-**	**-**	**2,892**	**-**	**2,892**	**-**	**2,892**
Transfers to legal reserve (note 17)	**-**	**395**	**-**	**-**	**(395)**	**-**	**-**	**-**
Transfers to optional reserve (note 18)	**-**	**-**	**790**	**-**	**(790)**	**-**	**-**	**-**
Balance as at 31 December 2025	**235,000**	**62,496**	**4,468**	**(11,256)**	**(71,056)**	**219,652**	**46,839**	**266,491**

The notes from 1 to 35 form an integral part of these consolidated financial statements.

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

	Note	**2025 AED'000**	2024 AED'000
Operating activities			
Profit / (loss) for the year before tax		**9,262**	(9,854)
Adjustments for:			
Depreciation of property, fixtures and equipment	5	**6,593**	6,479
Share of results of associates	7	**(30)**	(860)
(Gain) / loss from disposal of investments carried at fair value through profit or loss	10,22	**(500)**	56
Fair value loss on financial instruments at fair value	10	**-**	1,600
Impairment loss on trade receivables	8	**202**	36
Impairment loss on investments in associates	7	**-**	1,014
Loss on sale of investments in associates	7	**-**	4,930
Loss on sale of investment property	6	**-**	4,700
Interest income from sukuk, time deposits and call accounts	22,23	**(1,279)**	(1,211)
Interest expense	27	**184**	813
Provision for employees' end-of-service benefits	14	**414**	418
Gain on sale of property, plant, and equipment		**-**	(141)
		14,846	7,980
Changes in:			
Amounts due from related parties		**(56)**	(48)
Other assets		**(3,100)**	979
Other liabilities		**1,868**	2,680
Amounts due to related parties		**952**	(67)
Employees' end of service benefits paid	14	**(332)**	(372)
Net cash from operating activities		**14,178**	11,152
Investing activities			
Purchase of property, fixtures and equipment and intangible		**(1,989)**	(2,610)
Proceeds from sale of property, fixtures and equipment, net and intangible		**-**	141
Proceeds from sale of investments at fair value through profit or loss	10	**8,500**	2,274
Purchase of investments at fair value through profit or loss	10	**-**	(2,330)
Proceeds from sale of investment property	6	**-**	24,000
Proceeds from sale of investment in associate	7	**-**	25,000
Term deposits		**-**	(1,122)
Interest income received		**1,328**	1,359
Net cash from investing activities		**7,839**	46,712
Financing activities			
Return of capital to equity holders of the parent		**-**	(50,000)
Interest expense paid		**(311)**	(839)
Repayment of term loans	13	**(9,005)**	(4,513)
Net cash used in financing activities		**(9,316)**	(55,352)
Net increase in cash and cash equivalents		**12,701**	2,512
Cash and cash equivalents as at 1 January		**25,322**	22,810
Cash and cash equivalents as at 31 December	12	**38,023**	25,322

The notes from 1 to 35 form an integral part of these consolidated financial statements.

1 Legal status and principal activities

The National Investor Pr. J.S.C. (the "Company") is registered in Abu Dhabi, United Arab Emirates ("UAE") and is listed on the Abu Dhabi Securities Exchange as a Private Joint Stock Company since 2014.

The Company is subject to the Federal Law No. 32 of 2021, as amended, which came into legal effect on 2 January 2022 and in replacement of Federal Law No. 2 of 2015 and the executive Ministry of Economy Decision No. 539 of 2017 concerning private joint stock companies. In 2001, the Company received approval from the Central Bank of the UAE to conduct financial investment business as an investment company in accordance with the Central Bank's Board of Directors' Resolution No. 164/8/94 dated 18 April 1995 regarding the regulations for investment companies and banking and investment consultation companies. The Company was also licensed and regulated by the UAE Securities and Commodities Authority (SCA) for conducting Financial Advisory activity since 2012, Investment Management activity since 2017 and Management activity since 2018. The Company ceased all financial activities since the end of 2019 and applied for voluntary cancellation of its SCA licenses.

On 6 May 2020, SCA released its Decision 22 RT/2020 concerning the approval on voluntary cancellation of TNI's Financial Analysis License. On 8 May 2020, the SCA issued approval for the voluntary cancelation of the management license. The Investment Management SCA license is under cancellation.

The Company and its subsidiaries (together referred as the "Group") are managed as an integrated investment and financial services company. The principal activities of the Group are private equity, real estate investment and provision of consultancy, economic feasibility consultancy and studies, commercial agencies and hospitality. The registered head office of the Company is at P.O. Box 47435, Abu Dhabi, United Arab Emirates.

As at 31 December 2025, the Group's accumulated losses amounted to AED 71 million, representing approximately 30% of the issued share capital of AED 235 million. The reduction in accumulated losses during the year is mainly driven by increased fee and service income, particularly from the subsidiary hotel operations. Management is implementing strategic measures, including portfolio optimization, cost control, operational restructuring, and participation in new IPO opportunities, to improve profitability and preserve the Group's equity position.

These consolidated financial statements of the Group were authorized and approved for issue by the Board of Directors on 30 March 2026.

