



Consolidated financial statements and independent auditors' report
Nuzul Holding B.S.C. (c)
For the year ended 31 December 2025

Contents

	Page
General information	1
Directors' report	2-4
Independent auditors' report	5-7
Consolidated statement of financial position	8
Consolidated statement of comprehensive income	9
Consolidated statement of changes equity	10
Consolidated statement of cash flows	11
Notes to the consolidated financial statements	12-34

General information

Commercial registration	:	57409-1 obtained on 9 July 2005
Directors	:	Ahmad Mohammadnoor M Al Tayeb Aisha Fahad S A. AlNuaimi Faisal Ali Issa Alfarsi Dana Abdulaziz F.H. Al Ansari Hani M A E GH AlAwadhi Tamer Elsayed Mohamed Abdelmoaty
Registered office	:	Flat 402, Building 655 Road 3614, Block 436 Al Seef Kingdom of Bahrain
Bankers	:	Al Salam Bank Kuwait Finance House
Auditors	:	Grant Thornton - Abdulaal P.O. Box 11175 12 th Floor, Al Nakheel Tower Seef District, Kingdom of Bahrain

Directors' report

The Board of Directors of Nuzul Holding B.S.C. (c) (the “Company”) and its subsidiaries (hereinafter referred to as the “Group”) has great pleasure in presenting the annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2025.

Principal activities

The Company is engaged in activities of holding companies.

Financial highlights

The total revenue of the Group for the year ended 31 December 2025 was USD3,453,516 as compared to previous year's revenue of USD4,863,334. The Group has incurred a loss of USD50,389 for the year ended 31 December 2025 as compared to a profit of USD1,823,853 for the year 2024.

Directors

The following served as the Directors of the Company during the year ended 31 December 2025:

Ahmad Mohammadnoor M Al Tayeb	- Chairman
Aisha Fahad S A. AlNuaimi	- Vice Chairperson
Faisal Ali Issa Alfarsi	- Director
Dana Abdulaziz F.H. Al Ansari	- Director
Hani M A E GH AlAwadhi	- Director
Tamer Elsayed Mohamed Abdelmoaty	- Director

Disclosure for remuneration of members of board of directors and executive management

First: Board of Directors' remuneration details:

Figures in USD

Name	Fixed remunerations				Variable remunerations				End-of-service award	Aggregate amount (Does not include expense allowance)	Expenses Allowance
	Proposed remunerations of the Chairman and BOD	Total allowance for attending Board and committee meetings	Others	Total	Remunerations of the Chairman and BOD	Incentive plans	Others	Total			
First: Independent Directors:											
1. Aisha Fahad S A. AlNuaimi	-	12,800	10,610	23,410	-	-	-	-	-	23,410	-
2. Faisal Ali Issa Alfarsi	-	17,200	10,610	27,810	-	-	-	-	-	27,810	-
Second: Non-Executive Directors:											
1. Ahmad Mohammadnoor Al Tayeb	-	5,600	-	5,600	-	-	-	-	-	5,600	-
2. Dana Abdulaziz F.H. Al Ansari	-	5,600	-	5,600	-	-	-	-	-	5,600	-
3. Hani M A E GH AlAwadhi	-	5,600	-	5,600	-	-	-	-	-	5,600	-
4. Tamer Elsayed Mohamed Abdelmoaty	-	12,800	10,610	23,410	-	-	-	-	-	23,410	-
Third: Executive Directors:											
1. N/A	-	-	-	-	-	-	-	-	-	-	-
Total	-	59,600	31,830	91,430	-	-	-	-	-	-	-

Second: Executive management remuneration details:

Figures in USD

Executive management	Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/ in kind remuneration for 2025	Aggregate Amount
Remuneration for top 6 executives including Managing Director/CEO/Chief Executive Officer and Senior Financial Officer	201,248	13,263	-	214,511

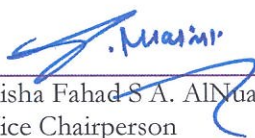
Nuzul Holding B.S.C. (c)

Auditors

The consolidated financial statements have been audited by Grant Thornton - Abdulaal who have expressed their willingness and considered themselves eligible for re-appointment.

The Directors take this opportunity to place on record their sincere appreciation to the staff for their loyalty and dedication, which has greatly helped to maintain the reputation and consolidated results of the Group.

On behalf of the Board of Directors


Ahmad Mohammadnoor M Al Tayeb
Chairman
Aisha Fahad S A. AlNuaimi
Vice Chairperson

Manama, Kingdom of Bahrain



Independent auditors' report

To the Shareholders of
Nuzul Holding B.S.C. (c)

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Nuzul Holding B.S.C. (c)** (the “**Company**”) and its subsidiaries (together the “**Group**”) which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2025, and its financial performance and its 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 Auditors' Responsibilities for the Audit of the 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 financial statements in the Kingdom of Bahrain, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

As disclosed in Note 10 to the financial statement which states that the wakala receivables in the amount of USD2,518,856 is registered in the name of the Parent Company and held for the beneficial interest of the Group. Our opinion is not modified in respect of this matter.

Other information

The Board of Directors is responsible for the other information. The other information obtained at the date of this auditors' report is the Directors' report set out on pages 2 to 4.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, 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.

