1 Legal status and principal activities

Al Madina Investment Holding SAOG ('the Parent Company') / ("AMI") was incorporated as a public joint stock company on 10 March 1996. The Parent Company commenced operations on 1 September 1996. On 13 May 2013, the Shareholders of the Parent Company in an Extraordinary General Meeting approved the change of name from Transgulf Investment Holding Company SAOG to Al Madina Investment Holding SAOG. The Shareholders of the Parent Company also passed a resolution to acquire the business of Al Madina Financial and Investment Services Company SAOC.

The Parent Company was originally primarily engaged in investment activities and brokerage services in the Gulf Cooperation Council countries and listed at Muscat Securities Market in Sultanate of Oman. However, the Board of Directors, based on a resolution dated 14 May 2019 decided to discontinue the brokerage division and other parts in the brokerage division. The registered activities are activities of holding companies.

The consolidated financial statements comprise the Parent Company and its subsidiaries, together referred to as the "Group" and the Group's interest in associates. The principal place of business of all subsidiaries and associates is in the Sultanate of Oman.

The Parent Company's percentage interests in its subsidiaries and associates (direct / indirect) as at 30 Sept. 2025 and 30 Sept. 2024 are as follows:

	Shareholding % 2025	Shareholding % 2024	**Principal activities**
Subsidiaries:			
Gulf Brand Company SAOC ("GBC")	**70.00**	70.00	Under liquidation
Al Madina Business Centre LLC ("AMBC")	**100.00**	100.00	Business center activities
Al Meethaq Al Raid Trading LLC ("AMAR")	**100.00**	100.00	Not operational
Associates:			
Al Madina Real Estate Company SAOC ("AMRE")	**18.34**	18.34	Real estate activities
Shaden Al Hail Hotel Company LLC ("SAHH")	**-**	50	Real estate activities

2 Basis of preparation and adoption of new and amended IFRS

a) Basis of presentation

The separate and consolidated financial statements have been prepared under the historical cost basis and going concern assumption, modified for certain assets and liabilities which are stated at their fair values as required by the IFRS.

Functional currencies

The separate and consolidated financial statements are presented in Omani Rials (RO) which is the functional and presentation currency of the Parent Company and the Group.

Statement of compliance

The separate and consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB, the disclosure requirements of the financial Services Authority and the applicable provisions of the Commercial Companies Law of the Sultanate of Oman.

2 Basis of preparation and adoption of new and amended IFRS (continued)

2.b New standards, amendments and interpretations to existing IFRS effective 1 April 2024

The Company has adopted all new Standards and amendments for the first time for the annual reporting period beginning from 1 April 2024, while has accounted for and disclosed only the relevant and applicable Standards and amendments:

i) Amendments to IAS 1 (Non-current liabilities with covenants) clarify the requirements for presentation of liabilities in the statement of financial position as current or non-current. The amendments clarify that if a liability is subject to covenants, the Company may only classify a liability as non-current if it meets the covenant tests as at the reporting date, even if the lender does not test compliance until a later date. The meaning of settlement of a liability is also clarified. The mandatory application date of this amendment has been deferred from 1 January 2023 to 1 January 2024.

ii) Amendments to IAS 1 (Non-current liabilities with covenants) clarify the requirements for presentation of liabilities in the statement of financial position as current or non-current. The amendments clarify that if a liability is subject to covenants, the Company may only classify a liability as non-current if it meets the covenant tests as at the reporting date, even if the lender does not test compliance until a later date. The meaning of settlement of a liability is also clarified. The mandatory application date of this amendment has been deferred from 1 January 2023 to 1 January 2024.

iii) Amendments to IFRS 16 (Lease liability in a sale and leaseback) clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are applicable for annual periods commencing on or after 1 January 2024.

iv) Amendments to IFRS 16 (Lease liability in a sale and leaseback) clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are applicable for annual periods commencing on or after 1 January 2024.

The Management believes the adoption of the above amendments has not had any material impact on the recognition, measurement, presentation and disclosure of items in the financial statements for the current accounting period.

New and amended standards and interpretations to published approved accounting standards that are not yet effective in the current year

The following new accounting standards, amendments and interpretations are not effective for the financial year beginning on April 1, 2024 and have not been early adopted by the Company:

iv) Amendments to IAS 21 ‘The effects of changes in foreign exchange rates’ added the definition of exchangeable currency and estimating the spot exchange rate when exchangeability is lacking. The amendments are applicable for annual periods commencing on or after 1 January 2025.

The Management believes the adoption of the above amendments is not likely to have any material impact on the recognition, measurement, presentation and disclosure of items in the financial statements for future periods.

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries (refer note 1). Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the Parent Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.
A change in the ownership interest of a subsidiary, without a change in control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

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

When the Group ceases to have control or significant influence, any retained interest in the entity is measured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

(a) ***Transactions with non-controlling interests (NCI)***

Non-controlling interest (NCI) are initially measured at their proportionate share of the acquiree's identifiable assets at the date of the acquisition. The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. The acquisition of an additional ownership interest in a subsidiary without a change of control is accounted for as an equity transaction in accordance with IFRS 10. Any excess or deficit of

consideration paid over the carrying amount of the non-controlling interests is recognized in equity of the Group in transactions where the non-controlling interests are acquired or sold without loss of control.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Equity accounted investee

The Group's interests in equity-accounted investees comprises interests in associates and subsidiaries. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Subsidiaries are those entities in which the Group has significant control.

At the group level, interests in associates are accounted for using the equity method while at the Parent level, both interest in associates and subsidiaries are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

The Group and the Parent Company's share of post-acquisition profit or loss is recognized in the consolidated statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in consolidated other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group and the Parent Company's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group and the Parent Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. The dividend received or receivable from associates are recognized as a reduction in the carrying amount of the investment.

The Group and the Parent Company determine at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group and the Parent Company calculates the amount of impairment as the difference between the recoverable amount of the associate and it's carrying value and recognizes the impairment loss in the consolidated and separate statement of profit or loss.

3.3 Leases

(a) **As a lessee**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, or the Group's incremental borrowing rate. Generally, the Parent Company uses its incremental borrowing rate as the discount rate.The Parent Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.Lease payments included in the measurement of the lease liability comprise the annual fixed payments, including in-substance fixed payments. The lease liability is measured at amortized cost using the effective interest method.When the lease liability is remeasured due to change in future lease payments, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Parent Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases since there are no lease agreements where in lease term exceeds twelve months. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) **As a lessor**

At inception or on modification of a contract that contains a lease component, the Parent Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Leases (continued)

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

3.4 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of the Parent Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These consolidated financial statements are presented in Rial Omani, which is the functional currency of the Parent Company.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognized in profit or loss. Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of profit or loss and other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss and other comprehensive income on a net basis. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

3.5 Financial instruments

Financial assets and financial liabilities are recognized when the Parent Company becomes a party to the contractual provisions of the instrument. The principal financial instruments of the Group and the Parent Company include investments carried at fair value through profit and loss (FVTPL), trade and other receivables, retention receivables, due from related parties, cash and cash equivalents, borrowings, due to related parties, lease liabilities, contract assets and trade and other payables.

(a) Recognition and initial measurement

Financial assets

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

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

On initial recognition, a financial asset is classified as measured at amortized cost; fair value through other comprehensive income – debt instruments; fair value through other comprehensive income – equity instruments; or fair value through profit or loss.

Financial assets at amortized cost

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

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

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.5 Financial instruments (continued)

Financial assets at fair value through other comprehensive income
Equity instruments which are not held for trading or issued as contingent consideration in business combination, and for which the Group and the Parent Company has made an irrevocable election at initial recognition to recognize changes in fair value through other comprehensive income rather than profit or loss. This election is made on an investment-by-investment basis.

Debt instruments where the contractual cash flows are solely principal and interest and the objective of the Group the Parent Company's business model is achieved both by collecting contractual cash flows and selling financial assets.

Financial assets at fair value through profit or loss
All financial assets not classified as measured at amortized cost or at fair value through other comprehensive income as described above are measured at fair value through profit or loss. Financial assets, at initial recognition, may be designated at fair value through profit or loss, if the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognizing gains or losses on them on a different basis. Gains and losses on remeasurement to fair value are recognized in profit and loss.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or fair value through profit or loss. A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities, at initial recognition, may be designated at fair value through profit or loss if the following criteria are met:

(a) The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognizing gains or losses on them on a different basis;
(b) The liabilities are part of a Group and Parent Company's financial liabilities which are managed and their performance evaluated on fair value basis, in accordance with a documented risk management strategy; or
(c) The financial liability contains an embedded derivative that would otherwise need to be separately recorded.

Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognized in the consolidated statement of profit or loss and other comprehensive income.

(b) Subsequent measurement and gain or losses

Financial assets

Financial assets at amortized cost
These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the consolidated statement of profit or loss and other comprehensive income. Any gain or loss on recognition is recognized in the consolidated statement of profit or loss and other comprehensive income.

Financial assets at fair value through other comprehensive income

(i) Debt instruments
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the consolidated statement of profit or loss and other comprehensive income. Other net gains and losses are recognized in the consolidated statement of profit or loss and other comprehensive income.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.5 Financial instruments (continued)

(ii) Equity instruments

These assets are subsequently measured at fair value. Dividends are recognized as income in the consolidated statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in the consolidated statement of other comprehensive income and are never reclassified to the consolidated statement of profit or loss.