2. Standards, interpretations, and amendments to existing standards

2.1 Application of new and revised IFRS Accounting Standards ("IFRS")

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2025, have been applied in these consolidated financial statements:

- Amendments to IAS 21 - Lack of Exchangeability

2. Standards, interpretations, and amendments to existing standards (continued)

2.2 New and revised IFRS in issue but not yet effective and not early adopted

The following relevant standards, interpretations and amendments to existing standards were issued by the IASB:

New Standards or amendments	Effective date
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)	1 January 2026
IFRS 18 'Presentation and Disclosure in Financial Statements'	1 January 2027
IFRS 19 'Subsidiaries without Public Accountability: Disclosures'	1 January 2027
Amendment to IAS 21 - Translation to a Hyperinflationary Presentation Currency	1 January 2027

Management anticipates that these new standards and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards and amendments may have no material impact on the consolidated financial statements of the Group in the period of initial application

3 Summary of material accounting policies

3.1 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 applicable requirements of the UAE Federal Law No. 32 of 2021,as amended.

3.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and investment properties that are measured at fair values as explained in the accounting policies below.

3.3 Functional and reporting currency

The consolidated financial statements are presented in United Arab Emirates Dirham (AED) which is the functional and reporting currency of the Group, and all values are rounded to the nearest AED thousands, except when otherwise indicated.

3.4 Basis of consolidation

The accompanying consolidated financial statements comprise of financial statements of the Company and its subsidiaries (together referred to as the "Group"). The details of the Company's subsidiaries and their principal activities are as follows:

3 Summary of material accounting policies (continued)

3.4 Basis of consolidation (continued)

	Country of incorporation	Ownership interest % 2025	2024	Principal activity
Operating entities				
Mainland Management LLC	U.A.E.	67	67	Real estate investments
Mainland Investment LLC	U.A.E.	100	100	Real estate investments
Metropolitan Al Mafraq Hotel LLC – a subsidiary of Mainland Investment LLC	U.A.E.	100	100	Hospitality services
Uptown Management LLC	U.A.E.	100	100	Real estate investments
Uptown Investment LLC	U.A.E.	100	100	Real estate investments
Special purpose entities				
United Capital LLC	U.A.E.	100	100	Asset Management
Fidelity Invest LLC	U.A.E.	100	100	Asset Management
Al Dhafra Capital LLC	U.A.E.	100	100	Asset Management
TNI Capital Partners Limited	Cayman Islands	100	100	Private Equity Funds
TNI General Partners Limited	Cayman Islands	100	100	Private Equity Funds

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 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
- 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
- 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 financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

3 Summary of material accounting policies (continued)

3.4 Basis of consolidation (continued)

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 subsidiaries to bring their accounting policies in 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:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest
- Derecognizes the cumulative translation differences, recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate as would be required if the Group had directly disposed of the related assets or liabilities.

3.5 Current versus non-current classification

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

- Expected to be realized or intended to be sold or consumed in the normal operating cycle.
- It is held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period.
- 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 classified as non-current assets.
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.
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current liabilities.

3 Summary of material accounting policies (continued)

3.6 Recognition of income and expenses

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

3.7 Fee and service income

Fee and income from services provided by the Group during the year are recognised on an accrual basis when the services are rendered, and no significant uncertainties remain regarding the recovery of consideration due. Fees that are earned on the execution of a significant act are recognised as revenue when the significant act has been completed.

3.8 Interest income and expenses

Interest income comprises income on call, sukuk and term deposit accounts and is recognised in the consolidated statement of profit or loss as it accrues using the effective interest method. Interest expense is comprised of borrowing costs on loans and recognised in statement of profit or loss using the effective interest method.

3.9 Dividend income

Dividend income is recognised when the Group's right to receive the payment is established.

3.10 Other Income

Other income is composed of rental income and other miscellaneous income.

3.11 Foreign currencies

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

3.12 Special purpose vehicles ('SPVs')

Special purpose vehicles are entities that are created to accomplish a narrow and well-defined objective such as the securitization of assets, or the execution of a specific financing transaction. An SPV is consolidated if, based on an evaluation of the substance of its relationship with the Group and the SPV's risk and rewards, the Group concludes that it controls the SPV.

3 Summary of material accounting policies (continued)

3.13 Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting from the date on which the investment becomes an associate. Under the equity method, an investment in associates is initially recognised in the consolidated statement of financial position at cost, including transaction cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates.

When the Group's share of losses of associates exceeds the Group's interest in those associates (which includes any long-term interests that, in substance, form part of the Group's net investment in the associates), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates.

The requirements of International Financial Reporting Standards are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in associates. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment and charged to consolidated statement of profit or loss. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of equity method from the date when the investment ceases to be an associate. When the Group retains its interest in the former associate and the retained interest is financial asset, the Group measures the retained interest at fair value at that date and this fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

Upon disposal of associates that results in the Group losing significant influence over those associates, the Group measures and recognises any retained investment at its fair value. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to the associates on the same basis as would be required if the associates had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by the associates would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over the associates.

When a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate is recognised in the Group consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

3 Summary of material accounting policies (continued)

3.14 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are initially measured at cost. Subsequently, investment properties are measured at fair value basis, with changes in fair value recognised under profit and loss.

Investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss in the period in which the property is derecognised. Transfers to investment properties are made when, and only when there is change in use evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, any difference resulting between the carrying amount and the fair value as at the date of transfer is treated in the same way as a revaluation under IAS 16. Any resulting increase in the carrying amount of the property is recognised in the profit or loss statement to the extent that it reverses a previous impairment loss, with any remaining increase recognised in other comprehensive income and increased directly to equity in revaluation surplus within equity. Any resulting decrease in the carrying amount of the property is initially charged in other comprehensive income against any previously recognised revaluation surplus, with any remaining decrease charged to the consolidated profit or loss statement.

3.15 Property, fixtures and equipment

Property, fixtures and equipment are stated at historical cost less accumulated depreciation and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are charged to the consolidated statement of profit or loss in the period in which they are incurred.