Grant Thornton Abdulaal

PO Box 11175
12th Floor, Al Nakheel Tower
Seef District
Kingdom of Bahrain

T (+973) 17 500188

F (+973) 17 500199

[linkedin.com/company/grant-thornton-abdulaal/](https://www.linkedin.com/company/grant-thornton-abdulaal/)
[instagram.com/grantthornton_bahrain/](https://www.instagram.com/grantthornton_bahrain/)

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

The Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), and for such internal control as the 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, the 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 the 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.

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

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

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

We communicate with the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Bahrain Commercial Companies Law, we report that:
 - a) the Company has maintained proper accounting records and the financial statements are in agreement therewith;
 - b) the financial information contained in the Managements' report is consistent with the financial statements;
 - c) we are not aware of any violations during the year of the Commercial Companies Law, or the terms of the Company's Articles and Memorandum of Association that would have a material adverse effect on business of the Company or its financial position; and
 - d) satisfactory explanations and information have been provided to us by management in response to all our request.
2. As required by the Ministry of Industry and Commerce in its letter dated 30 January 2020 in respect of the requirements of Article 8 of Section 2 of Chapter 1 of the Corporate Governance Code, we report that the Company has:
 - a) a corporate governance officer; and
 - b) board approved written guidance and procedures for corporate governance.



Partner's Registration No. 198
19 May 2026
Manama, Kingdom of Bahrain

Consolidated statement of financial position

	Notes	31 December 2025 USD	31 December 2024 USD
Assets			
Non-current assets			
Plant and equipment	3	105,117	137,325
Right-of-use asset	4	9,314	37,253
Investment in associate	5	22,839,705	22,883,878
Investment properties	6	51,371,883	51,058,886
Advances paid towards investment property development	7	18,561,390	15,830,649
		92,887,409	89,947,991
Current assets			
Accounts and other receivables	8	404,705	3,307,452
Amount due from related party	9	31,585,615	31,585,615
Wakala receivables	10	2,518,856	3,340,196
Cash and cash equivalents	11	4,165,648	3,992,489
		38,674,824	42,225,752
Total assets		131,562,233	132,173,743
Equity and liabilities			
Equity			
Share capital	15	100,000,000	100,000,000
Statutory reserve	16	1,405,532	1,405,532
Accumulated losses		(37,206,254)	(37,023,469)
Equity attributable to shareholders of the parent		64,199,278	64,382,063
Non-controlling interests		11,482,246	11,349,850
		75,681,524	75,731,913
Liabilities			
Non-current liabilities			
Lease liability	13	-	9,734
Employees' benefits	14	374,940	367,545
		374,940	377,279
Current liabilities			
Amounts due to related parties	9	55,039,740	55,044,971
Accruals and other payables	12	458,722	993,789
Lease liability	13	7,307	25,791
		55,505,769	56,064,551
Total liabilities		55,880,709	56,441,830
Total equity and liabilities		131,562,233	132,173,743

These financial statements were approved by the Board of Directors and signed on its behalf by:


 Ahmad Mohammadnoor M Al Tayeb
 Chairman


 Aisha Fahad S.A. AlNuaimi
 Vice Chairperson

The accounting policies and the notes from pages 12 to 34 form an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

	Notes	Year ended 31 December 2025 USD	Year ended 31 December 2024 USD
Continuing operations			
Revenue	17	2,822,143	3,970,310
Cost of services	18	(2,041,622)	(2,063,219)
Gross profit		780,521	1,907,091
Change in fair value of investment properties	6	178,910	556,938
Reversal of impairment on advance towards investment properties	7	2,642,802	-
Other income	19	452,463	336,086
		4,054,696	2,800,115
Expenses			
Staff cost		(438,565)	(436,787)
General and administrative expenses	20	(606,673)	(502,194)
Write-off of other receivables	8	(2,984,085)	-
		(4,029,323)	(938,981)
Operating profit from continuing operations before amortization, depreciation and finance costs		25,373	1,861,134
Depreciation	3	(2,297)	(3,636)
Depreciation on right-of-use asset	4	(27,939)	(27,939)
Finance costs of lease liability		(1,353)	(1,899)
		(31,589)	(33,474)
(Loss)/profit from continuing operations		(6,216)	1,827,660
Loss from discontinued operations	5	(44,173)	(3,807)
(Loss)/profit for the year		(50,389)	1,823,853
Attributable to:			
Shareholders of the Company		(182,785)	1,579,575
Non-controlling interests		132,396	244,278
		(50,389)	1,823,853

These financial statements were approved by the Board of Directors and signed on its behalf by:


 Ahmad Mohammadnoor M Al Tayeb
 Chairman


 Aisha Fahad S Al Nuaimi
 Vice Chairperson

The accounting policies and the notes from pages 12 to 34 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

	Share capital	Statutory reserve	Accumulated losses	Equity attributable to equity holders of the parent	Non-controlling interests	Total
	USD	USD	USD	USD	USD	USD
At 1 January 2024	100,000,000	1,247,574	(38,445,086)	62,802,488	11,105,572	73,908,060
Profit for the year	-	-	1,579,575	1,579,575	244,278	1,823,853
Transfer to statutory reserve	-	157,958	(157,958)	-	-	-
At 31 December 2024	100,000,000	1,405,532	(37,023,469)	64,382,063	11,349,850	75,731,913
At 1 January 2025	100,000,000	1,405,532	(37,023,469)	64,382,063	11,349,850	75,731,913
Loss for the year	-	-	(182,785)	(182,785)	132,396	(50,389)
At 31 December 2025	100,000,000	1,405,532	(37,206,254)	64,199,278	11,482,246	75,681,524