Financial assets at fair value through profit or loss

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the consolidated statement of profit or loss.

Financial liabilities

Financial liabilities are subsequently measured at amortized cost using the effective interest method, if applicable. The effective interest method is the method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Interest expense and foreign exchange gains and losses are recognized in the consolidated statement of profit or loss. Any gain or loss on recognition is also recognized in the consolidated statement of profit or loss.

(c) Reclassification

Financial assets

Financial assets at fair value through other comprehensive income

The Group and the Parent Company only reclassifies financial assets if, and only if, the objective of the business model for managing those financial assets is changed. Such changes are expected to be very infrequent as these changes must be significant to the Group the Parent Company's operations and demonstrable to external parties.

The Group the Parent Company determines that its business model has changed in a way that is significant to its operations, then it reclassifies all affected assets prospectively from the first day of the next reporting period (the reclassification date). Prior periods are not restated.

Financial liabilities

The Group and the Parent Company determines the classification of financial liabilities on initial recognition. Subsequent reclassification is not allowed.

(d) Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Group and the Parent Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in recognition of the financial asset. In this case, the Group and the Parent Company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in the consolidated statement of profit or loss.

Financial liabilities

If the terms of a financial liability are modified and the cash flows of the modified liability are substantially different then, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in the consolidated statement of profit or loss.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.5 Financial instruments (continued)

(e) Derecognition

Financial assets
A financial asset (or, where applicable a part of a financial asset or part of a Group and the Parent Company of similar financial assets) is derecognized when:

(i) The rights to receive cash flows from the asset have expired; or
(ii) The Group and the Parent Company retains the right to receive cash flows from the asset, but assumes an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
(iii) The Group and the Parent Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been derecognized in the consolidated statement of other comprehensive income is recognized in the consolidated statement of profit or loss.

Any cumulative gain/loss recognized in the consolidated statement of other comprehensive income in respect of equity instruments designated as fair value through other comprehensive is not recognized in consolidated the statement of profit or loss on derecognition of such instrument.

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

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

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

(f) Offsetting
Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group and the Parent Company's currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(g) Impairment of financial assets
IFRS 9 introduced forward-looking 'expected credit loss' ('ECL') model. This requires considerable judgement about how changes in economic factors affect expected credit losses, which will be determined on a probability-weighted basis.The Group and the Parent Company recognizes loss allowances for ECLs on financial assets measured at amortized cost.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.5 Financial instruments (continued)

Measurement of loss allowances

The Group and the Parent Company measures loss allowances on either of the following bases:
The financial assets at amortized cost consist of due from related parties, trade and other receivables, retention receivables, contact assets and bank balances. Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

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

The Group and the Parent Company assumes that the credit risk on a financial asset has significantly increased since initial recognition and while estimating expected credit loss, when there is objective evidence or indicator for the financial assets. Examples of such indicators include:

- Significant financial difficulty of the borrower or issuer;
- Delinquency by borrower;
- Restructuring of an amount due to the Group and the Parent Company on terms that the Group and the Parent Company would not consider otherwise, indications that a borrower or issuer will enter bankruptcy;
- The disappearance of an active market for a security (if any); or
- If it past due for more than 30 days.

IFRS 9 does not define the term 'default', but instead requires each entity to do so. The definition has to be consistent with that used for internal credit risk management purposes for the relevant financial instrument and has to consider qualitative indicators – e.g. breaches of covenants – when appropriate.

The Group and the Parent Company considers a financial asset to be in default when the counter party is unlikely to pay its credit obligations to the Group and the Parent Company in full (based on indicator above), without recourse by the Group and the Parent Company to actions such as realizing security (if any is held); or the financial asset is more than 90 days past due, except for trade receivables where it is more than 180 days overdue.

Lifetime expected credit losses

These losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument, if there is significant increase in credit risk or under simplified approach. These losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Parent Company is exposed to credit risk. An asset is credit-impaired if one or more events have actually occurred and have a detrimental impact on the estimated future cash flows of the asset.

The term 'significant increase in credit risk' is not defined in IFRS 9. An entity decides how to define it in the context of its specific types of instruments. An entity assesses at each reporting date whether the credit risk on a financial instrument has increased significantly since initial recognition. To make the assessment, an entity considers changes in the risk of default instead of changes in the amount of expected credit losses.

An entity assesses whether there has been a significant increase in credit risk at each reporting date. The impairment model in IFRS 9 is symmetrical, and assets can move into and out of the lifetime expected credit

losses category. To be 'significant', a larger absolute increase in the risk of default is required for an asset with a higher risk of default on initial recognition than for an asset with a lower risk of default on initial recognition.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.5 Financial instruments (continued)

The management had not determined the allowance for expected credit losses due from related parties in accordance with requirements of IFRS 9 which had become mandatory with effective from 01 January 2018.Expected credit losses are a probability-weighted estimate of credit losses.

Financial assets that are not credit-impaired at the reporting date
Measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group and the Parent Company in accordance with the contract and the cash flows that the Group and the Parent Company expects to receive).

Financial assets that are credit-impaired at the reporting date
Measured as the difference between the gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognized in consolidated the statement of profit or loss as an impairment gain or loss.

Presentation of expected credit losses
Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets and is charged to the consolidated statement of profit or loss.

Write – off
The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Parent Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group and the Parent Company's procedures for recovery of amounts due.

3.6 Revenue

The Group recognizes revenue from contracts with customers based on the five-step model set out in IFRS 15:

Step 1 Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2 Identify the performance obligations in the contract**:** A performance obligation is a unit of account and a promise in a contract with a customer to transfer a good or service to the customer.

Step 3 Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4 Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5 Recognize revenue when (or as) the entity satisfies a performance obligation. The Group satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

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

For performance obligations where none of the above conditions are met, revenue is recognized at the point in time at which the performance obligation is satisfied.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)
3.6 Revenue (contd)

Variable consideration
Variable consideration amounts are estimated at either their expected value or most likely amount and included in revenue to the extent that it is highly probable that the revenue will not reverse.

Significant financing component
The Group evaluates significant financing component, if the period between customer payment and the transfer of goods/ services (both for advance payments or payments in arrears) is more than one year. The Group adjusts the promised amount of consideration for the time value of money using an appropriate interest rate reflecting the credit risk.

Contract modification

A contract modification occurs when the Group and the customer approve a change in the contract that either creates new enforceable rights and obligations or changes the existing enforceable rights and obligations. Revenue related to a modification is not recognized until it is approved. Approval can be in writing, oral, or implied by customary business practices.

The Group treats the contract modification as a separate contract if it results in the addition of a separate performance obligation and the price reflects the standalone selling price of that performance obligation. Otherwise, a modification (including those that only affect the transaction price) is accounted for as an adjustment to the original contract, either prospectively or through a cumulative catch-up adjustment.

The Group accounts for a modification prospectively if the goods or services in the modification are distinct from those transferred before the modification. Conversely, the Group accounts for a modification through a cumulative catch-up adjustment if the goods or services in the modification are not distinct and are part of a single performance obligation that is only partially satisfied when the contract is modified.

Cost of obtaining and fulfilment

The Group capitalizes incremental costs to obtain a contract with a customer except if the amortization period for such costs is less than one year.

If the costs incurred in fulfilling a contract with a customer are not in the scope of other guidance - e.g. inventory, intangibles, or property and equipment - then the Group recognizes an asset only if the fulfilment costs meet the following criteria:

- Relate directly to an existing contract or specific anticipated contract;
- Generate or enhance resources that will be used to satisfy performance obligations in the future; and
- Are expected to be recovered.
- If the costs incurred to fulfil a contract are in the scope of other guidance, then the Group accounts for such costs using the other guidance.

The Group amortizes the asset recognized for the costs to obtain and/or fulfil a contract on a systematic basis, consistent with the pattern of transfer of the good or service to which the asset relates. In the case of an impairment, the Group recognizes these losses to the extent that the carrying amount of the asset exceeds the recoverable amount.

Rental income from lease of investment property
Rental income arising from operating leases on investment properties is recognized, net of discount, in accordance with the terms of lease contracts over the lease term on a straight-line basis, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset.

Dividend income
Dividend income from financial assets at fair value through profit or loss is recognized in statement of comprehensive income as part of dividend income when the Group's right to receive dividend is established

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.7 Investment properties

Investment properties are properties held to earn rentals and / or for capital appreciation. They also include properties under development or those being constructed or developed for future use as investment property. Land with undetermined future use is also classified as investment property.

Investment properties are measured initially at cost including transaction costs. Costs include all direct costs attributable to the design and construction including related staff costs. Subsequent to initial recognition, investment properties are measured at fair value except for the properties under construction which are carried at fair value once they are substantially completed. Fair value reflects market conditions at the reporting date. Gains or losses arising from changes in the fair value of investment properties are included in the income statement in the period in which they arise.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to inventory, the deemed cost for subsequent accounting is the fair value at the date of change in use.

Upon completion of construction or development, a property is transferred from properties under development to completed properties. Investment properties are derecognized either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the income statement in the period of recognition.