Depreciation is charged so as to write off the cost over their estimated useful lives using the straight-line method as follows:

Leasehold improvements	3 - 4 years
Buildings	30 years
Furniture and fixtures	3 - 7 years
Office equipment	2 - 10 years
Motor vehicles	3 - 5 years

Freehold land is not depreciated. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

3 Summary of material accounting policies (continued)

3.15 Property, fixtures and equipment (continued)

The carrying values of property, fixtures and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount being the higher of their fair value less costs to sell and their value in use.

Expenditure incurred to replace a component of an item of property, fixtures and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognized in the consolidated statement of comprehensive income as the expense is incurred.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is included in the consolidated statement of comprehensive income when the asset is derecognized.

Assets under construction are recorded at cost and represents costs based on contractual payments for the design, development, construction and commissioning of the Group and those other costs incurred during the development stage directly attributable to the construction of the Group. Assets under construction are transferred to the appropriate asset category and depreciated in accordance with the Group's policies when construction of the asset is completed and commissioned.

3.16 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position compromise of cash at banks, cash on hand and term deposits.

For the purpose of consolidated statement of cash flows, cash and bank balances consist of cash in hand, bank balances, and short-term deposits with an original maturity of three months or less.

3.17 Financial assets and financial liabilities

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3 Summary of material accounting policies (continued)

3.17 Financial assets and financial liabilities (continued)

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair value through other comprehensive income – debt investment; Fair value through other comprehensive income – equity investment; or Fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at Fair value through profit or loss:

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

A debt investment is measured at Fair value through other comprehensive income if it meets both of the following conditions and is not designated as at Fair value through profit or loss:

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

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through Other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;

3 Summary of material accounting policies (continued)

3.17 Financial assets and financial liabilities (continued)

Classification and subsequent measurement (continued)

Financial assets (continued)

Financial assets - Business Model Assessment

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at fair value through profit or loss.

Financial instruments and contract assets

The Group recognises loss allowances for ECLs on:

- Trade receivables and other financial receivables;
- Deposits for markets guarantee; and
- Due from securities markets and bank balances.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt instruments that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

3 Summary of material accounting policies (continued)

3.17 Financial assets and financial liabilities (continued)

Financial instruments and contract assets (continued)

The Group considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as releasing security (if any is held); or
- The financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Derecognition

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

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received, and receivable is recognised in the consolidated statement of profit or loss.

On derecognition of a financial asset that is classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve in equity is not reclassified to the consolidated statement of profit or loss but is transferred to retained earnings within equity.

Offsetting

Financial assets and liabilities are offset and reported net in the consolidated financial position only when there is a legally enforceable right to set off the recognised amounts and when the Group intends to settle either on a net basis, or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions. The Group is party to a number of arrangements, including master netting agreements that give it the right to offset financial assets and financial liabilities but where it does not intend to settle the amounts net or simultaneously and therefore the assets and liabilities concerned are presented on a gross basis.

3 Summary of material accounting policies (continued)

3.17 Financial assets and financial liabilities (continued)

Financial liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis, except for short-term liabilities when the recognition of interest is immaterial.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

3 Summary of material accounting policies (continued)

3.17 Financial assets and financial liabilities (continued)

Financial assets - Subsequent measurement and gains and losses

Financial assets at fair value through profit or loss	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

3.18 Segmental reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. Segment income, segment expenses and segment performance include transfers between business segments. Refer to note 29 on business segment reporting.

3.19 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 the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is reasonably certain that reimbursement will be received, and the amount of the receivable can be measured reliably. Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

3.20 Employees' benefits

Short term employee benefits

Short-term employee obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of a past service provided by the employee and the obligation can be estimated reliably. The Group recognises the Short-term employee benefits in accordance with new labor law which became effective from 2 February 2022.

3 Summary of material accounting policies (continued)

3.21 Leases

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

3 Summary of material accounting policies (continued)

3.22 Taxes

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 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 liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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.

3 Summary of material accounting policies (continued)

3.22 Taxes (continued)

Deferred tax (continued)

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission. 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.

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.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

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 either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered. Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

4 Critical accounting judgments and key sources of estimation uncertainty

While applying the accounting policies as stated in note 3, the management of the Group has made certain judgments, estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period of the revision in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant estimates made by management are summarised as follows:

Critical accounting judgements

Classification of investments in subsidiaries and associates

Management performed an assessment on the extent of control or influence over the entities considered subsidiaries and associates. Management is satisfied that the investments are appropriately classified after consideration of the Group's control or influence over the operational and financial policies of these entities.

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

Critical accounting judgements (continued)

Classification of property, fixtures and equipment and investment properties

Property, fixtures and equipment includes tangible items that are expected to be used in more than one reporting period and that are used in production, for rental, or for administration while investment properties is land or a building or both that is held to earn rentals or for capital appreciation or both, not owner-occupied, not used in production or supply of goods and services, or for administration and not held for sale in the ordinary course of business. In order to distinguish between what are the uses of each of the properties of the Group, the management of the Group has exercised significant judgements to determine the proper classification.

Key sources of estimation and uncertainty

The key assumptions concerning future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of investments in associates

Management regularly reviews its investments in associates for indicators of impairment. This determination of whether investments in associates impaired entails management's evaluation of the specific investee's profitability, liquidity, solvency and ability is to generate operating cash flows from the date of acquisition and until the foreseeable future. The difference between the estimated recoverable amount and the carrying value of the investment is recognised as an expense in profit or loss. During the year, the Group did not recognize an impairment loss (31 December 2024: nil) on its investments in associates after performing an assessment of the investment's recoverable amount, however, has a loss was recognized on sale of one of its associates amounting to AED 4.9 million in 2024. This loss was recognized in the consolidated financial statement of profit or loss for the year.