The accounting policies and the notes from pages 12 to 34 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

	Note	Year ended 31 December 2025 USD	Year ended 31 December 2024 USD
Operating activities			
Profit for the year		(50,389)	1,823,853
Adjustments for:			
Depreciation	3	87,440	101,466
Depreciation on right-of-use asset	4	27,939	27,939
Write off	8	2,984,085	-
Change in fair value of investment properties	6	(178,910)	(556,938)
Share of loss from discontinued operations	5	44,173	3,807
Provision for employees' benefits	14	7,395	11,092
Interest income	19	(235,621)	(307,415)
Reversal of impairment on advance towards investment properties	7	(2,642,802)	-
Finance costs on lease liability		1,353	1,899
Operating profit before working capital changes		44,663	1,105,703
Changes in operating assets and liabilities:			
Change in accounts and other receivables		(81,338)	(1,088,416)
Change in amounts due to related parties		(5,231)	(2,333)
Change in accruals and other payables		(535,067)	290,688
Payments of employees' benefits	14	-	(17,284)
Net cash (used in)/from operating activities		(576,973)	288,358
Investing activities			
Additions to investment properties	6	(134,087)	(40,844)
Advance payments for investment property	7	(87,939)	-
Additions to plant and equipment	3	(55,232)	(38,300)
Movement in wakala receivables	10	821,340	311,546
Interest income received	19	235,621	307,415
Interest paid on lease liability		(1,353)	(1,899)
Net cash from investing activities		778,350	537,918
Financing activities			
Repayment of lease liability		(28,218)	(27,671)
Net cash used in financing activities		(28,218)	(27,671)
Net change in cash and cash equivalents		173,159	798,605
Cash and cash equivalents, beginning of year		3,992,489	3,193,884
Cash and cash equivalents, end of year	11	4,165,648	3,992,489

The accounting policies and the notes from pages 12 to 34 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

31 December 2025

1. Organisation and nature of operations

Nuzul Holding B.S.C. (c) (the “Company”) is a Bahrain Shareholding Company (closed) registered in the Kingdom of Bahrain with the Ministry of Industry and Commerce under commercial registration number 57409-1 obtained on 9 July 2005.

The Company is engaged in activities of holding companies.

The Company is a subsidiary of Barwa Real Estate Company Q.S.C. (the “Parent company”).

The consolidated financial statements for the year ended 31 December 2025 were approved by the Board of Directors on 19 May 2026.

The Company’s registered office is situated in the Kingdom of Bahrain.

The Group comprises the Company and its subsidiaries and associate:

Subsidiaries	Country of incorporation	Ownership interest	Year end	Principal activity
Nuzul Al Manama Holding W.L.L.	Kingdom of Bahrain	99.75%	31 December	Holding company 60% shareholder of Nuzul Masaken Real Estate Development B.S.C. (c).
Nuzul Masaken Real Estate Development B.S.C. (c)	Kingdom of Bahrain	60%	31 December	Owns and operates a property in the Kingdom of Bahrain as serviced apartments.
Nuzul Touristic Investment Company S.P.C.	State of Qatar	100%	31 December	Under liquidation
Associate	Country of incorporation	Ownership interest	Year end	Principal activity
Nuzul Qatar Limited Company W.L.L.	State of Qatar	50%	31 December	Property rental and management services, trading in hotel furniture, trading in foodstuffs, and food and beverage catering services.

2. Summary of material accounting policies

2.1 Basis of preparation

The Group’s consolidated financial statements have been prepared on an accrual basis under historical cost, except for investment properties, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which are stated at their fair values. The Group’s consolidated financial statements are presented in United State Dollar. All values are rounded to the nearest United State Dollar.

2.2 New or revised Standards or Interpretations

New Standards adopted as at 1 January 2025

Amendment to existing Standards which have become effective from 1 January 2025 and have therefore been adopted do not have a significant impact on the Company's financial results or position.

Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Group

At the date of authorisation of these financial statements, several new, but not yet effective, standards and amendments to existing standards, and interpretations have been published by the IASB or IFRIC. None of these standards or amendments to existing standards have been adopted early by the Company and no interpretations have been issued that are applicable and need to be taken into consideration by the Company at either reporting date.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 'Presentation of Financial Statements'. Although IFRS 18 includes many of the requirements of IAS 1, it introduces new requirements to better structure financial statements and to provide more detailed and useful information to investors, including:

- two new subtotals defined in the statement of profit or loss, namely (1) operating profit and (2) profit or loss before financing and income taxes
- the classification of all income and expenses within the statement of profit or loss in one of five categories
- a new requirement to disclose performance measures defined by management, and
- an improvement in the principles related to the aggregation and disaggregation of information in the financial statements and accompanying notes.

Some of the disclosure requirements previously contained in IAS 1 have been transferred to IAS 8 without any material changes. This applies in particular to disclosures on accounting policies and sources of estimation uncertainty. As a result of these changes, IAS 8 will be renamed 'Basis of Preparation of Financial Statements'.

The publication of IFRS 18 also results in consequential amendments to other IFRS Accounting Standards, including IAS 7. IFRS 18 is effective for annual periods beginning on or after 1 January 2027, with earlier application permitted. IFRS 18 will be applied retrospectively with specific transitional provisions.

The Company is currently working to identify all of the impacts that IFRS 18 will have on the primary financial statements and notes to the financial statements.