Fair value is based on valuations performed as of the reporting date or date close there to by independent professional valuers who hold recognized and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. active market prices, adjusted, if necessary, for differences in the nature, location or condition of the property. The valuation model applied by the valuers is those recommended by the International Valuation Standards Committee. These valuations form the basis for the carrying amounts in the financial statements. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections.

Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value. The fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions. Changes in fair values are recognized in the profit or loss.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.8 Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of property, plant and equipment is their purchase price together with any incidental expenses. The cost also includes borrowing costs that are directly attributable to the acquisition of these assets up to the date of capitalisation. Following initial recognition at cost, expenditure incurred to replace a component of an item of property, plant and equipment which increases the future economic benefits embodied in the item of property, plant and equipment is capitalized. All other expenditures are recognized in the statement of comprehensive income as an expense as incurred.

Items of property, plant and equipment are derecognized upon disposal or when no future economic benefit is expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset is included in the statement of income in the year the item is derecognized.

Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of items of property, plant and equipment as follows:

	Years
Buildings	25
Equipment	3 to 10
Furniture and fixtures	4 to 10

3.9 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets are grouped together into the smallest Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the consolidated statement of profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.10 Employees' end of service benefits

Provision is made in accordance with the amendments made under Royal Decree number 53/2023 for the amounts payable to expatriate employees' on accumulated periods of service at the end of the reporting period.

Employee entitlements to annual leave are recognised when they accrue to employees and an accrual is made for the estimated liability arising as a result of services rendered by employees up to the reporting date. These accruals are included in current liabilities, while that relating to end-of-service benefits are disclosed as a part of non-current liabilities.

Contributions to a defined contribution retirement plan and occupational hazard insurance for Omani employees in accordance with the Omani Social Insurance Law are recognised as an expense in the separate and consolidated statement of profit or loss and other comprehensive income as incurred.

3.11 Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Increment costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

3.12 Taxation

Income tax on the results for the year comprises current and deferred tax. Income tax is recognized in the consolidated and the Parent Company's statement of profit or loss except to the extent it relates to items recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and adjustments to tax payable in respect of previous years, if any.

Deferred tax is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset will be realized or the liability will be settled, based on laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences and carry-forward of unused tax losses only to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry-forward of unused tax losses can be utilized.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities related to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on net basis.

3.13 Provisions

Provisions are recognized in the Group and Parent Company's statement of financial position when it has a legal or constructive obligation as a result of a past event and it is probable that it will result in an outflow of economic benefit that can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, it carrying amount is the present value of those cash flows. Where some or all of the economic benefits required to settle a provision are expected to be recovered from third party, the 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 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.14 Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the statement of financial position in the year in which the dividends are approved by the Parent Company's shareholders.

3.15 Finance income and cost

Finance income and costs are accounted for on accrual basis based on the effective interest rate method. All interest and other costs incurred in connection with borrowings are expensed as incurred/ amortized, as part of financing costs and are accounted for on an accrual basis, except that the interest costs incurred on borrowings specifically undertaken to finance the construction of qualifying assets, are capitalised along with the cost of the asset during the construction period.

3.16 Net asset value per share

The Parent Company presents net asset value per share for its ordinary shares. Net assets value per share is calculated by dividing net assets value attributable to parent shareholders by the ordinary shares in issue at year end.

3.17 Development Stock

Properties in the process of construction or development for the purpose of sale on completion are classified as development properties. These are measured at lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Cost of development property is determined on the basis of the cost of land plus construction costs incurred and includes borrowing and staff costs capitalized.

3.18 Loans and borrowings

Loans and borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost, any difference between the proceeds (net of transaction cost) and the redemption value is recognized in the Parent Company's statement of comprehensive income over the period of the borrowings using the effective interest method.

3.19 Borrowing cost

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of finance cost and other costs that an entity incurs in connection with the borrowing of funds. The finance cost capitalised is calculated using the Group 's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amount capitalised is the gross finance cost incurred on those borrowings less any investment income arising on their temporary investment.

Finance cost is capitalised as from the commencement of the development work until the date of practical completion, i.e., when substantially all of the development work is completed. The capitalisation of finance costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalised on the purchase cost of a site of property acquired specifically for redevelopment, but only where activities necessary to prepare the asset for redevelopment are in progress.

4 Financial instruments and financial risk management

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including price risk, interest rate risk and exchange rate risk). The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The directors identify and evaluate the financial risks and takes measures to minimise the adverse effects, if any.

The Board of Directors has overall responsibility for establishment and oversight of the Group's risk management framework. The Board of Directors has established the Audit Committee, which is responsible for monitoring the Group's risk management policies. The Audit Committee reports regularly to the Board of Directors on its activities.

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

The Group and the Parent Company through its training and management standards and procedures aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(a) Credit risk

Credit risk is the risk of financial loss to the Group and the Parent Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from investment in sukuks, bank balances, trade receivables and other receivables, retention receivables, contract assets and due from related parties. The Group has a credit policy and management monitors exposure to credit risk on an ongoing basis, assesses recoverability, and makes provision for balances whose recoverability is in doubt.

Bank balances: Group

	Moody's Rating			
	2025	2024	**2025**	2024
			RO	RO
Bank Muscat SAOG (including Meethaq Islamic Banking)	NP*	NP*	**15,956**	14,724
Bank Dhofar SAOG (including Maisarah Islamic Banking)	NP*	NP*	**-**	-
Sohar Islamic Bank	NP*	NP*	**-**	-
Alizz Islamic Bank SAOG	Not rated	Not rated	**193,543**	20,563
Doha Bank	Baa1	Baa1	**47**	47
			209,546	35,334

Bank balances: Parent

	Moody's Rating			
	2025	2024	**2025**	2024
			RO	RO
Bank Muscat SAOG	NP*	NP*	**1,980**	12,753
Bank Dhofar SAOG	NP*	NP*	**-**	-
Sohar Islamic Bank	NP*	NP*	**-**	-
Alizz Islamic Bank SAOG	Not rated	Not rated	**193,543**	20,563
Doha Bank	Baa1	Baa1	**47**	47
			195,570	33,363

*NP is not-prime as rated by Moody's Investor Services.

The Group's 90.4% of bank balance is with Alizz Islamic Bank SAOG (2024: 4.39% with Bank Muscat SAOG and 94.53% with Alizz Islamic Bank SAOG)

The Parent Company's 92% of bank balance is with Alizz Islamic Bank SAOG
(2024: 96.06% with Alizz Islamic Bank SAOG)

4 Financial instruments and financial risk management (continued)

4.1 Financial risk factors (continued)

Contract receivables, contract assets and retention receivables:

At reporting date, the Group has used general approach to calculate impairment loss allowance against the contract receivables, contract assets and retention receivables.

***Due from related parties**:*

Related parties' balances are not overdue and are repayable on demand. Management computes expected credit loss on balances receivable from related parties using general approach. The significant inputs include probability of default (PD) and loss given default (LGD) which are based on assessment of each related party.

(b) ***Liquidity risk***

Liquidity risk is the risk that the Group and the Parent Company will not be able to meet its financial obligations as they fall due. The Group and the Parent Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group and the Parent Company's reputation.

In accordance with prudent liquidity risk management, the management aim to maintain sufficient cash balances to meet the Group and the Parent Company's working capital requirements and has adequate support from shareholders to manage its liquidity risk.

The table below analyses the Group and the Parent Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

4 Financial instruments and financial risk management (continued)

4.1 Financial risk factors (continued)

(b) Liquidity risk (continued)

Group 30 Sept. 2025	Carrying Value RO	Contractual cash flow RO	Less than 1 year RO	1 to 2 years RO	2 to 5 years RO	More than 5 years RO
Borrowings	**10,204,000**	**(10,204,000)**	**(96,000)**	**(1,256,000)**	**(5,292,000)**	**(3,560,000)**
Trade and other payables	**520,398**	**(520,398)**	**(520,398)**	**-**	**-**	**-**
Due to a related parties	**859,863**	**(859,863)**	**(859,863)**	**-**	**-**	**-**
	11,584,261	**(11,584,261)**	**(1,476,261)**	**(1,256,000)**	**(5,292,000)**	**(3,560,000)**
30 Sept. 2024						
Borrowings	10,447,695	(10,447,695)		(235,695)	(3,552,000)	(6,660,000)
Trade and other payables	668,967	(668,967)	(668,967)	-	-	-
Due to a related parties	822,663	(822,663)	(822,663)	-	-	-
	11,939,325	(11,939,325)	(1,491,630)	(235,695)	(3,552,000)	(6,660,000)

Parent Company 30 Sept. 2025	Carrying Value RO	Contractual cash flow RO	Less than 1 year RO	1 to 2 years RO	3 to 5 years RO	More than 5 years RO
Borrowings	**10,204,000**	**(10,204,000)**	**(96,000)**	**(1,256,000)**	**(5,292,000)**	**(3,560,000)**
Trade and other payables	**402,194**	**(402,194)**	**(402,194)**	**-**	**-**	**-**
Due to a related parties	**893,179**	**(893,179)**	**(893,179)**	**-**	**-**	**-**
	11,499,373	**(11,499,373)**	**(1,391,373)**	**(1,256,000)**	**(5,292,000)**	**(3,560,000)**
30 Sept. 2024						
Borrowings	10,447,695	(10,447,695)		(235,695)	(3,552,000)	(6,660,000)
Trade and other payables	624,802	(624,802)	(624,802)	-	-	-
Due to a related parties	876,191	(876,191)	(876,191)	-	-	-
	11,948,688	(11,948,688)	(1,500,993)	(235,695)	(3,552,000)	(6,660,000)

4 Financial instruments and financial risk management (continued)

4.1 Financial risk factors (continued)

(c) Market risk

(i) Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Equity price risk is the risk of reduction in the market value of the Group and the Parent Company's portfolio as a result of decline in the market value of individual investments. The responsibility for management of investment price risk rests with the Management of the Group and the Parent Company. Investments are made with approval from the Board and are subject to rigorous due diligence. The rating and price of the instruments are monitored on a regular basis and necessary actions are taken to reduce exposure, if needed. The entire portfolio is regularly revalued at closing market price to ensure that unrealized losses, if any, on account of reduction in the market value of the investments over its cost remains within the acceptable parameters established by the Board of Directors.