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

Key sources of estimation and uncertainty (continued)

Impairment of trade and other receivables and amounts due from related parties

An estimate of the collectible amount of trade and other receivables and amounts due from related parties is made when collection of the full amount is no longer probable. This determination of whether the receivables are impaired entails Management's evaluation of the specific credit and liquidity position of the customers and related parties and their historical recovery rates, including discussion with legal department and review of current economic environment and ECL calculation. Management believes that the recorded provision is sufficient to cover anticipated losses.

At the date of the consolidated statement of financial position, gross trade receivables and amounts due from related parties were AED 13.49 million and AED 0.23 million respectively (31 December 2024: AED 10.33 million and AED 0.18 million respectively). There is allowance for expected credit loss applied on trade receivables amounting to AED 8.09 million (31 December 2024*:* AED 7.88 million). Any difference between the amounts actually collected in future periods and the amounts expected to be recovered will be recognized in the consolidated statement of profit or loss.

Valuation of unquoted equity investments

Valuation of unquoted equity investments at fair value through other comprehensive income and at fair value through profit or loss are normally based on recent market transactions on an arm's length basis, fair value of another instrument that is substantially the same, expected cash flows discounted at current rates for similar instruments or other valuation models. Management believes that the unquoted equity investments are appropriately stated at fair value as of 31 December 2025.

Fair value of investment properties

In order to assess the fair value of investment properties, the Group engages the services of professional appraisers. Management believes that the appraised value reflects the true fair value of properties considering current economic situations. The total fair value of investment properties at 31 December 2025 amounted to AED 88.39 million (31 December 2024: AED 88.39 million).

Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. As of 31 December 2025, the Group did not recognize an impairment loss on Mafraq Hotel (31 December 2024: Nil) based on the valuation report prepared by an independent external valuer engaged by the Group.

5 Property, fixtures and equipment

	Freehold land AED'000	Buildings AED'000	Furniture and fixtures AED'000	Office equipment AED'000	Motor vehicles AED'000	Work in progress AED'000	Total AED'000
Cost							
As at 1 January 2025	**57,851**	**186,622**	**9,083**	**24,913**	**906**	**-**	**279,375**
Additions	**-**	**-**	**460**	**748**	**-**	**781**	**1,989**
As at 31 December 2025	**57,851**	**186,622**	**9,543**	**25,661**	**906**	**781**	**281,364**
Accumulated depreciation and impairment							
As at 1 January 2025	**-**	**109,540**	**8,786**	**21,048**	**837**	**-**	**140,211**
Charge for the year	**-**	**5,402**	**148**	**1,034**	**9**	**-**	**6,593**
As at 31 December 2025	**-**	**114,942**	**8,934**	**22,082**	**846**	**-**	**146,804**
Net carrying amount							
As at 31 December 2025	**57,851**	**71,680**	**609**	**3,579**	**60**	**781**	**134,560**

5 Property, fixtures and equipment (continued)

	Freehold land AED'000	Buildings AED'000	Furniture and fixtures AED'000	Office equipment AED'000	Motor vehicles AED'000	Work in progress AED'000	Total AED'000
Cost							
As at 1 January 2024	57,851	186,622	8,856	22,398	1,012	19	276,758
Additions	-	-	227	2,550	-	-	2,777
Disposals	-	-	-	(35)	(106)	(19)	(160)
As at 31 December 2024	57,851	186,622	9,083	24,913	906	-	279,375
Accumulated depreciation and impairment							
As at 1 January 2024	-	103,975	8,692	20,273	933	-	133,873
Charge for the year	-	5,565	94	810	10	-	6,479
Disposals	-	-	-	(35)	(106)	-	(141)
As at 31 December 2024	-	109,540	8,786	21,048	837	-	140,211
Net carrying amount							
As at 31 December 2024	57,851	77,082	297	3,864	69	-	139,164

6 Investment properties

	2025 AED'000	2024 AED'000
Balance as at 1 January	**88,390**	117,090
Disposals during the year	**-**	(28,700)
Balance as at 31 December*	**88,390**	88,390

*The Group owns two plots of land for which the Group has the intention to construct investment properties.

Fair value measurement:
Investment properties are stated at fair value, which were determined by reference to a valuation carried out by an independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

The valuation, which conforms to the Royal Institution of Chartered Surveyors Valuation Standards, was arrived at by considering the market (comparable method) approach of valuation for each of the land plots.

The following illustrates the analysis of investment properties recorded at fair value by level of hierarchy:

	Date of valuation	**Total AED'000**	**Level 1 AED'000**	**Level 2 AED'000**	**Level 3 AED'000**
31 December 2025					
Plots of land	**31 December 2025**	**88,390**	**-**	**-**	**88,390**
31 December 2024					
Plots of land	31 December 2024	**88,390**	**-**	**-**	**88,390**

Description of valuation techniques used and key inputs to valuation of investment properties:

Investment property	**Valuation technique**	**Significant unobservable inputs**	**31 December 2025**	31 December 2024
Plot C13 –Mixed use	Market (sale comparable) approach	Sales rate on GFA	**AED155/sq. ft.**	AED155/sq. ft.
		Sales rate on Plot	**AED1,955/sq. ft.**	AED1,955/sq. ft.
Plot C7 – Commercial – Offices	Market (sale comparable) approach	Sales rate on GFA	**AED150/sq. ft.**	AED150/sq. ft.
		Sales rate on Plot	**AED1,785/sq. ft.**	AED1,785/sq. ft.