Other new Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

2.3 Basis of consolidation

The Group's financial statements consolidate those of the parent company and all of its subsidiaries at 31 December 2025. All subsidiaries have a reporting date of 31 December. All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

2.4 Investments in associates

Associates are those entities over which the Group is able to exert significant influence, but which are neither subsidiaries nor interest in a joint venture. Investments in associates are initially recognised at cost and subsequently accounted for using the equity method. Any goodwill or fair value adjustment attributable to the Group's share in the associate is included in the amount recognised as investment in associates.

All subsequent changes to the Group's share of interest in the equity of the associate are recognised in the carrying amount of the investment. Changes resulting from the profit or loss generated by the associate are reported within 'Share of profit from associates in the statement of comprehensive income. Changes resulting from other comprehensive income of the associate or items recognised directly in the associate's equity are recognised in other comprehensive income or equity of the Group, as applicable.

However, when the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the investor resumes recognising its share of those profits only after its share of the profits exceeds the accumulated share of losses that has previously not been recognised.

Unrealised gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment losses from a Group perspective.

Amounts reported in the financial statements of associates entities have been adjusted where necessary to ensure consistency with the accounting policies of the Group.

2.5 Plant and equipment

Plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Notes to the consolidated financial statements for the year ended 31 December 2025

The cost of the plant and equipment includes the cost of bringing them to their present location and condition. The cost of replacing part of an item of plant and equipment is recognised in carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. All other costs are recognised in the consolidated statement of comprehensive income as expenditure incurred. Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of plant and equipment. The following useful lives are applied:

Office equipment	3-5 years
Motor vehicle	5 years

Gains or losses arising on the disposal of plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in consolidated statement of comprehensive income within 'other income' or 'other expenses'.

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

2.6 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation, and are accounted for using the fair value model.

Investment properties are revalued annually with resulting gains and losses recognised in the statement of comprehensive income and is included in the statement of financial position at their fair values (Note 6).

2.7 Impairment of non- financial assets

The carrying amount of the Group's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its estimated recoverable amount. Recoverable amount is higher of fair value less cost to sell and value in use. All impairment losses are recognised in the consolidated statement of comprehensive income. Impairment losses are reversed only if there is an indication that the impairment loss may no longer exist and there has been change in the estimates used to determine the recoverable amount.

2.8 Cash and cash equivalents

For the purpose of consolidated statement of cash flows, cash and cash equivalents comprise of cash in hand, bank balances and short-term deposits.

2.9 Provisions

Provisions are recognised by considering an obligation of the Group as on date resulting from past events, and where it is probable that such obligation will result in outflow of economic resources and amount can be reliably estimated.

2.10 Employees' benefits

Employees' benefits and entitlements to annual leave, air passage and other short-term benefits are recognized as they accrue to the employees.

The Company contributes to the pension scheme for Bahraini nationals administered by the Social Insurance Organisation (SIO). The Company's share of contribution to this funded scheme which is a defined contribution scheme is recognised as an expense in the statement of comprehensive income.

The expatriate employees of the Company are paid leaving indemnity in accordance with the provisions of the Bahrain Labour Law for private sector 2012 (as amended), based on length of service and final salary. Provision for this, which is unfunded, and which represent a defined benefit plan has been made by calculating the notional liability had all employees left at the reporting date.

Effective 1 March 2024, all Bahrain- based employers are required to make monthly contributions in relation to the expatriate indemnity to SIO, who would be responsible to settle leaving indemnities for expatriates at the time of end of service. Any indemnity liability prior to 1 March 2024 and pending transfer to the SIO in subsequent periods remains the obligation of the Company.

2.11 Revenue recognition

Revenue arises mainly from the rental income.

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

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

The Group often enters into transactions involving a range of the Group's products and services. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Rental income is recognised in the period in which it is related.

2.12 Equity

Share capital represents the nominal (par) value of shares that have been issued.

Other components of equity include the following:

- Statutory reserve: is required by the Bahrain Commercial Companies Law and the Company's articles of association. 10% of the profit for the year should be transferred to statutory reserve every year. The Company may resolve to discontinue such annual transfers when the reserve totals 50% of the issued and paid-up share capital. The reserve cannot be utilised for the purpose of a distribution except in such circumstances as stipulated in the Bahrain Commercial Companies Law.
- Accumulated losses include all current and prior period accumulated losses.

All transactions with owners of the parent are recorded separately within equity.

2.13 Other income

Other income is recognised on an accrual basis or when the Group's right to receive payment is established.

2.14 Operating expenses

Operating expenses are recognised in the consolidated statement of comprehensive income upon utilisation of the service or as incurred.

2.15 Financial instruments

Recognition and derecognition

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

a. Financial assets

Classification and initial measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs, except for those accounts receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost,
- fair value through profit or loss (FVTPL), or
- fair value through other comprehensive income (FVOCI).

In the periods presented the Group's quoted securities and unquoted securities are categorised as FVOCI and investment is funds are categorised as FVTPL.

The classification is determined by both:

- the entity's business model for managing the financial asset, and
- the contractual cash flow characteristics of the financial asset.

Financial assets are not reclassified subsequent to their initial recognition unless the Company 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.

