Union Construction and Investment

Public Shareholding Company

Ramallah - Palestine

Interim Financial Statements and Review Report
For the Period Ended March 31, 2026

Farrag & Nashwan & Co. for

Auditing & Consultancies

Union Construction and Investment

Public Shareholding Company

Ramallah - Palestine

Contents

Review Report on Interim Financial Statements

To M/s the Shareholders of Union Construction and Investment Company (UCI)
Public Shareholding Co.
Ramallah – Palestine

Introduction:

We have reviewed the accompanying interim financial statements, which comprise the interim financial position of Union Construction and Investment Company (UCI) Public Shareholding Co. as of March 31, 2026 and the interim comprehensive income statement, statement of interim changes in equity and statement of cash flow for the three-month period then ended.

Management is responsible for the preparation and financial presentation of these financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting." Our responsibility is to issue a report on these financial statements based on our review.

Scope of Review:

We conducted our review in accordance with the International Standard on Review Engagements 2410 Review of interim financial information performed by the independent auditor of the entity. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data, and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Conclusion:

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not presented fairly, in all material respects, in accordance with International Accounting Standard 34 interim financial reporting.

Farrage & Nashwan & Co.
Auditing & Consultancies

Iskandar

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لتدقيق الحسابات

Dr. Iskandar Nashwan
Licence Number 98/162
Thursday, May 14, 2026

Union Construction and Investment

Statement of Interim Financial Position as of March 31, 2026

Exhibit "A"

Assets	Notes	March 31,2026	December 31,2025
		Reviewed	Audited
Non-current assets		USD	USD
Property, plant and equipment-Net	3	963,486	974,914
Projects under construction-real-estate investments	4	23,406,481	23,413,157
Financial assets through comprehensive income	5	1,340,000	1,520,000
Postdated Cheques matured after three months		7,118,087	7,308,048
Total non-current assets		**32,828,054**	**33,216,119**
Current Assets			
Inventory	6	290,968	290,968
Other current assets	7	1,821,784	1,879,311
Due from related parties	8	1,470,590	1,436,009
Real-estate available for sale	9	8,131,036	8,113,375
Accounts receivable		6,997,561	7,707,080
Postdated Cheques matured in one year		2,087,586	2,121,359
Cash and cash equivalent	10	1,989,197	1,546,459
Total current assets		**22,788,722**	**23,094,561**
Total Assets		**55,616,776**	**56,310,680**
Equity and Liabilities			
Shareholders' Equity			
Paid-in capital	11	32,000,000	32,000,000
Statutory reserve	12	2,706,723	2,706,723
Retained earnings (exhibit D)		8,631,891	8,679,141
Cumulative change in fair value	b,5	(1,212,752)	(1,032,752)
Total Shareholders' Equity		**42,125,862**	**42,353,112**
Non-Current Liabilities			
Staff provisions	13	870,025	845,502
Long term posted dated checks		1,321,134	1,321,134
Long term loans	14	1,900,399	2,151,833
Total non-current liabilities		**4,091,558**	**4,318,469**
Current liabilities			
Short term loans	14	972,282	952,732
Accounts payable and others		195,641	205,713
Unearned rent revenues		55,396	114,042
Outstanding cheques (less than 1 year)		440,378	440,378
Due to related parties	8	855,897	955,063
Other current liabilities	15	6,879,762	6,971,171
Total current liabilities		**9,399,356**	**9,639,099**
Total liabilities		**13,490,914**	**13,957,568**
Total Shareholders' Equity and Liabilities		**55,616,776**	**56,310,680**

"The accompanying notes constitute an integral part of these financial statements"

Union Construction and Investment

Statement of Interim Income for the Three Months Period Ended March 31, 2026

Exhibit "B"

	Notes	March 31,2026	March 31,2025
		Reviewed	Reviewed
		USD	USD
Revenues			
Gain from real-estate investments	16	137,451	54,907
Rent revenues		92,955	97,662
Other revenues		26,076	29,473
Total revenues		**256,482**	**182,042**
Gross profit		**256,482**	**182,042**
Expenses			
General and administrative expenses	17	(292,304)	(238,874)
Depreciation	3	(11,428)	(11,567)
Total expenses		**(303,732)**	**(250,441)**
Net profit/ loss for the period before tax		**(47,250)**	**(68,399)**
Income tax expenses		-	-
Net profit/ loss for the period after income tax and before non-controlling interest		**(47,250)**	**(68,399)**
Earnings per share:			
Basic and diluted earnings per share to UCI shareholders	18	-0.15%	-0.21%

"The accompanying notes constitute an integral part of these financial statements"