In 2024, the Group sold the offices floor of Sky Tower Building located in Al Reem Island for a total consideration of AED 24 million, resulting in a loss of AED 4.7 million, which is recognized in the consolidated statement of profit or loss.

7 Investments in associates

The Group has the following investments in associates which are accounted for using the equity method.

Company Name	Country of incorporation	Ownership interest %		Principal activity
		2025	2024	
National Entertainment LLC*	U.A.E.	**40%**	40%	Entertainment services
Growth Capital Fund	Cayman Islands	**30.56 %**	30.56 %	Asset management

Summarised financial information of the associates is set out below.

	2025	2024
	AED'000	AED'000
Associates' statement of financial position		
Assets	**45,110**	34,726
Liabilities	**(9,560)**	(9,538)
Net assets	**35,550**	25,188
Group's share of net assets	**10,646**	7,560
Less: accumulated impairment loss	**-**	-
Carrying amount of investment in associates	**10,646**	7,560
Associates' revenue and profit:		
Revenue	**186**	161
Profit for the year	**99**	7,918
Group's share of profit for the year	**30**	860

National Entertainment LLC
In 2022, a legal case amounting to AED 11.9 million was filed by a third party against National Entertainment LLC, and the court decision was in favor of the third party. After taking appropriate legal advice, the Group determined that there is no legal or constructive obligation for the Group to fund the operations or make payments on behalf of National Entertainment LLC. Consequently, the Group did not recognize any provision against the legal claim of the associate.

On 7 March 2023, National Entertainment LLC filed a commercial case against the third party, and the commercial court issued a decision on 21 March 2024 in their favor, ordering the third party to pay AED 6.2 million plus interest to the associate.

In 2024, the Group recognized impairment of AED 1 million representing the entire interest of the Group in National Entertainment LLC.

National Catering Company Holding LLC
During the year ended 31 December 2024, the Group sold its investment in associate of National Catering Company Holding LLC for a total consideration of AED 25 million and recognized a loss on sale in the consolidated statement of profit and loss amounting to AED 4.9 million.

8 Trade receivables and other current assets

	2025 AED'000	2024 AED'000
Trade receivables	**13,486**	10,333
Less: allowance for expected credit loss	**(8,085)**	(7,883)
	5,401	2,450
Prepaid expenses	**1,039**	1,018
Accrued income	**120**	168
Due from employees	**72**	197
Others	**809**	759
	7,441	4,592

Movement in provision for expected credit loss is as follows:

	2025 AED'000	2024 AED'000
Balance at 1 January	**7,883**	7,847
Charge for the year	**202**	36
Balance at 31 December	**8,085**	7,883

As at 31 December 2025, the ageing of unimpaired trade receivables is as follows:

			Past due but not impaired			
	Total AED'000	**Neither past due nor impaired AED'000**	**< 30 days AED'000**	**31 – 60 days AED'000**	**61 – 90 days AED'000**	**> 90 days AED'000**
31 December 2025	**13,486**	**-**	**2,554**	**630**	**220**	**10,082**
31 December 2024	10,333	-	1,957	483	168	7,725

9 Related party transactions

Related parties represent associates, major shareholders, directors and key management personnel of the Group, 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.

The year end balances in respect of related parties included in the consolidated statement of financial position are as follows:

	2025 AED'000	2024 AED'000
Amounts due from related parties:		
Al Mazroui Investment LLC - shareholder	**1**	1
National Entertainment Company LLC - associate	**5**	5
Elephant Investment Ltd. - fund	**123**	108
Discretionary Portfolio of Real Estate Investment of TNI - fund	**104**	63
	233	177
Amounts due to related party:		
Growth Capital Fund LLC - associate	**1,233**	371
Finance House Capital PJS - shareholder	**90**	-
	1,323	371
Term loan from Finance House - shareholder (note 13)	**-**	4,733

Significant transactions with related parties during the year were as follows:

	2025 AED'000	2024 AED'000
Guarantees issued on behalf of the Company (note 20)	**1,003**	5,403
Short term benefits of key management		
Salaries, benefits, and bonus	**847**	692
Board fees (note 25)	**2,521**	2,425
	3,368	3,117
Repayment of loan to Finance House LLC (note 13)	**4,733**	-
Interest income from investment in sukuk (note10)	**708**	606
Interest expense on term loan from Finance House	**155**	192

10 Investments at fair value through profit or loss

	2025 **AED'000**	2024 AED'000
Investment in Sukuk*	**-**	8,000

Movement in financial investments at fair value through profit or loss:

	2025 **AED'000**	2024 AED'000
Balance at the beginning of the year	**8,000**	9,600
Additions during the year (a)	**-**	2,330
Realized gain/ (loss) on disposals during the year (a) (c)	**500**	(56)
Fair value loss on investment in Sukuk (b)	**-**	(1,600)
Disposal during the year (c)	**(8,500)**	(2,274)
Balance at the end of the year	**-**	8,000

(a) In 2024, the Group subscribed to two Initial Public Offerings (IPOs) of listed entities with amount of AED 2.33 million and subsequently sold these two IPO shares with value of AED 2.27 million resulting in a realized loss on sale of AED 0.06 million (note 22).

(b) In 2024, the Group has recognized a fair value loss on its investment in sukuk amounting to AED 1.6 million based on the recent pricing from the issuer, Finance House Capital PJS.

