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

Reports and financial statements
For the year ended 31 December 2024

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

General information

Principal office address:	Al Khaleej Building, P.O. Box: 5662 Ras Al Khaimah, U.A.E T: +971 7 228 0101 F: +971 7 228 8400		
Website:	www.kico.ae		
Board of Directors:	**Name**	**Designation**	**Nationality**
	H.E. Khalifa Yousif Alkhoori	Chairman	Emirati
	H.E. Alia Almazrouei	Vice Chairman	Emirati
	Mr. Ahmed Omar Balfaqeeh	Member	Emirati
	Ms. Shaikha Ali Alnuwais	Member	Emirati
	Mr. Nasser Alkhazraji	Member	Emirati
	Mr. Samer Katerji	Member	Lebanese
	Mr. Munther Aldajani (Resigned on 9th November 2024)	Member	Jordanian
Auditor:	Crowe Mak P.O. Box: 6747 Dubai, U.A.E		
Bankers:	Abu Dhabi Islamic Bank PJSC Commercial Bank of Dubai PSC Dubai Islamic Bank PJSC Emirates NBD Bank PJSC National Bank of Ras Al Khaimah PJSC		

Directors' report

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

Principal activities

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

Financial review:

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

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

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

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

Role of the Directors:

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

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Projections:

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

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

Implementation of projects and schemes:

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

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

Events after the end of the year:

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

Statement of Directors' responsibilities.

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

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

H.E. Khalifa Yousif Alkhoori

Chairman

06 March 2025

الخليج الإستثمارية ش.م.ع
AL KHALEEJ INVESTMENT P.S.C

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Crowe

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Ref: BN/A2769/March 2025

Independent auditor's report

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

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Valuation of the investment properties

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

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

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

Registered as Crowe Mak with the Department of Economic Development, Dubai (#101627) as a Civil Company
مـسـجـلـة باسـم كـرو مـاك لـدى دائـرة الـتـنـمـيـة الاقـتـصادية, دبي (# ١٠١٦٢٧) كـشـركـة مـدنية

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

Key Audit Matters (continued)

How our audit addressed the key audit matters

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

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

Other Information

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

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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

(a) We have obtained all the information we considered necessary for the purpose of our audit;

(b) The financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Companies Articles of Association, Memorandum of Association and U.A.E Federal Law No. 32 of 2021;

(c) The Company maintained proper books of account;

(d) The contents of the Directors' report which relates to the financial statements are in agreement with the Company's books of account;

(e) As disclosed in notes 9 and 11 to the financial statements, the Company has purchased or invested in shares during the year ended December 31, 2024;

(f) Note 14 to the financial statements reflects the disclosures relating to material related party transactions and the terms under which they were conducted, and

(g) Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the year ended December 31, 2024 any of the applicable provisions of the U.A.E Federal Law No. 32 of 2021, and the Memorandum and Articles of Association of the Company which would materially affect its activities or its financial position as at December 31, 2024.

Crowe Mak

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P.O.Box : 6747
DUBAI - UAE
CROWE MAK

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

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

Statement of financial position as at 31 December 2024

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

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

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

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

H.E. Khalifa Yousif Alkhoori	**Mr. Vikram Pradhan**
Chairman	Cheif Executive Officer

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

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

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AL KHALEEJ INVESTMENT P.S.C

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

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

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

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

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

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

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

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

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

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

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

Statement of cash flows for the year ended 31 December 2024

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

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

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

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

1 General information

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

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

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

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

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

2 Application of new and revised Standards

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

Impact of initial application of other amendments to IFRS standards

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

New and revised Standards	***Effective for annual periods beginning on or after***
Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2024
IFRS Sustainability Disclosure Standards	1 January 2024

2.2 New and revised Standards in issue but not yet effective

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

New and revised Standards	***Effective for annual periods beginning on or after***
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of assets between an investor and its Associates or Joint Venture:	Not yet effective
Amendments to IAS 21 Lack of exchangeability	1 January 2025
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

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

3 Material accounting policy information

3.1 Statement of compliance

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

3.2 Basis of preparation

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

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

Current/Non-current classification :

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

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

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

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

Fair value measurement :

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

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

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

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

The principal accounting policy is set out below.