(ii) Interest rate risk

The Group's interest rate risk arises from interest bearing assets and liabilities. Financial assets where the interest rates are repriced frequently expose the Group to cash flow interest rate risk. The Group analyses its interest rate exposure on a regular basis and reassesses the applicable market variable and interest rate mix and renegotiates interest rates at terms favorable to the Group, if required.

As per the existing facility agreements, the Group has to pay at fixed profit rate ranging 6.75% (2024 – 6% to 6.5%) on its term facilities and as per the agreements profit rate are to be reviewed every year and can be changed depending on the prevailing market conditions.

(iii) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group is not exposed to any significant currency risk as all the foreign currency transactions are carried in USD. The Riyal Omani is effectively pegged to the USD.

4.2 Capital management

The Group and the Parent Company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Group and the Parent Company sets capital in proportion to risk and makes adjustments to it in the light of changes in economic conditions, the risk characteristics of the underlying assets, and covenants entered into with the providers of external debt. In order to maintain or adjust the level of equity, the Group and the Parent Company adjusts the level of dividends paid to shareholders, issue new shares, or sell assets to reduce debt. The Group and the Parent Company also ensures compliance with externally imposed capital requirements.

4 Financial instruments and financial risk management (continued)

4.2 Capital management (continued)

The Group and the Parent Company monitor capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and bank and term deposits. Total capital is calculated as 'equity' as shown in the financial position plus net debt.

	Group		Parent Company	
	2025 RO	2024 RO	**2025 RO**	2024 RO
Total borrowings	**10,204,000**	10,447,695	**10,204,000**	10,447,695
Cash and cash equivalents	**(210,446)**	(36,234)	**(196,070)**	(33,863)
Net debt (A)	**9,993,554**	10,411,461	**10,007,930**	10,413,832
Total equity	**6,320,564**	7,517,487	**6,320,564**	7,517,487
Total (B)	**16,314,118**	17,928,948	**16,328,494**	17,931,319
Gearing ratio (A / B)	**61%**	58%	**61%**	58%

4.3 Fair value estimation

A number of accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The Group and the Parent Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market.
- Level 2: Valuation techniques based on observable inputs. This category includes instruments valued using quoted market prices in the active market for similar instruments, quoted market prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes instruments that are valued based on quoted prices of similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Group and the Parent Company's borrowings, carry commercial rate of interest and accordingly, approximate their fair value. The face values less any estimated credit adjustments for financial assets at amortised cost and financial liabilities with a maturity of less than one year are assumed to approximate their fair values. Fair values of investment properties are determined by external independent valuers and are classified as level 3.

(a) Investments at fair value through profit or loss

The fair value of quoted equity investments is estimated by reference to the current market value. The directors determine the fair values of the unquoted investments using net asset value of the investee companies based on the investee's financial statements when the investee's underlying assets are measured at fair value. The directors consider that the carrying value of the investment approximate to its fair value as significant portfolio of the underlying assets and liabilities of the investee companies are fair valued or in the form of assets where fair values approximate the carrying values. Therefore, no fair value adjustment has been made and the unadjusted net assets value considered is representative of fair value of the investments.

4 Financial instruments and financial risk management (continued)

4.3 Fair value estimation (continued)

Below is summarized fair values by levels:

2025	Group			Parent		
	Level 1 RO	Level 3 RO	Total RO	Level 1 RO	Level 3 RO	Total RO
Equity instruments at FVTPL	-	6,691,862	6,691,862	-	6,691,862	6,691,862
2024	Level 1 RO	Level 3 RO	Total RO	Level 1 RO	Level 3 RO	Total RO
Equity instruments at FVTPL	491,976	5,252,495	5,744,471	491,976	5,252,495	5,744,471

There are no transfers between level 1 and level 3.

(b) Fair value measurement - investment properties

The Group and the Parent Company appoint an external valuer who is responsible for the external valuations of the Group's properties. The selection criteria of the valuer include market knowledge, reputation, independence and whether professional standards are maintained.

Each property is considered a separate asset class based on the unique nature, characteristics and the risks of the property. For each property, the latest valuation is also compared with the valuations in the two preceding annual periods. If the fair values changes (positive or negative) are more than the thresholds set, the changes are further considered by discussion with external valuer.

4.4 Classification of assets and liabilities - Group

	Note	2025 RO Current	2025 RO Non-Current	2025 RO Total	2024 RO Current	2024 RO Non-Current	2024 RO Total
Financial assets							
Cash and cash equivalents	6	**210,446**	-	**210,446**	36,234	-	36,234
Trade and other receivables	7	**1,487,216**	-	**1,487,216**	1,145,150	-	1,145,150
Investments at fair value through profit or loss	8(c)		**6,691,862**	**6,691,862**		5,744,471	5,859,348
Investments in associates	8(b)	-	**4,395,056**	**4,395,056**	-	6,363,736	6,170,192
		1,697,662	**11,086,918**	**12,784,580**	1,181,384	12,108,207	13,289,591
Non-financial assets							
Inventory of real estate properties	9	**161,879**	-	**161,879**	1,263,660	-	1,263,660
Investment properties	10	-	**5,176,963**	**5,176,963**	-	5,113,501	5,113,501
Property, plant and equipment	11	-	**67,032**	**67,032**	-	72,280	72,280
		161,879	**5,243,995**	**5,405,874**	1,263,660	5,185,781	6,449,441
Total assets		**1,859,541**	**16,330,913**	**18,190,454**	2,445,044	17,293,988	19,739,032

4 Financial instruments and financial risk management (continued)

4.4 Classification of assets and liabilities - Group (continued)

	Note	2025 RO Current	2025 RO Non-Current	2025 RO Total	2024 RO Current	2024 RO Non-Current	2024 RO Total
Financial liabilities							
Term loans	15	**-**	**10,204,000**	**10,204,000**	-	10,447,695	10,447,695
Trade and other payables	17	**520,398**	**-**	**520,398**	668,967	-	668,967
Amount due to a related party	18(c)	**859,863**	**-**	**859,863**	822,663	-	822,663
		1,380,261	**10,204,000**	**11,584,261**	1,491,630	10,447,695	11,939,325
Non-financial liabilities							
Taxation	16	**25,978**	**-**	**25,978**	25,978	-	25,978
Employees' end of service benefits	19(b)	**-**	**11,885**	**11,263**	-	8,476	8,476
Deferred tax liability	16	**-**	**247,766**	**247,766**	-	247,766	247,766
		25,978	**259,651**	**285,629**	25,978	256,242	282,220
Total liabilities		**1,406,239**	**10,463,651**	**11,869,890**	1,517,608	10,703,937	12,221,545

4.4 Classification of assets and liabilities – Parent

	Note	2025 RO Current	2025 RO Non-Current	2025 RO Total	2024 RO Current	2024 RO Non-Current	2024 RO Total
Financial assets							
Cash and cash equivalents	6	**196,070**	**-**	**196,070**	33,863	-	33,863
Trade and other receivables	7	**1,372,515**	**-**	**1,372,515**	1,107,660	-	1,107,660
Investments at fair value through profit or loss	8(c)	**-**	**6,691,862**	**6,691,862**	-	5,744,471	5,744,471
Investments in associates	8(b)	**-**	**4,395,056**	**4,395,056**	-	6,363,736	6,363,736
Investments in subsidiaries	8(a)	**-**	**44,189**	**44,189**	-	49,224	49,224
		1,568,585	**11,131,107**	**12,699,692**	1,141,523	12,157,431	13,298,954
Non-financial assets							
Inventory of real estate properties	9	**161,879**	**-**	**161,879**	1,263,660	-	1,263,660
Investment properties	10	**-**	**5,176,963**	**5,176,963**	-	5,113,501	5,113,501
Property, plant and equipment	11	**-**	**67,032**	**67,032**	-	72,280	72,280
		161,879	**5,243,995**	**6,405,874**	1,263,660	5,185,781	6,449,441
Total assets		**1,730,464**	**16,375,102**	**18,105,566**	2,405,183	17,343,212	19,748,395