All income and expenses relating to financial assets that are recognised in the consolidated statement of comprehensive income are presented within finance costs, finance income or other financial items, except for impairment of accounts receivables which is presented separately in the consolidated statement of comprehensive income.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

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

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, amount due from related party, wakala receivables and accounts and other receivables fall into this category of financial instruments. The net carrying values of cash and cash equivalents, amounts due from related party, wakala receivables and accounts and other receivables are considered to be a reasonable approximation of fair value.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at fair value through other comprehensive income (FVOCI)

The Group accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is "hold to collect" the associated cash flows and sell, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the consolidated financial statements for the year ended 31 December 2025

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses - the 'expected credit loss (ECL) model'.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Accounts and other receivables

The Group makes use of a simplified approach in accounting for accounts and other receivables and records the loss allowance as 12 month expected credit loss and lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of accounts receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due. Refer to Note 22(d) for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

b. Financial liabilities

Classification and measurement of financial liabilities

The Group's financial liabilities includes amounts due to related parties, accruals and other payables and lease liability. The net carrying values of amounts due to related parties, accruals and other payables and lease liability are considered to be a reasonable approximation of fair value. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through the statement of comprehensive, if any. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for financial liabilities designated at fair value through the statement of comprehensive, which are carried subsequently at fair value with gains or losses recognised in the statement of comprehensive. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the statement of comprehensive income are included within finance costs or finance income.

2.16 Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the consolidated financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

a. Significant management judgments

During the year, there were no judgements made by management in applying the accounting policies of the Group that had a significant effect on the consolidated financial statements.

b. Estimation uncertainty

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

Useful lives and residual values of depreciable assets. The Company reviews the useful life and residual value of the property, plant and equipment at each reporting date to determine whether an adjustment to the useful life and residual value is required. The useful life and residual value is estimated based on the similar assets of the industry, and future economic benefit expectations of the management.

Fair value measurement. Management uses valuation techniques to determine the fair value of financial instruments and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the asset. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (Note 21).

Leases - determination of the appropriate discount rate to measure lease liability. The Group enters into leases with third-party landlords and as a consequence the rate implicit in the relevant lease is not readily determinable. Therefore, the Group uses its incremental borrowing rate as the discount rate for determining its lease liability at the lease commencement date. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over similar terms which requires estimations when no observable rates are available.

3. Plant and equipment

	Office equipment	Motor vehicle	2025 Total	2024 Total
	USD	USD	USD	USD
Cost				
At 1 January	4,812,111	152,804	4,964,915	4,926,615
Additions	55,232	-	55,232	38,300
At 31 December	4,867,343	152,804	5,020,147	4,964,915
Accumulated depreciation				
At 1 January	4,674,786	152,804	4,827,590	4,726,124
Charge for the year	87,440	-	87,440	101,466
At 31 December	4,762,226	152,804	4,915,030	4,827,590
Net book value				
At 31 December 2025	105,117	-	105,117	-
At 31 December 2024	137,325	-	-	137,325

Out of the total depreciation of USD87,440 (2024: USD101,466), USD85,143 (2024: USD97,830) is, included under cost of operations and USD2,297 (2024: USD3,636) included as depreciation in the statement of comprehensive income.

4. Right-of-use asset

	2025 Total	2024 Total
	USD	USD
Gross carrying amount		
At 1 January	178,518	122,641
Additions	-	55,877
At 31 December	178,518	178,518
Accumulated depreciation		
At 1 January	141,265	113,326
Charge for the year	27,939	27,939
At 31 December	169,204	141,265
Net carrying amount		
At 31 December 2025	9,314	-
At 31 December 2024	-	37,253

It represents office premises obtained on lease from May 2024 for the period of 2 years which expires on April 2026.

5. Investment in associate

	2025 USD	2024 USD
At 1 January	22,883,878	22,887,685
Share of loss	(44,173)	(3,807)
At 31 December	22,839,705	22,883,878

Set out below are the details of the associate held directly by the Group:

Name of the Associate	Principal activities	Country	2025 Holding %	2024 Holding %
Nuzul Qatar Limited Company W.L.L.	Real estate	Qatar	50	50

The Group owns 50% of equity interest in Nuzul Qatar Limited Company W.L.L. The investments are accounted for under the equity method. The associate has a reporting date of 31 December 2025.

Summarised financial information for Nuzul Qatar Limited Company W.L.L. is set out below:

	2025 USD	2024 USD
Current assets	62,481,009	62,571,505
Current liabilities	16,803,482	16,803,700
Net assets	45,677,527	45,767,805
Other income	-	-
Net loss	(88,342)	(7,616)

A reconciliation of the above summarized financial information to the carrying amount of the investment in Nuzul Qatar Limited Company W.L.L. is set out below:

	2025 USD	2024 USD
Total net assets of Nuzul Qatar Limited Company W.L.L.	45,677,527	45,767,805
Proportion of ownership interest held by the Company	50%	50%
Carrying amount of the investment at 31 December	22,839,705	22,883,878

The associate has ceased its operations, and it is presently undergoing the process of liquidation.

6. Investment properties

Investment properties include real estate properties in the Kingdom of Bahrain and in the kingdom of Saudi Arabia, which are owned to earn rentals and for capital appreciation.

Note 21 sets out how the fair value of the investment property has been determined.

Changes to the carrying amounts are as follows:

	Lands and buildings 2025	Lands and buildings 2024
	USD	USD
At 1 January	51,058,886	50,461,104
Additions	134,087	40,844
Unrealized gain of fair value measurement	178,910	556,938
At 31 December	51,371,883	51,058,886

Analysis of investment properties:

	2025 Total	2024 Total
	USD	USD
Mysk Al Fateh	24,615,385	24,827,587
2 floors in Jawar Building	26,756,498	26,231,299
	51,371,883	51,058,886

The Group had obtained a valuation of its investment properties from an independent real estate valuer as at 31 December 2025.