3.3 Functional currency

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

3.4 Revenue recognition

Performance obligation

Rental income

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

Dividend income

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

3 Material accounting policy information (continued)

3.4 Revenue recognition (continued)

Interest income

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

3.5 Leases

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

The Company as lessor

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

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Company as lessee

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

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

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

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

3.6 Foreign currencies

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

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

3.7 Employee benefits

End of service indemnity

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

3.8 Taxation

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

3 Material accounting policy information (continued)

3.8 Taxation (continued)

Current tax

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

Deferred tax

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

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

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

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

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

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

Current and deferred tax for the year

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

3 Material accounting policy information (continued)

3.9 Property, plant and equipment

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

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

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

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

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

3.10 Investment properties at fair value

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

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

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

3.11 Intangible assets

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

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

	Useful lives
Computer software	5 years

3 Material accounting policy information (continued)

3.12 Impairment of tangible and intangible assets

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation reserve.

3.13 Provisions

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

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

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

3.14 Financial instruments

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

3.15 Financial assets

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

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

Classification of financial assets

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

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

3 Material accounting policy information (continued)

3.15 Financial assets (continued)

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

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

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

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

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

Impairment of financial assets

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

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

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

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

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

Cash and cash equivalents

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

Receivables

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

Derecognition of financial assets

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

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

3 **Material accounting policy information (continued)**

3.15 **Financial assets (continued)**

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

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

3.16 **Financial liabilities and equity instruments**

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

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

Financial liabilities measured subsequently at amortised cost

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

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

Derecognition of financial liabilities

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

Offsetting financial instruments

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

4 **Critical accounting judgements and key sources of estimation uncertainty**

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant judgements and estimates made by management that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

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

4.1 Critical judgements in applying accounting policies

Business model assessment

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

Classification of properties

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

4.2 Key sources of estimation uncertainty

Fair value measurement of financial instruments

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

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

Impairment of financial asset

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

Useful lives of property, plant and equipment

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

Fair value of investment properties

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

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

5 Property, plant and equipment

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

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

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

6 Leases (the Company as Lessee)

Right-of-use assets

Movement of the recognised right-of-use assets during the year:

	2024	2023
As at 31 December 2023	-	
Additions during the year	12,085	
As at 31 December 2024	**12,085**	
Charge for the year	113	
Carrying Amount		
As at 31 December 2024	**11,972**	
As at 31 December 2023	-	

7 Investment properties

	2024	2023
Fair value		
Plots of land located in U.A.E.	**11,201**	11,169
Buildings located in U.A.E.	**136,685**	197,653
	147,886	208,822
Balance at the beginning of the year	**208,822**	215,200
Additions	**-**	11,730
Disposals	**(61,095)**	(16,010)
Increase / (Decrease) in fair value of investment properties	**159**	(838)
Transfers to property, plant and equipment (Note 5)	**-**	(1,260)
Balance at the end of the year	**147,886**	208,822

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

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

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

- The Direct Comparison approach involves making adjustments to the sale price of comparable properties to account for differences in location, plot area and shape, potential built-up areas allowance, height allowance, date of sale, potential views and other characteristics.

- The Income Capitalisation approach involves capitalisation of net rental income, that is the income stream after deduction for the associated operating expenses of the property. The capitalisation rate adopted depends on the type of property, its location, its economic life and the quality, quantity and duration of the income stream.

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

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

7 Investment properties (continued)

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

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

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

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

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

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

8 Intangible assets

	Total
Cost	
As at 1 January 2023	417
Additions	133
As at 31 December 2023	550
Additions	57
As at 31 December 2024	**607**
Accumulated amortisation	
As at 1 January 2023	413
Amortisation expenses	4
As at 31 December 2023	417
Amortisation expenses	29
As at 31 December 2024	**446**
Carrying amount	
As at 31 December 2024	**161**
As at 31 December 2023	133

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

9 Investments carried at FVTOCI

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

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

10 Investments carried at amortised cost

Sukuk Issuers	Call Date/Maturity	%	2024	2023
ADIB Tier 1	July 18, 2028	7.25	9,916	9,916
Dubai Islamic Bank Tier 1	May 19, 2026	4.63	5,999	5,999
Arada Senior	June 8, 2027	8.13	2,901	2,901
Dar Al-Arkan Senior	Feb 26, 2027	6.88	2,227	2,227
Arab Republic of Egypt	July 18, 2028	6.20	-	724
			21,043	**21,767**

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

The geographical distribution of financial asset is as follows:

	2024	2023
In U.A.E	**18,816**	19,540
In Saudi Arabia	**2,227**	2,227
	21,043	21,767

11 Investments carried at FVTPL

	2024	2023
Equity - quoted	**30,593**	29,412

	2024	2023
Balance at the beginning of the year	**29,412**	33,495
Additions during the year	**133,414**	24,799
Disposals during the year	**(133,566)**	(19,764)
Increase/(Decrease) in fair value during the year	**1,333**	(9,118)
	30,593	29,412