4 Financial instruments and financial risk management (continued)

4.4 Classification of assets and liabilities – Parent

	Note	2025 RO Current	2025 RO Non-Current	2025 RO Total	2024 RO Current	2024 RO Non-Current	2024 RO Total
Financial liabilities							
Term loans	15	**-**	**10,204,000**	**10,204,000**	-	10,447,695	10,447,695
Trade and other payables	17	**402,194**	**-**	**402,194**	624,802	-	624,802
Amount due to a related party	18(c)	**893,179**	**-**	**893,179**	876,191	-	876,191
		1,295,373	**10,204,000**	**11,499,373**	1,500,993	10,447,695	11,948,688
Non-financial liabilities							
Taxation	16	**25,978**	**-**	**25,978**	25,978	-	25,978
Deferred Tax Liability	16	**-**	**11,885**	**11,885**	-	8,476	8,476
Employees' end of service benefits	19(b)	**-**	**247,766**	**247,766**	-	247,766	247,766
		25,978	**259,651**	**285,629**	25,978	256,242	282,220
Total liabilities		**1,321,351**	**10,463,651**	**11,785,002**	1,526,971	10,703,937	12,230,908

5. Critical accounting estimate and judgments

The preparation of the consolidated and standalone financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the resultant provisions and change in fair value for the year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. Such estimates are necessarily based on assumptions about several factors involving varying, and possibly significant, degrees of judgment and uncertainty and actual results may differ from the director's estimates resulting in future changes in estimated liabilities and the values of assets. Other than the basis of preparation set out in Note 2.a, the areas when significant judgements were exercised by the directors or areas when estimates and assumptions were used are as follows:

(a) Allowance for impairment on financial assets - Measurement of the expected credit loss allowance

Loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses Parent company and the judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past experience and historical data, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used in computing the expected credit losses are disclosed in note 3.5(g).

(b) Fair valuation of investments in unquoted securities

For judgements and estimates relating to fair value of investment in unquoted securities, refer note 3.5 (a).

(c) Valuation of investment properties and buildings

An independent external valuer, having appropriate recognized professional qualifications and recent experience in the location and category of property being valued, values the Parent company's and Group's investment properties every year. In undertaking the valuation, the external valuer has made a number of assumptions and relied upon various sources of information. The director's review assumptions based on their reasonable knowledge and other information available about the properties. Fair values are based on sales comparable method, income capitalization or discounted cash flow as disclosed in note 3.7 depending on the type of property.

Determination of cost of developing property requires judgment and estimation as to the future costs to be incurred to complete the property. The Director's determine the estimated future costs based on level of expected work to be carried to complete the property. This assessment takes into consideration various factors

5 Critical accounting estimate and judgments (continued)

such as expected period to complete the property, contract values with contractors and sub-contractors, expected variations, borrowings and borrowings costs to be incurred and provisions for cost overruns which management expects in relation to delays in completion of the project activities. These costs are capitalized as part of cost of investment properties and are adjusted against fair value gains for completed property.

(d) ***Classification of properties***

The Parent company and the Group determine whether a property is classified as investment property, property and equipment or as inventory of real estate properties (development stock). Investment properties comprise land and buildings either under construction or fully completed. The classification of property depends on future use of the property. The property developed for rental purposes is based on management assessment for lease as operating or finance lease. The directors determine the classification of property at inception by assessing whether the significant risks and rewards of the ownership have been transferred to the lessee or otherwise. Such assessment takes into consideration key judgments such as the nature of asset under lease, lease term, economic life of the asset, significance of present value of minimum lease payments to fair value of the asset, market value of the asset at the end of lease term and obligation to transfer ownership at the end of lease term.

(e) ***Impairment of investment in associate and subsidiaries***

The Group and the Parent Company recognize the investment in associate using the equity method of accounting and investment in subsidiaries is also accounted for using the equity method of accounting in the Parent Company's standalone financial statements. The Group and the Parent Company determine at each reporting date whether there is any objective evidence that the investment in the associate/subsidiary is impaired. Further, the directors exercise judgements relating to the impairment indicators existing at the reporting date and in determining the recoverable amount of these investments by reference to the net asset values of these investee companies.

6 Cash and cash equivalents

	Group		Parent Company	
	2025	2024	**2025**	2024
	RO	RO	**RO**	RO
Bank balance and cash:				
Bank balances	**209,546**	35,334	**195,570**	33,363
Cash in hand	**900**	900	**500**	500
	210,446	36,234	**196,070**	33,863

7 Trade and other receivables

	Group		Parent Company	
	2025	2024	**2025**	2024
	RO	RO	**RO**	RO
Trade receivables	**291,412**	204,544	**177,269**	203,772
Prepayments and other receivables	**210,968**	277,494	**210,410**	240,776
Due from related parties [note 18 (a)]	**1,061,696**	663,112	**1,061,696**	663,112
Provision for expected credit loss	**(76,860)**	-	**(76,860)**	
	1,487,216	1,145,150	**1,372,515**	1,107,660

8 Investments

(a) Investments in subsidiaries:

The carrying value of investments in subsidiaries is eliminated in the process of consolidation in the Group. In the Parent Company, the investments in subsidiaries are accounted using the equity method of accounting.

8 Investments (continued)

(a) Investments in subsidiaries (continued):

The movements in the carrying value of the investment in subsidiaries in the Parent Company are as follows:

AMBC	**2025**	2024
	RO	RO
At the beginning of the period	**38,885**	35,718
Purchase of subsidiary	**-**	-
Share of results for the period	**5,304**	13,506
Cash dividend	**-**	
At the end of the period	**44,189**	49,224

The following further notes apply:

(i) The financial year ending of the subsidiaries is 31 March

(ii) Al Madina Business Centre LLC ("AMBC") is a limited liability company registered in Muscat – Sultanate of Oman having commercial registration No.1245344 and registered on 17th February 2016. The principal activity of AMBC is management of showrooms as well as renting and operating self-owned or leased residential and commercial real estate. The Parent Company holds 100% (2024: 100%) in the company.

(iii) Gulf Brand Company SAOC ("GBC") is a company registered in the Sultanate of Oman. The Company's registered office and principal address is P.O. Box 171, Ruwi, Postal Code 112, Sultanate of Oman. The company registration number is 1093341. The Parent Company holds 70% in the company. The operations of GBC were resolved to be liquidated and an official liquidator was appointed during the year ended 31 March 2020. The investment in GBC amounting to RO 525,000 had been fully impaired in previous years in the Parent Company.

(iv) Al Meethaq Al Raid LLC ("AMAR") is a limited liability company registered in Muscat – Sultanate of Oman under commercial registration No. 1172449. The Company's registered address is P.O Box 171, Postal code 112, Sultanate of Oman. The principal activities of AMAR are specialized radiology centers (x-ray laboratories and other diagnostic imaging centers). The Parent Company had a 32.17% stake in AMAR, which was designated as investment at fair value through profit or loss in an earlier period and was fully impaired. During the year 2020, the Parent Company increased its stake in AMAR from 32.17% to 100% at nil consideration. The change in shareholding was effective from 29 March 2020.

The Group had assumed certain liabilities in the previous year as the subsidiary had a deficiency of assets and the Parent Company had guaranteed continuous financial support to the investee company to enable it to meet its liabilities as they fall due.

The summarized financial position and performance of subsidiaries, not adjusted for proportion of ownership at the end of this respective financial years, is as follows:

AMBC	**2025**	2024
	RO	RO
Assets		
Non-current assets	**-**	-
Current assets	**251,651**	93,388
Total assets	**251,651**	93,388
Liabilities		
Non-current liabilities	**-**	-
Current liabilities	**207,462**	44,164
Total liabilities	**207,462**	44,164
Revenue	**75,677**	79,548
Net Income and total comprehensive income	**5,304**	13,506

8 Investments (continued)

(b) Investments in associates:

The Group and the Parent Company apply the equity method of accounting to account for the investments in associates.
The movements in the carrying value of the investments in associates in the Group is as follows:

Group **30 Sept. 2025**	**AMRE** **RO**	**SAHH*** **RO**	**Total** **RO**
At the beginning of the period	**4,678,656**	**-**	**4,678,656**
Sale of investments	-	-	-
Share of results for the period	**(279,955)**	**-**	**(279,955)**
Share of other comprehensive income for the period	**(3,645)**	**-**	**(3,645)**
At the end of the period	**4,395,056**	**-**	**4,395,056**

* During the year investment in Shaden Al Hail Hotel Company LLC ("SAHH") with a carrying value of R.O 2,045,664 was disposed after seeking approval from the board of directors. Loss on disposal of the investments to the extent of R.O 45,664 is recognized in the financial statements.

30 Sept. 2024	AMRE RO	SAHH RO	Total RO
At the beginning of the period	4,197,435	2,045,664	6,243,099
Sales of Investment			
Share of results for the period	160,112	(58,094)	102,018
Share of other comprehensive income for the period	18,619	-	18,619
At the end of the period	4,376,166	1,987,570	6,363,736

The following further notes apply:

(i) The financial year end of the associates is 31 December.