(c) On 29 December 2025, the Group sold its sukuk investment for a total consideration of AED 8.5 million resulting in realized gain in sale of AED 0.5 million (note 22).

During the year, the Group had interest income from its investment in sukuk amounting AED 0.71 million (2024: AED 0.61 million) (note 22).

11 Investments at fair value through other comprehensive income

	2025 **AED'000**	2024 AED'000
Investment in equity funds	**433**	597

Movement in financial investments at fair value through other comprehensive income

	2025 **AED'000**	2024 AED'000
Balance at 1 January	**597**	483
Change in fair value during the year*	**(164)**	114
Balance at 31 December	**433**	597

*recognized in the statement of other comprehensive income

12 Cash and cash equivalents

	2025 AED'000	2024 AED'000
Cash in hand	**51**	60
Call and current accounts with banks	**17,925**	11,343
Term deposits	**21,169**	15,041
Cash and bank balances	**39,145**	26,444
Less: term deposits with maturities over three months	**(1,122)**	(1,122)
Cash and cash equivalent for cash flow purposes	**38,023**	25,322

Bank deposits carry interest rates ranging from 1.5% to 5.35% (31 December 2024: 1.5% to 4.0%) per annum. Deposits with an original maturity of more than three months are classified separately from cash and cash equivalents. These deposits are typically held for investment purposes or to meet longer-term financial commitments. They are not readily convertible to known amounts of cash without significant risk of changes in value. This classification ensures that users of the financial statements can distinguish between short-term liquid assets and those held for longer-term purposes.

13 Term loans

	2025 AED'000	2024 AED'000
Term loan 1 (Note 9)	**-**	4,733
Term loan 2	**-**	4,272
	-	9,005

Classified in the statement of financial position as follows:

	2025 AED'000	2024 AED'000
Non-current liabilities		
Term loan 2	**-**	509
	-	509
Current liabilities		
Term loan 1 (Note 9)	**-**	4,733
Term loan 2	**-**	3,763
	-	8,496
	-	9,005

Term loan 1:
Mainland Management entered into a bridge loan agreement with Finance House LLC, a related party, on 26 March 2007, amounting to AED 17 million. During 2014, the outstanding amount was converted into additional capital contribution to Mainland Management and subsequently an amount of AED 4.7 million was lent to Mainland Management. Interest is charged at 6% per annum (31 December 2024: 6% per annum). The payment term is on demand and not based on fixed installments. The Group has fully repaid AED 4.73 million to Finance House Capital PJS during the year.

13 Term loans (continued)

Term loan 2:
During May 2018, the Group acquired two loans from "Arab Bank for Investment and Foreign Trade" (Al Masraf Bank). The interest rate for both loans is EIBOR + 3% per annum or 5% per annum whichever is higher. These loans are repayable over 32 quarterly instalments starting on 2 August 2018. In May 2020, these loans have been re-scheduled in which there were deferral of two quarterly instalments for both loans and the tenor increased from 8 years to be 8 years and 6 months. The interest continued to accrue during the period of deferral. The facility is secured by demand promissory note and corporate guarantee of the group covering the total outstanding facility amount and first-degree mortgage over the land and building of Mafraq Hotel. Management negotiated the pricing terms of the loan during the third quarter of 2021, and the new revised terms are 3.5% minimum floor per annum (down from 5% per annum). The reduced interest rate was applied from October 2021, and all other terms remained the same. The Group has fully repaid the total outstanding loan and interest accumulated thereon amounting to AED 4.27 million during the year.

14 End of service benefits

	2025	2024
	AED'000	AED'000
Balance as at 1 January	**878**	832
Provision during the year	**414**	418
Payments during the year	**(332)**	(372)
Balance as at 31 December	**960**	878

15 Trade and other liabilities

	2025	2024
	AED'000	AED'000
Trade payables	**1,992**	1,950
Staff payables	**37**	11
Accrued expenses	**3,833**	5,373
Other payables	**4,846**	1,633
	10,708	8,967

Mainland Investment LLC entered into settlement agreement with Millenium and Copthorne Middle East Holdings Limited on 20 January 2026 to settle the ongoing dispute on the dues payable by Mainland Investment LLC to Millenium and Copthorne Middle East Holdings Limited.

Both parties agreed to a full and final settlement of AED 2 million and released each other from all claims relating to the matter. The dues have been settled by Mainland Investment LLC on 21 January 2026. The above balance has been included in other payables as at the year-end date.

16 Share capital

	2025	2024
	AED'000	AED'000
Authorised, issued and fully paid		
235,000 thousand shares of AED 1 each	**235,000**	235,000

17 Legal reserve

As required by the UAE Federal Decree Law No. 32 of 2021 and the articles of association of the parent company and its subsidiaries, 5% of the profit for the year, on an individual basis, must be transferred to legal reserve. The parent company and its subsidiaries may resolve to discontinue such transfers when the reserve equals 50% of the share capital. The legal reserve is not available for distribution.

For the year ended 31 December 2025, a transfer to the legal reserve amounting to AED 395 (2024: Nil) has been recorded.

18 Optional reserve

In accordance with the parent company and its subsidiaries' articles of association, 10% of the profit for the year shall be transferred to optional reserve. The parent company and its subsidiaries may resolve to discontinue such transfers when the optional reserve equals 50% of the share capital.

For the year ended 31 December 2025, a transfer to the optional reserve amounting to AED 790 (2024: Nil) has been recorded.