Investment properties are either leased to third parties on operating leases or are vacant. Rental income of USD2,543,021 (2024: USD3,602,512) is shown within the operating income.

7. Advances paid towards investment property development

	2025 USD	2024 USD
Advances paid towards investment property development	42,346,606	42,258,667
Less: Provision for expected credit losses	(23,785,216)	(26,428,018)
	18,561,390	15,830,649

Notes to the consolidated financial statements for the year ended 31 December 2025

The movement in allowance for expected credit losses in respect of advances paid towards investment property development during the year was as follows:

	2025 USD	2024 USD
At 1 January	26,428,018	26,428,018
Reversal for the year	(2,642,802)	-
At 31 December	23,785,216	26,428,018

Advances paid towards investment property development represent amounts paid to a developer for the construction of four floors in Burj Al Jawar (“the Tower”), located in Mecca, Kingdom of Saudi Arabia.

During 2012, development of the Tower was suspended due to legal issues related to obtaining the required licences. Consequently, the Group initiated legal proceedings in the Saudi Arabian courts against the developer to recover the advances paid. As the matter remained under litigation, a provision was recognised against these advances in prior years.

During the year, the dispute between the Group and the developer was resolved. A tripartite agreement is currently in the process of being finalised to appoint a new contractor to complete the construction, following the Group’s successful obtaining of the required permits to resume development of the remaining floors.

In light of the resolution of the dispute and the receipt of the necessary construction permits, management recognised a partial reversal of provision amounting to USD2,642,802 during the year.

8. Accounts and other receivables

	2025 USD	2024 USD
Accounts receivables, gross	254,282	125,337
Other receivables (i)	2,984,085	2,984,085
Less: Write off (i)	(2,984,085)	-
Deposits	3,448	3,448
Financial assets	257,730	3,112,870
Advances to suppliers	56,226	52,777
Other assets	27,251	84,037
Prepaid expenses	63,498	57,768
Non-financial assets	146,975	194,582
Accounts and other receivables	404,705	3,307,452

All amounts are short-term. The net carrying value of accounts and other receivables is considered to be a reasonable approximation of fair value.

(i) Other receivables in the amount of USD2,984,085 (2024: USD2,984,085) pertain to in-kind rental income related to the settlement agreed on Burj Aljawar in Mecca (Note 7). During the year, the Group wrote off the entire balances as these were assessed to be no longer recoverable.

Notes to the consolidated financial statements for the year ended 31 December 2025

All of the Group's accounts and other receivables in the comparative periods have been reviewed for indicators of impairment.

Note 22(d) includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses. Both the current and comparative impairment provisions apply the IFRS 9 expected loss model.

9. Related party balances and transactions

The Group's related parties include its Directors, key management, Shareholders, their close relatives and businesses under their control. The Group's transactions with related parties are in the ordinary course of business.

9.1 Related party balances:

Amount due from related party

Name of related party	Nature of relationship	2025 USD	2024 USD
Nuzul Qatar Limited Company W.L.L.	Associate	<u>31,585,615</u>	<u>31,585,615</u>

Amount due from related party is unsecured, earns no interest and has no fixed repayment terms.

The net carrying value of amount due from related party is considered to be a reasonable approximation of fair value.

Amounts due to related parties

Name of related party	Nature of relationship	2025 USD	2024 USD
Nuzul Qatar Limited Company W.L.L.	Associate	14,812,046	14,812,046
Barwa Real Estate Company Q.S.C	Parent Company	40,227,694	40,232,925
		<u>55,039,740</u>	<u>55,044,971</u>

Amounts due to related parties are unsecured, bear no interest and have no fixed repayment terms.

The net carrying value of amounts due to related parties is considered to be a reasonable approximation of fair value.

The intercompany balances with related parties, Barwa Real Estate Company and Nuzul Qatar Limited Company, together with the investment in associate (Note 5), are linked. Upon the anticipated 2026 completion of Nuzul Qatar Limited Company's liquidation, these balances shall be netted. The resulting net payable to Barwa Real Estate Company will be USD 614,020.

9.2 Related party transactions:

The following are the related party transactions:

Name of the related party	Nature of relationship	Nature of transactions	2025 USD	2024 USD
Nuzul Qatar Limited Company W.L.L.	Associate	Share of loss from associate	(44,173)	(3,807)

9.3 Compensation of key management personnel:

Key management of the Group are the executive members of Group's board of directors, members of the executive management and non-executive directors. Key management personnel compensation includes the following expenses:

	2025 USD	2024 USD
Salaries and benefits	<u>214,511</u>	<u>215,696</u>

10. Wakala receivables

The Group's Wakala receivables carry a profit rate of 3.85% per annum (2024: 4.75% per annum). The maturity of the Wakala receivables is on 26 January 2026.

The wakala receivables is registered in the of the Parent Company and held for the beneficial interest of the Group.

11. Cash and cash equivalents

	2025 USD	2024 USD
Cash in hand	8,530	4,099
Bank balances	1,741,829	1,710,366
Short term deposits	<u>2,415,289</u>	<u>2,278,024</u>
	<u>4,165,648</u>	<u>3,992,489</u>

Short term deposits are placed with the Group's bankers, earn interest at a rate of 4.18% and 4.3% (2024: 4.9 and 5.7%) per annum with original maturity of less than 3 months.