(ii) The summarized financial position and performance of associates, not adjusted for proportion of ownership, is as follows:

Year ended 31 December 2024	**AMRE** **RO**
Assets	
Non-current assets	**54,988,442**
Current assets	**7,172,234**
Total assets	**62,160,676**
Liabilities	
Non-current liabilities	**16,219,301**
Current liabilities	**20,430,779**
Total liabilities	**36,650,080**
Revenue	**3,432,804**
Net profit for the year	**2,583,505**
Other comprehensive income for the year	**40,378**
Net profit and total comprehensive income	**2,623,883**

8 Investments (continued)

(b) Investments in associates:

Year ended 31 December 2023	AMRE RO	SAHH RO
Assets		
Non-current assets	56,903,205	14,806,273
Current assets	4,791,269	1,481,784
Total assets	61,694,474	16,288,057
Liabilities		
Non-current liabilities	18,987,383	9,284,100
Current liabilities	20,216,824	2,813,025
Total liabilities	39,204,207	12,097,125
Revenue	920,634	
Net loss for the year	(329,093)	(397)
Other comprehensive income for the year	(67,353)	-
Net loss and total comprehensive loss	(396,446)	(397)

(c) Investments at fair value through profit and loss.

(i) The sector-wise analysis of the Group's and the Parent Company's carrying value of investments at fair value through profit or loss is as follows:

	Group		Parent Company	
	2025 RO	2024 RO	**2025 RO**	2024 RO
Quoted investments *(Level 1)*:				
- Industrial sector	-	491,976	-	491,976
	-	491,976	-	491,976
Un-quoted investments *(Level 3)*	**6,691,862**	5,252,495	**6,963,804**	5,252,495
	6,691,862	5,744,471	**6,963,804**	5,744,471

Quoted investments – Group	**2025**		2024	
	Average cost RO	**Fair value RO**	Average cost RO	Fair value RO
Quoted investments				
Gulf Mushroom Products Co. SAOG	-	-	230,210	491,976
	-	-	230,210	491,976
Cumulative changes in fair value	-	-	261,766	-
Total quoted investments	-	-	491,976	491,976

Un-quoted investments – Group	**2025**		2024	
	Cost RO	**Fair value RO**	Cost RO	Fair value RO
Un-quoted investments				
Tilal Development Company SAOC	**3,289,788**	**2,437,425**	3,289,788	3,094,650
National Mass Housing Company SAOC	**1,854,000**	**1,891,800**	1,854,000	1,850,400
Tilal Sukuk	**261,047**	**261,047**	261,047	261,047
Al Madina Hotel Development Co. LLC	**2,342,241**	**2,028,381**	-	-
BIW Business Park	**76,158**	**73,209**	76,158	42,682
EFG Capital E Secondary IIILP	-	-	54,115	1,406
Ras Al Khaimah Property Company	-	-	3,104	2,310
	7,823,234	**6,691,862**	5,538,212	5,252,495
Cumulative changes in fair value	**(1,131,372)**	-	285,717	-
Total un-quoted investments	**6,691,862**	**6,691,862**	5,252,495	5,252,495

8 Investments (continued)

(c) Investments at fair value through profit and loss (continued)

(i) The sector-wise analysis of the Group's and Parent Company's carrying value of investments at fair value through profit or loss is as follows: (continued)

	2025		2024	
Quoted investments – Parent	**Average cost RO**	**Fair value RO**	Average cost RO	Fair value RO
Quoted investments				
Gulf Mushroom Products Co. SAOG	-	-	230,210	491,976
	-	-	230,210	491,976
Cumulative changes in fair value	-	-	261,766	-
Total quoted investments	-	-	491,976	491,976

	2025		2024	
Un-quoted investments – Parent	**Average cost RO**	**Fair value RO**	Average cost RO	Fair value RO
Un-quoted investments				
Tilal Development Company SAOC	**3,289,788**	**2,437,425**	3,289,788	3,094,650
National Mass Housing Company SAOC	**1,854,000**	**1,891,800**	1,854,000	1,850,400
Tilal Sukuk	**261,047**	**261,047**	261,047	261,047
Al Madina Hotel Development Co. LLC	**2,342,241**	**2,028,381**	-	-
BIW Business Park	**76,158**	**73,209**	76,158	42,681
EFG Capital E Secondary IIILP	-	-	54,115	1,406
Ras Al Khaimah Property Company	-	-	3,104	2,310
	7,823,234	**6,691,862**	5,538,212	5,252,495
Cumulative changes in fair value	**(1,131,372)**	-	285,717	-
Total un-quoted investments	**6,963,804**	**6,963,804**	5,252,495	5,252,495

(ii) Details of the Parent Company's investments at FVTPL in which the carrying value exceeds 10% of the market value of the Parent Company's investments at FVTPL are as follows:

2025	**% of total holding**	**Number of shares**	**Fair value RO**	**Cost RO**
Al Madina Hotel Development Co. LLC	**16,62%**	**2,342,241**	**2,2,028,381**	**2,342,241**
Tilal Development Company SAOC	**9.58%**	**1,725,000**	**2,437,425**	**3,289,788**
National Mass Housing Company SAOC	**12%**	**1,800,000**	**1,891,800**	**1,854,000**

2024	% of total holding	Number of shares	Fair value RO	Cost RO
Tilal Development Company SAOC	9.58%	1,725,000	3,094,650	3,289,788
National Mass Housing Company SAOC	12%	1,800,000	1,850,400	1,854,000

(iii) The movement in investments at fair value through profit or loss during the year was as follows:

	Group		**Parent Company**	
	2025 RO	2024 RO	**2025 RO**	2024 RO
At the beginning of the period	**7,211,117**	5,179,034	**7,211,117**	5,179,034
Additions during the period		751,500		751,500
Fair value changes during the period	**(519,255)**	(186,063)	**(519,255)**	(186,063)
Sold during the period		-		-
liquidation of investments	-	-	-	-
At the end of the period	**6,691,862**	5,744,471	**6,691,862**	5,744,471

8 Investments (continued)

(c) Investments at fair value through profit and loss (continued)

(iv) The unquoted investments have been fair valued based on their audited net asset values at 31 December 2024 as a substantial portion of the net assets of the investee entities are carried at their estimated fair values.

(v) Certain quoted investments are pledged as securities against credit facilities obtained from commercial Banks (note 13).

(vi) At the end of the reporting period, none of the Parent Company's investments at FVTPL represent 10 % or more of the investees' share capital (2024 – 10%).

(vii) Valuation techniques and significant unobservable inputs used for valuation of larger unquoted securities are as follows:

Tilal Development Company SAOC:

Valuation Technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
2025		
Net asset value: The fair value of unquoted equity securities is measured based on the investee's net asset value. The investee company is a property holding company and the underlying investment properties and net assets are carried at fair value. The investee company's value is mainly derived from holding the assets for rental and capital appreciation purposes.	Net assets	The estimated fair value would increase/ (decrease) if: Net assets was higher / (Lower)
2024		
Net asset value: The fair value of unquoted equity securities is measured based on the investee's net asset value. The investee company is a property holding company and the underlying investment properties and net assets are carried at fair value. The investee company's value is mainly derived from holding the assets for rental and capital appreciation purposes.	Net assets	The estimated fair value would increase/ (decrease) if: Net assets was higher / (Lower)

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8 Investments (continued)

(c) Investments at fair value through profit and loss (continued)

National Real Estate Development & Investment SAOC:

Valuation Technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
2025		
Net asset value: The fair value of unquoted equity securities is measured based on the investee's net asset value. The investee company is a property holding company and the underlying investment properties and net assets are carried at fair value. The investee company's value is mainly derived from holding the assets for rental and capital appreciation purposes.	Net assets	The estimated fair value would increase/ (decrease) if: Net assets was higher / (Lower)
2024		
Net asset value: The fair value of unquoted equity securities is measured based on the investee's net asset value. The investee company is a property holding company and the underlying investment properties and net assets are carried at fair value. The investee company's value is mainly derived from holding the assets for rental and capital appreciation purposes.	Net assets	The estimated fair value would increase/ (decrease) if: Net assets was higher / (Lower)

9 Inventory of real estate properties

	Group		Parent	
	2025 RO	2024 RO	**2025 RO**	2024 RO
At the beginning of the period	**1,234,000**	1,296,000	**1,234,000**	1,296,000
Additions during the period	**-**	-	**-**	-
Sold during the period	**(1,072,121)**	(32,340)	**(1,072,121)**	(32,340)
	161,879	1,263,660	**161,879**	1,263,660
Change in the fair value of investment properties				
	161,879	1,263,660	**161,879**	1,263,660

10 Investment properties

	Group		Parent Company	
	2025 RO	2024 RO	**2025 RO**	2024 RO
At the beginning of the period	**5,176,963**	5,105,963	**5,176,963**	5,105,963
Additions during the period		7,538		7,538
Fair value changes during the period				
At the end of the period	**5,176,963**	5,113,501	**5,176,963**	5,113,501

10 Investment properties (continued)

The following further notes apply:

(a) The details of investment properties are as follows:

Parent Company

Property description	Fair value RO	Valuation date	Valuation method	Valuer name
Commercial Office Space Bearing Office No. 6401, located in Tilal Complex Development – Phase 1 and 2, Building No 6, 4th floor	1,305,963	31 Dec. 2024	Income approach	Cavendish Maxwell
Unit No. 1001 located in Al Hail Development – Phase 1, Al Hail North Wilayat Al-Seeb, Ground floor, Building 1, Plot No. 2326	500,000	31 Dec. 2024	Income approach	Cavendish Maxwell
Unit No. 1001 located in Al Hail Development – Phase 1, Al Hail, Al-Awaimer, South Wilayat Al Seeb, Ground floor, Building Nos 4, 5, 7 and 8, Plot No. 2325	3,371,000	31 Dec. 2024	Income approach	Cavendish Maxwell

Group

Property description	Fair value RO	Valuation date	Valuation method	Valuer Name
Commercial Office Space Bearing Office No. 6401, located in Tilal Complex Development – Phase 1 and 2, Building No 6, 4th floor	1,305,963	31 Dec. 2024	Income approach	Cavendish Maxwell
Unit No. 1001 located in Al Hail Development – Phase 1, Al Hail North Wilayat Al-Seeb, Ground floor, Building 1, Plot No. 2326	500,000	31 Dec. 2024	Income approach	Cavendish Maxwell
Unit No. 1001 located in Al Hail Development – Phase 1, Al Hail, Al-Awaimer, South Wilayat Al Seeb, Ground floor, Building Nos 4, 5, 7 and 8, Plot No. 2325	3,371,000	31 Dec. 2024	Income approach	Cavendish Maxwell

(b) The Group's investment properties are mortgaged with a local commercial bank as security for the term loans obtained [notes 15 a) and 15 b)].

(c) The operating leases, in which the Group is the lessor, relate to investment properties owned by the lessor with lease terms of between 10 to 20 years. The lessees do not have an option to purchase the property at the expiry of the lease period.

(d) The rental income earned from the Parent Company and Group during the year amounted to RO 455,237 and RO 547,496 (2024 – RO 409,057 and RO 480,725) respectively.

At the end of the reporting period, the maturity analysis of the undiscounted lease payments to be received under the operating lease agreements is as follows:

	Group	
	2025	2024
	RO	RO
Year 1	**283,764**	283,764
Year 2	**283,764**	283,764
Year 3	**283,764**	283,764
Year 4	**283,764**	283,764
Year 5	**293,709**	293,709
Beyond 5 years	**3,246,711**	3,246,711
	4,675,476	4,675,476

10 Investment properties (continued)

(e) The fair value of investment properties has been determined based on level 3 hierarchy under the income capitalization method.

(f) The following table shows the valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used and how changes in these inputs impact the fair values and the equity at the end of the reporting period;

Property description	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement	**Fair value at 30 June 2025 RO**	Fair value at 30 June 2024 RO
1- Commercial Office Space Bearing Office No. 6401, located in Tilal Complex Development – Phase 1 and 2, Building No 6, 4th floor	Income capitalization approach: The model considers the net operating income of the property rentals projected and dividing by the capitalization rate.	• Yields of 9% depending on the type of rented unit. • Operational expenses of 30% of market rent. • Average gross market rental value is RO 122,640	The estimated fair value would -increase/decrease by RO 227,037 if yield was lower/ higher by 1% -increase/decrease by RO 30,643 if operational expenses were higher/lower by 5%; and -increase/decrease by RO 102,143 if gross market rental value is higher/lower by 5%.	**1,305,963**	1,305,963
2- Unit No. 1001 located in Al Hail Development – Phase 1, Al Hail, Al-Awaimer, South Wilayat Al Seeb, Ground floor, Building Nos 4, 5, 7 and 8, Plot No. 2325	Income capitalization approach: The model considers the net operating income of the property rentals projected and dividing by the capitalization rate.	• Yield of 9.5% • Operational expenses of 5% • Gross market rental value is RO 46,000	The estimated fair value would -increase/decrease by RO 54,118 if yield was lower/ higher by 1% -increase/decrease by RO 1,211 if operational expenses were higher/lower by 5%; and -increase/decrease by RO 24,211 if gross market rental value is higher/lower by 5%.	**500,000**	500,000
3- Nesto Hypermarket property bearing Unit No. 100 l, Plot No. 2325, located at Phase 1 of Al Hail North, Wilayat Al Seeb, Sultanate of Oman	Income capitalisation approach: The model considers the net operating income of the property rentals projected and dividing by the capitalisation rate.	• Yield of 9.5% • Operational expenses of 5% • Gross market rental value is RO 300,000	The estimated fair value would -increase/decrease by RO 352,941 if yield was lower/ higher by I%; -increase/decrease by RO 7,895 if operational expenses were higher/lower by 5%; and -increase/decrease by RO 157,895 if gross market rental value is higher/lower by 5%.	**3,371,000**	3,300,000

11 Property, plant and equipment

Group	**Building RO**	**Furniture and fixtures RO**	**Equipment RO**	**Total RO**
Cost				
At 1 April 2025	**128,716**	**371,411**	**37,819**	**537,946**
Additions during the period	**-**	**-**	**-**	**-**
Disposals during the period	**-**	**-**	**-**	**-**
At 30 Sept. 2025	**128,716**	**371,411**	**37,819**	**537,946**
Depreciation				
At 1 April 2025	**59,206**	**371,359**	**37,739**	**468,304**
Disposals during the period	**-**	**-**	**-**	**-**
Charge for the period	**2,581**	**-**	**29**	**2,610**
At 30 Sept. 2025	**61,787**	**371,359**	**37,768**	**470,914**
Net book value				
At 30 Sept. 2025	**66,929**	**52**	**51**	**67,032**

Group	Building RO	Furniture and fixtures RO	Equipment RO	Total RO
Cost				
At 1 April 2024	128,716	371,411	37,819	537,946
Additions during the period				
Disposals during the period				
At 30 Sept. 2024	128,716	371,411	37,819	537,946
Depreciation				
At 1 April 2024	54,057	371,359	37,473	462,889
Disposals during the period	-			
Charge for the period	2,581		196	2,777
At 30 Sept. 2024	56,638	371,359	37,669	465,666
Net book value				
At 30 Sept. 2024	72,078	52	150	72,280

Parent Company	**Building RO**	**Furniture and fixtures RO**	**Equipment RO**	**Total RO**
Cost				
At 1 April 2025	**128,716**	**371,411**	**37,819**	**537,946**
Additions during the period	**-**	**-**	**-**	**-**
Disposals during the period	**-**	**-**	**-**	**-**
At 30 Sept. 2025	**128,716**	**371,411**	**37,819**	**537,946**
Depreciation				
At 1 April 2025	**59,206**	**371,359**	**37,739**	**468,304**
Disposals during the period	**-**	**-**	**-**	**-**
Charge for the period	**2,581**	**-**	**29**	**2,610**
At 30 Sept. 2025	**61,787**	**371,359**	**37,768**	**470,914**
Net book value				

At 30 Sept. 2025	**66,929**	**52**	**51**	**67,032**

11 Property, plant and equipment (continued)

Parent Company	Building RO	Furniture and fixtures RO	Equipment RO	Total RO
Cost				
At 1 April 2024	128,716	371,411	37,819	537,946
Additions during the period				
Disposals during the period				
At 30 Sept. 2024	128,716	371,411	37,819	537,946
Depreciation				
At 1 April 2024	54,057	371,359	37,473	462,889
Disposals during the period	-			
Charge for the period	2,581		196	2,777
At 30 Sept. 2024	56,638	371,359	37,669	465,666
Net book value				
At 30 Sept. 2024	72,078	52	150	72,280

12. Share capital, share premium and fair value reserve

(a) Share capital

At the end of the reporting period, the Parent Company's authorised share capital is RO 50,000,000 (2024 – RO 50,000,000) comprising of 500,000,000 (2024 – 500,000,000) ordinary shares.

The issued and paid up share capital of the parent company at the end of the reporting period is RO 8,500,000 comprising 85,000,000 fully paid up shares (2024 – RO 8,500,000 comprising 85,000,000 shares.

At the end of the reporting period, Shareholders of the Parent Company who own 10% or more of the Parent Company's shares, and the number of shares they hold are as follows:

	2025		2024	
	Number of shares	**% held**	Number of shares	% held
MB Holding Company LLC	**8,777,338**	**10.33%**	8,777,338	10.33%
Moh'd Ali Al Naki	**8,625,294**	**10.15%**	8,625,294	10.15%
Emirates NBD Bank	**7,964,325**	**9.37%**	7,964,325	9.37%

(b) Share premium

Share premium represents the excess of contributions received over the nominal value of shares issued by the Company in an earlier period.

(c) Fair value reserve

Fair value reserve represents share of reserve an associate relating to investments at fair value through other comprehensive income.

13 Legal reserve

In accordance with the Commercial Companies Law of Oman, annual appropriation of 10% of the net profit for the year is to be made to the legal reserve until the reserve equals one third of the share capital. The reserve is not available for distribution but can be utilized to set off against any accumulated losses and increase the respective Company's capital by issuing shares. During the year an amount of R.O Nil (2024: R.O Nil) was transferred to legal reserve.