19 Non-controlling interests

Financial information of subsidiaries that have material non-controlling interests are provided below:

Portion of equity interest held by non-controlling interests

	2025	2024
Mainland Management LLC	**33.33%**	33.33%

Accumulated balances of non-controlling interest

	2025	2024
	AED'000	AED'000
Mainland Management LLC	**46,839**	43,462

Profit allocated to material non-controlling interests

	2025	2024
	AED'000	AED'000
Mainland Management LLC	**3,377**	1,043

19 Non-controlling interests (continued)

The table below shows the summarized financial information of the subsidiary which have non-controlling interest:

Mainland Management LLC

	2025	2024
	AED'000	AED'000
Total assets	**182,589**	182,580
Total liabilities	**41,579**	52,195
Total equity	**141,010**	130,385
Profit for the year	**10,873**	3,130

20 Commitments and contingent liabilities

	2025	2024
	AED'000	AED'000
Corporate guarantees	**1,000**	5,325
Bank guarantees	**3**	78
	1,003	5,403

21 Fee and service income

	2025	2024
	AED'000	AED'000
Revenue from hotel services	**44,381**	35,445

Contract balances

As at 31 December 2025 and 2024, the Group did not have any contract assets or liabilities related to the services provided.

22 Net income from investments at fair value through profit or loss

	2025	2024
	AED'000	AED'000
Gain / (loss) on disposals (note 10)	**500**	(56)
Interest income from Sukuk (note 10)	**708**	606
	1,208	550

23 Interest income

	2025 **AED'000**	2024 AED'000
Term deposits	**568**	590
Call accounts	**3**	15
	571	605

24 Other income

	2025 **AED'000**	2024 AED'000
Rent income	**71**	1,730
Miscellaneous	**41**	77
	112	1,807

25.1 Operating expenses

	2025 **AED'000**	2024 AED'000
Room	**4,698**	4,843
Food and beverage	**6,390**	5,737
Other operating expense	**914**	760
	12,002	11,340

25.2 General and administrative expenses

	2025 **AED'000**	2024 AED'000
Utilities	**2,263**	2,335
Board fees (note 9)	**2,521**	2,425
Professional fees	**3,193**	1,185
Rent expense	**973**	936
Information technology and telecommunication	**127**	120
Insurance	**35**	56
Bank charges	**167**	53
Others	**2,875**	4,977
	12,154	12,087

26 Staff costs

	2025 **AED'000**	2024 AED'000
Corporate	**880**	1,162
Subsidiaries	**3,664**	3,985
	4,544	5,147

27 Interest expense

	2025	2024
	AED'000	AED'000
Term loans (note 13)	**184**	813

28 Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the profit or loss for the year attributable to the Shareholders of the Parent Company by the number of shares outstanding during the year.

	2025	2024
Profit/(loss) for the year (AED'000)	**4,519**	(10,897)
Total number of ordinary shares ('000)	**235,000**	235,000
Weighted average number of ordinary shares ('000)	**235,000**	260,000
Earnings/ (loss) per share (AED)	**0.019**	(0.042)

There were no potentially dilutive securities as at 31 December 2025 and 31 December 2024, and accordingly, diluted earnings per share are the same as basic earnings per share.

29 Segment information

Operating segments are identified on the basis of internal reports about the components of the Group that are regularly reviewed by the chief operating decision-makers of the Group in order to allocate resources to the segment and to assess its performance. The Group stopped reporting segment information as the net operating results come from its principal activity, which is hospitality.

30 Risk management

Introduction

Risk is inherent in the Group's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to market risk which composes of interest rate risk, currency risk and equity price risk. Further, the Group is exposed to credit risk, liquidity risk and operational risk.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. 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 risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Board of Directors

The overall risk management responsibility lies with the Board of Directors of the Group. It provides the direction, strategy and oversight of all the activities through various committees.

30 Risk management (continued)

Risk management framework (continued)

Audit Committee

The Audit Committee comprises five members, in which three members represent the Board of Directors of the Group and two members are independent from the Group. The Audit Committee has the overall responsibility of assessing the internal audit findings, directing implementation of audit recommendations and overseeing the internal audit activities undertaken within the internal control environment and regulatory compliance framework of the Group. Duties and responsibilities of the Audit Committee are governed by a formally approved Audit Committee Charter.

Management Committee

The Management Committee is responsible for identifying, measuring, monitoring and controlling the risks arising out of various activities in the Group.

Risk measurement and reporting systems

Monitoring and controlling risks are primarily performed based on limits established by the Group. These limits reflect the business strategy and market environment of the Group as well as the level of risk that the Group is willing to accept, with additional emphasis on selected industries. In addition, the Group monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

For all levels throughout the Group, tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive, necessary and up-to-date information.

Market risk

Market risk is the risk that the fair value and future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, and equity prices.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The following table demonstrates the sensitivity of the consolidated statement of profit or loss to reasonably possible changes in interest rates, with all other variables held constant, of the Group's result for the year.

The sensitivity of the consolidated statement of profit or loss is the effect of the assumed changes in interest rates on the Group's profit for one year, based on the floating rate financial assets and financial liabilities held at 31 December 2025.

30 Risk management (continued)

Interest rate risk (continued)

	Effect on profit AED'000
31 December 2025	
+100 increase in basis point	-
-100 decrease in basis point	-
31 December 2024	
+100 increase in basis point	900
-100 decrease in basis point	(900)

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Foreign currency risk is limited since a significant proportion of the Group's transactions, monetary assets and liabilities are denominated in U.A.E. Dirhams and U.S. Dollars. As the U.A.E. Dirham is pegged to the U.S. Dollar, balances in U.S. Dollars are not considered to represent significant currency risk.