There are no restrictions on bank balances and short-term deposits at the time of approval of the consolidated financial statements.

12. Accruals and other payables

	2025 USD	2024 USD
Accrued expenses	335,710	315,578
Other payables	<u>123,012</u>	<u>678,211</u>
	<u>458,722</u>	<u>993,789</u>

All amounts are short-term. The carrying values of accruals and other payables are considered to be a reasonable approximation of fair values.

13. Lease liability

Lease liability is presented in the consolidated statement of financial position as follows:

	2025 USD	2024 USD
Current	7,307	25,791
Non-current	-	9,734
	7,307	35,525

The Group has lease for the office premises. With the exception of short-term leases and leases of low-value underlying asset, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and asset. The Group classifies its right-of-use assets in a consistent manner to its consolidated Statement of financial position.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying leased asset outright at the end of the lease, or to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office premises the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must insure items of right-of-use asset and incur maintenance fees on such items in accordance with the lease contracts.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on the statement of financial position:

Right-of-use asset	No. of right-of-use assets leased	Range of remaining term	Average remaining lease term	No. of leases with extension options	No. of leases with termination options
Office premise	1	2 years	1 year	1	-

Contractual undiscounted lease payments at 31 December were as follows:

	Minimum lease payments due		
	Within 1 year	1-2 years	Total
	USD	USD	USD
31 December 2025			
Lease payments	7,393	-	7,393
Finance charges	(86)	-	(86)
Net present values	7,307	-	7,307
31 December 2024			
Lease payments	27,108	9,856	36,964
Finance charges	(1,317)	(122)	(1,439)
Net present values	25,791	9,734	35,525

14. Employees' benefits

The movement in leaving indemnity liability applicable to expatriate employees is as follows:

	2025 USD	2024 USD
At 1 January	367,545	373,737
Amounts provided for the year	7,395	11,092
Amounts paid during the year	-	(17,284)
At 31 December	374,940	367,545

The number of expatriate staff employed by the Group at 31 December 2025 was 23 (2024: 23).

15. Share capital

The share capital of the Company consists of 100,000,000 shares (2024: 100,000,000 shares) of USD1 each (2024: USD1 each), authorised, issued and fully paid up.

	Number of shares	%	Amount USD
Barwa Real Estate Company Q.S.C.	49,000,000	49.00	49,000,000
Gulf Bank K.S.C.	10,000,000	10.00	10,000,000
General Retirement and Pension Authority	9,345,794	9.35	9,345,794
Social Protection Fund	7,228,084	7.23	7,228,084
Boubyan Bank K.S.C.	6,520,354	6.52	6,520,354
General Authority for Minors Affairs	4,000,000	4.00	4,000,000
Agar International Holdings Limited	3,539,823	3.54	3,539,823
The First Investor Company Q.S.C.	3,000,000	3.00	3,000,000
Fermor Investment Limited	1,769,910	1.77	1,769,910
Ghazi Abdulla Ahmed Nass	1,100,000	1.10	1,100,000
Others	4,496,035	4.51	4,496,035
	100,000,000	100	100,000,000

16. Statutory reserve

Under the provisions of the Bahrain Commercial Companies Law, an amount equivalent to 10% of the Group's profit for the year before appropriations is required to be transferred to a non-distributable reserve account up to a minimum of 50% of the issued share capital. No transfer has been made to this reserve during the year as the Group incurred a loss (2024: USD157,958).

17. Revenue

	2025 USD	2024 USD
Rental income	2,543,021	3,602,512
Service charge	279,122	367,798
	2,822,143	3,970,310

18. Cost of services

	2025 USD	2024 USD
Staff cost	749,400	747,313
Electricity and water charges	395,717	367,573
Housekeeping expenses	222,480	130,578
Management and marketing fees	128,214	174,997
Agency commissions	110,193	136,210
Depreciation (Note 3)	85,143	97,830
Food and beverages	64,884	72,260
Telephone charges	49,991	51,016
Repairs and maintenance	39,348	78,440
Bank charges	1,418	28,318
Other direct expenses	194,834	178,684
	2,041,622	2,063,219

19. Other income

	2025 USD	2024 USD
Interest income	235,621	307,415
Miscellaneous income	216,842	28,671
	452,463	336,086

20. General and administrative expenses

	2025 USD	2024 USD
Legal and professional fees	217,600	364,613
Pre-opening expenses	213,661	-
Director sitting fees and other related expenses	91,430	82,030
Miscellaneous expenses	83,982	55,551
	606,673	502,194

21. Fair value measurement

Fair value measurement of non-financial instruments

Non-financial assets and non-financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

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

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The following table shows the levels within the hierarchy of non-financial assets measured at fair value on a recurring basis:

	Note	Level 1 USD	Level 2 USD	Level 3 USD	2025 Total USD
Investment properties					
Mysk Al Fateh	A	-	-	24,615,385	24,615,385
2 floors in Jawar Building	B	-	-	26,756,498	26,756,498
Total		-	-	51,371,883	51,371,883
	Note	Level 1 USD	Level 2 USD	Level 3 USD	2024 Total USD
Investment properties					
Mysk Al Fateh	A	-	-	24,827,587	24,827,587
2 floors in Jawar Building	B	-	-	26,231,299	26,231,299
Total		-	-	51,058,886	51,058,886

The fair value of the Group's properties is estimated based on appraisals performed by independent, professionally-qualified property valuers. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the Board of directors at each reporting date.