The geographical distribution of financial asset is as follows:

	2024	2023
In U.A.E	**30,593**	29,412

12 Trade receivables

	2024	2023
Trade receivables	**6,512**	8,965
Less : Allowance for expected credit losses	**(4,750)**	(6,390)
	1,762	2,575

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

12 Trade receivables (continued)

Ageing analysis

31 December 2024	**30 days current**	**31 - 365 days**	**1 - 2 years**	**2 - 3 years**	**> 3 years**	**Total**
ECL rate	**-%**	**-%**	**-%**	**60%**	**100%**	
Est gross carrying amount at default	**147**	**666**	**728**	**556**	**4,415**	**6,512**
Lifetime ECL	**-**	**-**	**-**	**335**	**4,415**	**4,750**
						1,762

31 December 2023						
ECL rate	-%	-%	-%	97%	100%	
Est gross carrying amount at default	1,263	658	636	729	5,679	8,965
Lifetime ECL	-	-	-	711	5,679	6,390
						2,575

The movement in allowance for ECL is as follows:

Balance as at 1 January 2023	**6,400**
Reversal during the year	**(10)**
Balance as at 31 December 2023	**6,390**
Reversal during the year	**(1,640)**
Balance as at 31 December 2024	**4,750**

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

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

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

14 Related party balances and transactions

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

Related party transactions during the year		
Board of Directors fee	**162**	202

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

		2024	2023

14 Related party balances and transactions (continued)

b) Compensation of key management personnel

The remuneration of Directors and other members of key management personnel during the year was as follows:

	2024	2023
Short-term benefits	**263**	420
Board of Directors' remuneration	**1,400**	1,057
	1,663	1,477

15 Fixed deposits

	2024	2023
Fixed deposits	**117**	116

The above fixed deposits are held under lien for credit card facility granted by bank.

16 Cash and cash equivalents

	2024	2023
Cash on hand	**2**	-
Bank balances	**9,220**	4,077
Fixed deposits	**64,000**	2,500
	73,222	6,577

The bank balances are also subject to impairment requirements of IFRS 9, however, balances with banks are assessed to have low credit risk of default. Fixed deposit as of December 31, 2024 amounting to AED 64,000 (2023: 2,500) is having maturity of 3 months. During the year, the Company earned finance income of AED 183 (2023: AED 145).

17 Share capital

Authorised, issued and paid up share capital:

	2024	2023
105,000,000 shares of AED 1.00 each	**105,000**	105,000

18 Statutory reserve

	2024	2023
Balance at the beginning of the year	**52,500**	52,500
Balance at the end of the year	**52,500**	52,500

According to the Articles of Association of the Company and U.A.E Federal Law No. 32 of 2021,10% of annual net profits is allocated to the statutory reserve. The transfer to statutory reserve may be suspended, when the reserve reaches 50% of the paid-up capital. This reserve is not available for distribution.

19 Voluntary reserve

	2024	2023
Balance at the beginning of the year	**50,000**	50,000

The Company in earlier years has transferred up to 10% of the profits to the voluntary reserve. There were no transfers to voluntary reserve during the years 2024 and 2023.

20 Employees' end-of-service benefits

	2024	2023
Balance at the beginning of the year	**880**	939
Charge for the year	**180**	274
Payments during the year	**(196)**	(333)
Balance at the end of the year	**864**	880

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

		2024	2023
21	**Lease liabilities**		
	Lease liabilities recognized and maturity analysis:		
	Amount due for settlement within 12 months	**1,965**	
	Not later than 1 year (shown under current liabilities)	**1,965**	
	Amount due for settlement after 12 months	**9,409**	
	Later than 1 year and not later than 5 years	**9,409**	
		11,374	
	The movement in lease liabilities is as follows:		
	Additions during the year	**11,983**	
	Amortization of interest expense*	**33**	
	Repayment of lease liabilities	**(642)**	
	As at the end of the year	**11,374**	

*The Company uses 6% incremental borrowing rate as the discount rate for determining its lease liabilities at the lease commencement date.