Equity price risk

Equity price risk is the risk that the fair values of equities decrease as the result of changes in the levels of equity indices and the value of individual stocks. The equity price risk exposure arises from the Group's investment portfolio.

The effect on equity (as a result of a change in the fair value of equity instruments at fair value through other comprehensive income at 31 December 2025) due to a reasonably possible change in equity indices, with all other variables held constant, is as follows.

	Assumed level of equity change %	**Impact on equity 31 December 2025 AED'000**	Impact on equity 31 December 2024 AED'000
Investments at fair value through other comprehensive income	**5%**	**22**	30

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties.

30 Risk management (continued)

Maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for the components of the consolidated statement of financial position.

	2025 AED'000	2024 AED'000
Cash and cash equivalents (note 12)	**39,145**	26,444
Due from related parties (note 9)	**233**	177
Debt instruments at fair value through profit or loss (note 10)	**-**	8,000
Other assets excluding prepaid expenses (note 8)	**14,487**	11,457
	53,865	46,078

Liquidity risk and funding management

Liquidity risk is the risk that Group will be unable to meet its funding requirements. Liquidity risk can be caused by market disruptions or a credit downgrade which may cause certain sources of funding to dry up immediately. To guard against this risk, management has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash, cash equivalents, and readily marketable securities.

The table below summarises the maturity profile of the Group's financial liabilities as at 31 December 2025 based on contractual undiscounted payments:

31 December 2025	**Less than 3 months AED'000**	**3 months to 1 year AED'000**	**1 year to 5 years AED'000**	**Over 5 years AED'000**	**Total AED'000**
Other liabilities (note 15)	**-**	**10,708**	**-**	**-**	**10,708**
Due to related parties (note 9)	**-**	**1,323**	**-**	**-**	**1,323**
Total liabilities	**-**	**12,031**	**-**	**-**	**12,031**

The table below summarises the maturity profile of the Group's financial liabilities as at 31 December 2024 based on contractual undiscounted payments:

31 December 2024	Less than 3 months AED'000	3 months to 1 year AED'000	1 year to 5 years AED'000	Over 5 years AED'000	Total AED'000
Term loans (note 13)	1,190	2,573	5,242	-	9,005
Other liabilities (note 15)	-	8,967	-	-	8,967
Due to related parties (note 9)	-	371	-	-	371
Total liabilities	1,190	11,911	5,242	-	18,343

30 Risk management (continued)

Operational risk

Operational risk is the risk of direct or indirect loss arising from inadequate or failed internal processes, systems failure, human error, fraud or external events. When required controls fail, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. While the Group cannot expect to eliminate all operational risks, through a control framework and by continuous monitoring and responding to potential risks, the Group is able to manage these risks. Controls include effective segregation of duties, appropriate access, authorization and reconciliation procedures, staff training and robust assessment processes. The processes are reviewed on an ongoing basis.

Other price risk

The Group is exposed to price risk arising from its investment properties which are measured at fair value. The sensitivity analysis below shows the effect of price changes in investment properties:

A 5% increase in the fair value of investment properties as at the reporting date would have increased equity by AED 4.42 million (2024: AED 4.42 million). An equal change in the opposite direction would have decreased equity by AED 4.42 million (2024: AED 4.42 million).

Capital management

Capital includes equity attributable to the Owners of the Group. The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies for managing capital during the year ended 31 December 2025 and 31 December 2024.

31 Fair value of financial instruments

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of investments at fair value through other comprehensive income, investments at fair value through profit or loss, amounts due from related parties, bank balances and cash and some other assets. Financial liabilities consist of term loans, amounts due to related parties and some other liabilities.

In the opinion of management, the estimated carrying values and fair values of financial assets and liabilities that are not carried at fair value in the consolidated financial statements are not materially different, since assets and liabilities are either short term in nature or are re-priced on a frequent basis.

31 Fair value of financial instruments (continued)

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

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
31 December 2025				
Financial assets				
Investments at fair value through other comprehensive income				
Investment in equity funds	**-**	**433**	**-**	**433**
31 December 2024				
Financial assets				
Investments at fair value through profit or loss				
Investments in Sukuk	-	-	8,000	8,000
Investments at fair value through other comprehensive income				
Investment in equity funds	-	597	-	597
	-	597	8,000	8,597

Transfers between categories

During the reporting year ended 31 December 2025 and 31 December 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

32 Taxation

Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the consolidated statement of profit or loss are:

	2025 AED'000	2024 AED'000
Current income tax expense	**1,366**	-
Deferred income tax expense	**-**	-
Income tax expense recognised in statement of profit or loss	**1,366**	-

32 Taxation (continued)

Income tax expense (continued)

Income tax reconciliation schedule as follows:

	2025 **AED'000**	2024 AED'000
Profits / (loss) subject to income tax	**9,262**	(9,854)
Income tax @ 9%	**834**	-
Tax effect of basic exemption limit	**(68)**	-
Tax effect of group taxation	**600**	-
Income tax expense	**1,366**	-
Effective tax rate	**15%**	-

33 Deferred tax disclosure

Based on the assessment conducted by Management as at 31 December 2025 and 31 December 2024, the Group does not have a material impact of deferred tax.

34 Subsequent events

Subsequent to the reporting date, geopolitical tensions in the Middle East have continued to evolve, including ongoing regional conflicts and heightened political uncertainty. These developments have increased volatility in global and regional financial markets and may, over time, affect economic conditions in the region. As at the date of approval of these financial statements, the Company continues to monitor developments in the region and will assess the potential impact, if any"

35 Approval of financial statements

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 30 March 2026.