Further information is set out below.

a) Mysk Al Fateh

The fair value of the hotel is estimated using an income approach which capitalizes the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields implied by recent transactions in similar properties. When actual rent differs materially from the estimated rent, adjustments have been made to the estimated rental value. The estimated rental stream takes into account current occupancy level, estimates of future vacancy levels, the terms of in-place leases and expectations for rentals from future leases over the remaining economic life of the hotel. The hotel is revalued annually on 31 December 2025.

The most significant inputs, all of which are unobservable, are the estimated rental value, assumptions about vacancy levels, and the discount rate. The estimated fair value increases if the estimated rental increases, vacancy levels decline or if discount rate (market yields) decline.

The overall valuations are sensitive to all three assumptions. Management considers the range of reasonably possible alternative assumptions is greatest for rental values and vacancy levels and that there is also an interrelationship between these inputs.

The reconciliation of the carrying amounts investment properties classified within Level 3 is set out in Notes 6.

b) 2 floors in Jawar Building

The appraisals were carried out using a market approach that reflects observed prices for recent market transactions for similar properties and incorporates adjustments for factors specific to the floors, including plot size, location, encumbrances and current use. The floors were revalued on 31 December 2025.

The significant unobservable input is the adjustment for factors specific to the floors. The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as the starting point for valuations. Although this input is a subjective judgement, management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions.

22. Financial assets and liabilities and risk management

The Group's principal financial instruments comprise of cash and cash equivalents, wakala receivables, accounts and other receivables, amount due from related party, accruals and other payables, amounts due to related parties and lease liability.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board of Directors reviews and approves policies for managing each of these risks, which are summarized below.

*Notes to the consolidated financial statements for the year ended 31 December 2025***a. Interest rate risk**

The Group's policy is to minimize interest rate risk exposures on financial instruments. The Company is not exposed to the risk for changes in market interest rates since the Company has fixed interest bearing financial assets and financial liabilities.

b. Liquidity risk

Liquidity risk is the risk arising from the Group not being able to meet its obligations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents.

The following table shows the contractual maturities of financial liabilities, including interest payments, if any, as at 31 December 2025:

Particulars	Carrying amount	Contractual Undiscounted Cashflows	Less than 1 year
	USD	USD	USD
Accruals and other payables	458,722	458,722	458,722
Amounts due to related parties	55,039,740	55,039,740	55,039,740
Total			55,498,462

The following table shows the contractual maturities of financial liabilities, including interest payments, if any, as at 31 December 2024:

Particulars	Carrying amount	Contractual Undiscounted Cashflows	Less than 1 year
	USD	USD	USD
Accruals and other payables	993,789	993,789	993,789
Amounts due to related parties	55,044,971	55,044,971	55,044,971
Total			56,038,760

The contractual undiscounted cash flows of lease liabilities is separately disclosed in Note 13 to the financial statements

c. Foreign currency risk

The Group's primary exposure to the risk in changes in foreign currency relates to the transactional currency exposures. Such exposure arises when the transaction is denominated in currencies other than the functional currency of the operating unit or the counterparty.

The Group manages this risk by maintaining foreign currency bank accounts, which are used for foreign currency transactions to minimize the impact of foreign exchange fluctuations.

*Notes to the consolidated financial statements for the year ended 31 December 2025***d. Credit risk**

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to credit risk from financial assets including bank balances, short term deposit, amount due from related party and accounts and other receivables.

The table below shows the gross maximum exposure to the Group's credit risk, without considering the effects of collateral and credit enhancements as at 31 December:

	2025 USD	2024 USD
Accounts and other receivables	257,730	128,785
Amount due from related party	31,585,615	31,585,615
Short term deposit	2,415,289	2,278,024
Bank balances	1,741,829	1,710,366
	36,000,463	35,702,790

Credit risk management

The credit risk is managed on a group basis based on the Group's credit risk management policies and procedures.

The credit risk in respect of cash balances held with banks with banks are managed by dealing with major reputable financial institutions.

The credit risk in respect of amount due from related party is assessed based on the related parties' ability to repay the amount. It is Management's assessment that the credit risk is low.

The Group policy is to deal only with recognized, creditworthy counterparties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. A regular annual review and evaluation of these accounts are carried out to assess the credit standing of the customers.

Security

Accounts receivables consist of a large number of customers in various industries. The Group does not hold any security on the accounts receivable balances at each annual reporting.

Accounts receivables

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all accounts receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the accounts and other receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

The expected loss rates are based on the payment profile for sales over the past 24 months before 31 December 2025 and 31 December 2024 respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

On the above basis the expected credit loss for accounts receivables as at 31 December 2025 and 2024 were not material to the consolidated financial statements.

23. Capital management policies and procedures

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize Shareholders' value.

Equity comprises share capital, statutory reserve, accumulated losses and non-controlling interest and is measured at USD75,681,524 as at 31 December 2025 (2024: USD75,731,913).

24. Post-reporting date 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, overtime, affect economic conditions in the region. As at the date of approval of the financial statements, the Group continues to monitor developments in the region and will assess the impact, if any.

25. Comparative figures

Comparative figures for the previous year have been reclassified/re-arranged wherever necessary to conform with the presentation in the current year's consolidated financial statements.