Union Construction and Investment

Statement of Interim Comprehensive Income for the Three Months Period Ended March 31, 2026

Exhibit "C"

	Notes	March 31,2026	March 31,2025
		Reviewed	Reviewed
		USD	USD
Net Profit / loss for the Period - Exhibit B		(47,250)	(68,399)
Change in the fair value of financial assets through the statement of comprehensive income	(5,B)	(180,000)	270,000
Net comprehensive (loss) gain for the period		(180,000)	**270,000**
Total comprehensive (loss) gain for the period		**(227,250)**	**201,601**

"The accompanying notes constitute an integral part of these financial statements"

Union Construction and Investment

Statement of Interim Changes in Owners' Equity for the Three Months Period Ended March 31, 2026

Exhibit "D"

	Paid-in capital	Statutory reserve	Retained earnings	Cumulative change in fair value	Total
			USD		
Balance at January 1 ,2026	**32,000,000**	**2,706,723**	**8,679,141**	**(1,032,752)**	**42,353,112**
Change in fair value of financial assets through comprehensive income	–	–	–	(180,000)	(180,000)
Profit / loss for the period	–	–	(47,250)	–	(47,250)
Legal Reserve	–	–	–	–	–
Balance at March 31, 2026	**32,000,000**	**2,706,723**	**8,631,891**	**(1,212,752)**	**42,125,862**
(Unreviewed / Unaudited)					
Balance at January 1 , 2025	**32,000,000**	**2,706,723**	**10,067,138**	**(1,188,752)**	**43,585,109**
Changes in fair value of financial assets through comprehensive income	–	–	–	270,000	270,000
Profit /loss for the period	–	–	(68,399)	–	(68,399)
Legal reserve	–	-	–	–	–
Balance at March 31,2025	**32,000,000**	**2,706,723**	**9,998,739**	**(918,752)**	**43,786,710**

"The accompanying notes constitute an integral part of these financial statements"

Union Construction and Investment

Statement of Interim Cash Flows for the Three Months Period Ended March 31, 2026

Exhibit "E"

	Note	March 31,2026	March 31,2025
		Reviewed	**Reviewed**
		USD	**USD**
Cash flows from operating activities			
Profit / loss for the period before income tax		(47,250)	(68,399)
Adjustments to reconcile net cash flows			
Items does not require Cash flow			
Depreciation	3	11,428	11,567
Provision for staff end of services and saving fund		24,523	28,402
Changes in operating assets and liabilities			
Accounts receivable		709,519	679,373
Postdated Cheques		223,734	141,443
Other current assets		57,527	(67,309)
Due from related parties		(34,581)	(15,051)
Accounts payable		(10,072)	4,366
Other current liabilities		(91,409)	(543,204)
Due to related parties		(99,166)	(126,457)
Unearned revenues		(58,646)	(4,842)
Properties available for sale		(17,661)	-
Employee's indemnity paid		-	(1,843)
Projects under construction and real-estate investment		6,676	146,890
Net Cash Flows From Operating Activities		**674,622**	**184,936**
Cash flows from financing activities			
Short-term loans		231,884	(486,053)
Net cash provided from (used in) financing activities		**231,884**	**(486,053)**
Increase (decrease) in cash and cash equivalents for the period		**442,738**	**(301,117)**
Cash and cash equivalents, beginning of period		**1,546,459**	**1,465,147**
Cash and cash equivalents, end of period	**10**	**1,989,197**	**1,164,030**

"The accompanying notes constitute an integral part of these financial statements"

Note (1) - General - Legal Status and Activity

Union Construction and Investment Company Ltd. (UCI) is a Public Shareholding Company registered and incorporated on May 17, 2005, in Gaza, Palestine, under registration no. (563201532) in accordance with the Companies Law of 1929 and its subsequent amendments.
The main objective of UCI is to develop commercial centers, residential complexes, hotels, and touristic resorts in addition to plan, design, construct, and run industrial and tourist parks, as well as general trading within UCI's goals.
The financial statements of UCI for the period ended March 31, 2026, were authorized for issuance by management on May 14, 2026.