		2024	2023
22	**Trade and other payables**		
	Trade payables	**119**	442
	Accrued expenses and other payables	**1,067**	1,086
	Contract liabilities - rent received in advance	**1,335**	1,791
	Corporate tax payable	**1,064**	-
	Tenants' refundable deposits	**860**	1,114
		4,445	4,433
23	**Revenue**		
	Disaggregation of revenue – over time		
	Property rentals	**16,969**	16,874
	Primary Geographical Markets		
	U.A.E	**16,969**	16,874
24	**Cost of revenue**		
	Salaries and related benefits	**1,351**	1,249
	Maintenance cost	**1,033**	820
	Utilities	**899**	1,004
	Government charges	**113**	54
	Insurance cost	**69**	79
	Cleaning expenses	**20**	218
	Advertising expenses	**10**	23
	Other direct cost	**63**	43
		3,558	3,490
25	**Results from Investments**		
	Realised gain on financial assets at FVTPL	**2,405**	878
	Gain / (loss) on financial assets at FVTPL (Note 11)	**1,333**	(9,118)
	Net gain / (loss) on financial investments at FVTPL	**3,738**	(8,240)

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

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

		2024	2023
26	**Other income**		
	Finance income	**1,740**	1,253
	Dividend income	**701**	1,609
	Gain on disposal of property, plant and equipment	**16**	-
	Other operating income - miscellaneous	**317**	206
		2,774	3,068
27	**General and administrative expenses**		
	Salaries	**3,483**	2,365
	Other employee benefits	**1,065**	988
	Legal, license and professional	**516**	393
	Director's expenses	**497**	314
	Government expenses	**236**	377
	Depreciation of property, plant and equipment (Note 5)	**214**	166
	Communication	**137**	134
	Depreciation of right-of-use assets (Note 6)	**113**	-
	Utilities	**74**	98
	Bank charges	**54**	177
	Printing and stationery	**47**	33
	Amortisation of intangible assets (Note 8)	**29**	4
	Insurance	**23**	16
	Repairs and maintenance	**14**	50
	Others	**218**	98
		6,720	5,213

28 **Income Tax**

Reconciliation of tax		
Current income tax expense	1,064	
Add : Deferred tax liability	134	
Net Income tax expense	**1,198**	
Reconciliation of accounting profit with taxable income		
Accounting profit for the year	12,471	
Less : Effect of standard exemption	(375)	
Less : Income not subject to tax	(701)	
Less : Income taxable on realisation basis	(1,492)	
Add : Non deductible expenditure	1,922	
Net taxable income	**11,825**	
Deferred tax asset / (liability)		
Income taxable on realisation basis	(134)	
	(134)	

29 **Basic earnings per share**

	2024	2023
Net profit for the year	11,273	1,902
Number of shares	105,000	105,000
Basic earnings per share	0.11	0.02

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

30 Financial instruments and risk management

Material accounting policy information

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

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

Categories of financial instruments

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

Fair value measurements

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

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

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

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

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

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

Financial risk management objectives

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

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

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

30 Financial instruments and risk management (continued)

Interest risk
Interest risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
At the reporting date, there is no significant interest rate risk as there are no borrowings at year end.

Market risk
The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.
Market risk exposures are measured using sensitivity analysis. There has been no change to the Company's exposure to market risks or the manner in which it manages and measures the risk.

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

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

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

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

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

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

As at 31 December 2024

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

30 Financial instruments and risk management (continued)

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

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

As at 31 December 2023

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

	Non Interest bearing			
Financial assets				
Trade receivables	-	2,575	-	**2,575**
Other receivables	-	4,125	-	**4,125**
Cash and cash equivalents	6,577	-	-	**6,577**
Investments carried at FVTOCI	-	-	1,802	**1,802**
Investments carried at FVTPL	-	29,412	-	**29,412**
	6,577	**36,112**	**1,802**	**44,491**
Financial liabilities				
Trade and other payables	-	2,642	-	**2,642**

Capital risk management

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

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

31 Segment reporting

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

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

	31 December 2024			31 December 2023		
	Real estate	**Investments**	**Total**	Real estate	Investments	Total
Revenue	**16,969**	**-**	**16,969**	16,874	-	16,874
Other (loss) / income	**1,521**	**6,180**	**7,701**	(881)	(5,389)	(6,269)
Results	**8,464**	**4,010**	**12,474**	8,857	(6,952)	1,905

* General and administrative expenses has been allocated to real estate and investment sector on a reasonable basis as 70: 30.

Assets	**249,875**	**51,752**	**301,627**	237,968	58,525	280,575
Liabilities	**16,819**	**-**	**16,819**	22,722	-	22,722

32 Uncertainty related to key estimates

Fair value of investments

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

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

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

	31 December 2024		**31 December 2023**	
	Changes in market prices %	**Effect on equity (fair value reserve)**	**Changes in market prices %**	**Effect on equity (fair value reserve)**
Market index				
Dubai Financial Market	+5%	-	+5%	90
	-5%	-	-5%	(90)

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

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

33 Contingent liabilities and capital commitments

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

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

34 Events after the reporting period

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