14 Earnings, dividend and net assets per share

(a) Net assets per share:

	Group		Parent Company	
	2025	2024	**2025**	2024
Equity attributable to the Shareholders of the Parent Company (RO)	**6,320,564**	7,517,487	**6,320,564**	7,517,487
Number of shares outstanding	**85,000,000**	85,000,000	**85,000,000**	85,000,000
Net assets per share (RO)	**0.074**	0.088	**0.074**	0.088

(b) Earnings per share:

	Group		Parent Company	
	2025	2024	**2025**	2024
Loss attributable to the Shareholders of the Parent Company (RO)	**(1,080,840)**	(253,162)	**(1,080,840)**	(253,162)
Weighted average number of shares outstanding during the period	**85,000,000**	85,000,000	**85,000,000**	85,000,000
Earnings per share (RO)	**(0.013)**	(0.003)	**(0.013)**	(0.003)

As there are no dilutive potential shares, the diluted earnings per share are identical to the basic earnings per share.
The Board of Directors have proposed nil (2024: nil) dividend for the year.

15 Term Loans

	Group		Parent Company	
	2025 RO	2024 RO	**2025 RO**	2024 RO
Term loan 1 (note a)	**10,352,000**	10,500,000	**10,352,000**	10,500,000
Repayment of term loans	**(148,000)**	(52,305)	**(148,000)**	(52,305)
	10,204,000	10,447,695	**10,204,000**	10,447,695
Add: Accrued interest	**-**	-	**-**	-
	10,204,000	10,447,695	**10,204,000**	10,447,695

The following further notes apply:

(a) Term loan 1 was obtained from Alizz Islamic Bank SAOG with original limit of RO 10.5 Million. The term loan is for a period of 10 years and carries an annual profit share at 6.75% (2024 – 6.75%) and is repayable in semi-annual instalments. The loan is secured by following:

- registered legal mortgage over commercial building number 6, Tilal Complex, 1,744 square meters valued at RO 1.5 million;
- registered mortgage of quoted investments of Gulf Mushroom Products Company SAOG;
- registered legal mortgage of 1 million shares of Tilal Development Company SAOC with a carrying value of RO 2.88 million; and
- registered legal mortgage of 4.17 million shares of Al Madina Real Estate Company SAOC with a carrying value of RO 4.77million.

15 Term Loans (continued)

(b) The maturity profile of the term loans based on the remaining period to maturity from the end of the reporting period is as follows:

	Group		Parent Company	
	2025	2024	**2025**	2024
	RO	RO	**RO**	RO
Less than 1 year	**96,000**		**96,000**	
Between 1 and 2 years	**1,256,000**	235,695	**1,256,000**	235,695
Between 2 and 5 years	**5,292,000**	3,552,000	**5,292,000**	3,552,000
Over 5 years	**3,560,000**	6,660,000	**3,560,000**	6,660,000
	10,204,000	10,447,695	**10,204,000**	10,447,695

16. Taxation

(a) Components of taxation charge

	Group		Parent Company	
	2025	2024	**2025**	2024
	RO	RO	**RO**	RO
Statement of comprehensive income				
Current tax	-	-	-	-
Deferred tax	-		-	
	-		-	
Statement of financial position				
Provision for taxation	**25,978**	25,978	**25,978**	25,978
Deferred tax liability	**247,766**	247,766	**247,766**	247,766
	273,744	273,744	**273,744**	273,744

(b) Reconciliation of income tax expense

	Group		Parent Company	
	2025	2024	**2025**	2024
	RO	RO	**RO**	RO
Accounting (loss) before taxation	**(1,080,840)**	(253,162)	**(1,080,840)**	(253,162)
Income tax as per rate mentioned above	-		-	
Non-deductible expenses	-		-	
Current tax – prior year	-		-	
Effects of deferred tax assets not recognised on taxable loss	-		-	
Others	-		-	
	-		-	

(c) The movement in current taxation for the year is as follows:

	Group		Parent Company	
	2025	2024	**2025**	2024
	RO	RO	**RO**	RO
At 1 April	**(25,978)**	(31,066)	**(25,978)**	(31,066)
Additional Charge of the period	-	-	-	-
Payments during the period		5,088		5,088
At 30 Sept.	**(25,978)**	(25,978)	**(25,978)**	(25,978)

The Parent Company and it's subsidiaries are subject to income tax at 15% of taxable income (2024 – 15%). No provision for current taxation with respect to the Parent Company has been made since the company has incurred loss during the year.

16 Taxation (continued)

The following further notes apply: (continued)

(a) The status of the taxation assessments of the Companies within the Group pending to be finalised by the Tax Authority is as follows:

	Assessments pending for years
Al Madina Investment Holding SAOG	2021 to 2024
Shaden Development Company SAOC (merged entity vide resolution 30 September 2021)	2017 to 2022
Gulf Brand Company SAOC	Under liquidation
Al Madina Business Centre LLC	2021 to 2024
Al Meethaq Al Raid Trading LLC	2019 to 2022

The Board of Directors and the Management believe that the amount of additional taxes, if any that may arise on completion of the assessments for the above years, will not be material to the financial position of the Group at the end of the reporting period.

17 Trade and other payables

	Group		Parent Company	
	2025 RO	2024 RO	**2025 RO**	2024 RO
Trade payables	**41,281**	46,118	**31,210**	29,924
Advance from customers	**348,934**	331,386	**245,633**	314,419
Accruals and other payables	**130,183**	291,463	**125,351**	280,459
	520,398	668,967	**402,194**	624,802

The following further notes apply:

18 Related party transactions and balances

(a) The Group enters into transactions in the ordinary course of business between themselves, with the Directors, Shareholders and entities in which certain Directors or Shareholders of the Parent Company have significant influence or control. Prices and terms of payment for these transactions are approved by the Management and Board of Directors.

The nature and volume of significant related party transactions were as follows:

	Group		Parent Company	
	2025 RO	2024 RO	**2025 RO**	2024 RO
Transactions with subsidiaries:				
Rental income	**-**	-	**31,800**	31,800
Share of result of subsidiaries	**-**	-	**5,304**	13,506
Purchase of share of subsidiary	**-**	-	**-**	-
Transactions with associates:				
Share of result of associates	**(279,955)**	(186,063)	**(279,955)**	(186,063)
Sale of share of investment in associate	**-**	-	**-**	-
Transactions with other related parties:				
Dividend income	**-**		**-**	
Purchase of investments		751,500		751,500
Sale of investments	**-**	-	**-**	-
Other operating costs	**35,596**	24,719	**32,225**	21,344
Amount due to related parties	**859,863**	822,663	**893,179**	876,191
Due from related parties	**984,839**	663,112	**984,839**	663,112

18 Related party transactions and balances (continued)

(b) The key management personnel compensation for the year comprises:

	Group		Parent Company	
	2025 RO	2024 RO	**2025 RO**	2024 RO
Short term employment benefits	**28,466**	27,900	**28,466**	27,900
End of service benefits	**1,656**	1,903	**1,656**	1,903
	30,122	29,803	**30,122**	29,803

(c) The amounts due from and due to related parties are interest free and payable as per mutually agreed terms (2024 – similar terms) except for amount due to a related party amounting to RO 500,000 which carries profit rate of 5% per annum (2024 amount RO 500,000– 5%).

- Subject to balance confirmation from board members.

19 Salaries and employee related costs

(a) Salaries and employee related costs include the following:

	Group		Parent Company	
	2025 RO	2024 RO	**2025 RO**	2024 RO
Salaries, and other benefits	**72,372**	71,449	**49,970**	49,505
Contributions to defined retirement plan for Omani employees	**5,989**	5,507	**2,965**	2,699
Other benefits	**2,167**	2,284	**2,167**	2,284
	80,528	79,240	**55,102**	54,488

(b) Movement in expatriate employees' end of service benefits liability are as follow:

	Group		Parent Company	
	2025 RO	2024 RO	**2025 RO**	2024 RO
At the beginning of the period	**10,425**	6,485	**10,425**	6,485
Charge for the period	**1,656**	1,991	**1,656**	1,991
At the end of the period	**11,885**	8,476	**11,885**	8,476

20 General and administrative expenses

	Group		Parent Company	
	2025 RO	2024 RO	**2025 RO**	2024 RO
Professional fees	**10,100**	7,668	**9,800**	6,750
Registration fees	**348**	387	**348**	279
Board meeting fees	**16,000**	-	**16,000**	-
Board meeting expenses	**3,872**	450	**3,872**	450
Repairs and maintenance	**2,868**	855	**1,737**	88
Postage and telephone	**2,477**	1,711	**45**	90
Insurance	**-**		**-**	
Annual general meeting expenses	**3,130**	3,024	**3,130**	3,024
Store rent	**1,200**	1,200	**1,200**	1,200
Advertising	**1,042**	529	**1,042**	485
Sponsorship	**-**		**-**	
Printing and stationery	**270**	321	**182**	47
Electricity and water	**2,501**	545	**44**	28
Bank charges	**176**	98	**117**	49
Other wages	**1,520**	1,500	**460**	-
Miscellaneous expenses	**2,619**	363	**370**	46
	48,123	18,651	**38,347**	12,536

21 Corresponding figures

Comparatives have been regrouped or reclassified wherever necessary in order to conform to the presentation adopted in these consolidated and separate financial statements.