Note (2) - Significant accounting policies

a. Basis of preparation of financial statements

The company's interim condensed financial statements on March 31, 2026 have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting. "Interim Financial Reporting".
The interim condensed financial statements have been prepared in US dollars, which is the company's functional currency.
The condensed interim financial statements do not include all the information and explanations required for the preparation of annual financial statements, and they must be read with the annual financial statements of the company as of December 31, 2025. Likewise, the company's business results on March 31, 2026, do not necessarily represent an indication of the expected results for the fiscal year that will end on December 31, 2026.

b. Changes in accounting policies

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended December 31, 2025.
UCI has not early adopted any other standard that has been issued but is not yet effective.

c. Assumptions & Estimates

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to use several accounting estimates and assumptions that affect the amounts of revenues, expenses, assets, and liabilities and the presentation of contingent liabilities as of the date of the financial statements. Due to the use of these estimates and assumptions, actual results may differ from the estimates, and this may require an adjustment to the carrying amounts of assets or liabilities in the future.

d. Cash and Cash Equivalents

For purposes of the statement of cash flows, "cash and cash equivalents" represent cash in hand, current bank accounts, and fixed deposits with banks maturing within three months or less from the balance sheet date. Overdraft bank accounts fluctuating from debit to credit balance are deducted from cash and cash equivalents.

e. Fixed Assets

All Fixed Assets are recognized at their historical cost, less accumulated depreciation. The company is following the straight-line method to calculate depreciation on Fixed Assets using the following percentages:

Buildings	3%
Furniture	10%
Equipment	20%
Computers and Printers	20%
Cars	15%

The machinery and equipment is depreciable according to the method of production capacity utilized to total available production capacity.

In the case of exclusion, any of the property, plant, and equipment value of the asset and accumulated depreciation must be deleted on the date of exclusion, and the result should be relayed, whether it is a profit or a loss. Improvements should be capitalized at cost; the expenses of maintenance and repairs are charged to current operations when they occur; and borrowing costs are capitalized within the cost of the asset incurred to finance the construction of property, plant, and equipment during the period.

f. Employee benefits:

"The allowance for the end-of-service compensation of the company's employees shall be made in accordance with the applicable labour law in Palestine and the rules of procedure on a monthly basis for each working year.

The Employee Provident Fund benefits are allocated on the basis of the employee's contribution and the company's contribution. 5% of the base salary of each employee is deducted monthly. The company contributes 5% of the basic employee's salary. "

g. Income Tax :

The company is governed by the Income Tax Act and its subsequent amendments, as well as those issued by the Palestinian Territory's Income Tax and Value Added Tax Department. They are deducted according to the accrual principle, and the company's income tax provision is calculated on the basis of adjusted net profit.

h. Foreign Currency:

Transactions in currencies other than US dollars during the year are converted into US dollars at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities and those receivable or payable in other currencies at the end of the year are translated into US dollars at the exchange rates prevailing at the date of the financial statements. Exchange differences from profit or loss are shown in the consolidated statement of comprehensive income.

i. Inventory :

Inventory is valued at the original cost or realizable value which is less, and cost is determined on the basis of first-in first out.

j. Financial Instruments

A financial instrument is defined as any contract that results in a financial asset in an enterprise, a financial obligation, or an equity instrument in another enterprise. The company's financial instruments consist mainly of cash, bank balances, debits, credits, debits, other credits, and securities. The paragraphs above set out the accounting policies for these financial instruments.

3. Plant and equipment

This item consists of:

	Building & land	Furniture &Office equipment	Machinery &Equipment	Computers &software	Vehicles	Total as of March 31, 2026	Total As December 31, 2025
						Reviewed	Audited
Cost				USD			
March 31,2026							
Balance at the beginning of the period	1,013,841	113,456	138,954	130,829	80,698	1,477,778	1,477,379
Additions	–	–	–	–	–	-	399
As at March 31, 2026 (Reviewed not audited)	**1,013,841**	**113,456**	**138,954**	**130,829**	**80,698**	**1,477,778**	**1,477,778**
Accumulated depreciation							
Balance at the beginning of the period	91,566	111,955	125,568	124,574	49,201	502,864	456,967
Additions	7,644	164	689	539	2,392	11,428	45,897
As at March 31, 2026 (Reviewed not audited)	**99,210**	**112,119**	**126,257**	**125,113**	**51,593**	**514,292**	**502,864**
Net book value As at March 31,2025 (Reviewed not audited)	**914,631**	**1,337**	**12,697**	**5,716**	**29,105**	**963,486**	**974,914**

4. Projects under construction- real estate investments

This item consists of:

	March 31,2026 Reviewed USD	December 31,2025 Audited USD
Projects under construction-a	2,830,987	2,818,103
Real estate investments-b	14,732,212	14,751,772
Building-c	5,843,282	5,843,282
	23,406,481	**23,413,157**

a- Projects under construction

This item consists of:

	March 31,2026 Reviewed USD	December 31,2025 Audited USD
The Social Club Project - Al-Ittihad Dahiyah	1,033,569	1,020,685
AKA investment	1,693,745	1,693,745
Masyoun Gardens Project 3	103,673	103,673
Balance, end of period	**2,830,987**	**2,818,103**

b. Real-estate investments

This item consists of:	March 31,2026 Reviewed USD	December 31,2025 Audited USD
Beginning balance	14,751,772	14,480,748
Additions	372,844	1,463,071
Disposal of real estate investments	(392,404)	(1,192,047)
Balance, end of period	**14,732,212**	**14,751,772**

c. Buildings:

This item consists of:	March 31,2026 Reviewed USD	December 31,2025 Audited USD
Beginning balance	5,843,282	5,843,282
Additions	-	-
Balance, end of period	**5,843,282**	**5,843,282**

5. Financial assets through comprehensive income

a. This item consists of:

	March 31,2026 Reviewed USD	December 31,2025 Audited USD
Shares of AIG Insurance	840,000	1,020,000
Investment in Open Screenplay company	500,000	500,000
Balance, end of period	**1,340,000**	**1,520,000**

b. Movements on cumulative change in fair value are as follow:

	March 31,2026 Reviewed USD	December 31,2025 Audited USD
Balance, beginning of period	(1,032,752)	(1,188,752)
Change in fair value	(180,000)	156,000
Balance, end of period	**(1,212,752)**	**(1,032,752)**

6. Inventory:

This item consists of:

	March 31,2026 Reviewed USD	December 31,2025 Audited USD
Sanitary tools	284,879	284,879
Others	6,089	6,089
Balance, end of period	**290,968**	**290,968**

7. Other assets

This item consists of:

	March 31,2026 Reviewed USD	December 31,2025 Audited USD
Prepaid expenses	53,525	19,173
Accrued from Income Tax and VAT	567,339	551,405
Refundable Deposits	95,987	95,987
Accounts under settlement	-	107,813
Prepayments for purchase of land	1,104,933	1,104,933
Balance, end of period	**1,821,784**	**1,879,311**

8. Due from related parties

This item consists of:

	March 31,2026 Reviewed USD	December 31,2025 Audited USD
Due from Skyline Co.	941,780	941,780
Due from Open Screen Play Inc.	528,810	494,229
Balance, end of period	**1,470,590**	**1,436,009**

	Reviewed USD	Audited USD
Due from Ahleia Insurance Group	(94,841)	(204,007)
Due from Intaryo Company	(761,056)	(751,056)
Balance, end of the Period	**(855,897)**	**(955,063)**

9.Real-estate available for sale

This item consists of:

	March 31,2026 Reviewed USD	December 31,2025 Audited USD
Model Homes	157,107	157,107
MG Apartments Masyoun Gardens	7,973,929	7,956,268
Balance, end of the Period	**8,131,036**	**8,113,375**

10. Cash and cash equivalents

This item consists of:

	March 31,2026	December 31,2025
	Reviewed	Audited
	USD	USD
Cash in hand and banks	1,038,898	749,397
Accounts at financial institutions	5,124	5,124
Cheques under collection	945,175	791,938
Balance, end of the Period	**1,989,197**	**1,546,459**

11. Paid-in capital

This item consists of:

	March 31,2026	December 31,2025
	Reviewed	Audited
	USD	USD
Authorized and subscribed share capital	32,000,000	32,000,000
Paid in capital	**32,000,000**	**32,000,000**

12. Statutory Reserve:

Statutory reserve represents accumulation of Profits transferred at 10% of total annual profit in accordance with the Palestinian corporate law. This reserve is not available for distribution to shareholders

13.Staff provisions

This item consists of:

	March 31,2026	December 31,2025
	Reviewed	Audited
	USD	USD
Beginning Balance	845,502	1,092,099
Payments	-	(347,031)
Additions	24,523	100,434
Balance, end of the Period	**870,025**	**845,502**

14.Loans:

Loans consist of the following:

	March 31,2026		
	Short term	**Long term**	**Total**
Bank of Palestine	972,282	1,900,399	2,872,681
Balance, end of the Period	**972,282**	**1,900,399**	**2,872,681**

Bank of Palestine: A loan of USD 6,000,000 was granted to the company for commercial purposes under the agreement with the bank, with a decreasing interest rate of 5% paid under 72 installments starting from February 23, 2022, with the guarantee of two pieces of land (Masyoun 18, with an area of 1,805 square meters and a piece number: 410) & (Masyoun 18, with an area of 1,331 square meters and a piece number: 341) and cheques for collection and a paper security.

15.Other current liabilities

This item consists of:

	March 31,2026	December 31,2025
	Reviewed	Audited
	USD	USD
Accrued expenses	699,089	711,044
Performance guarantee reserves	95,597	118,937
Holiday allowance	58,333	54,189
Due from employees	221,667	289,225
Due to shareholders	598,156	598,420
VAT	1,140,082	1,140,082
Advances from customers	4,065,345	4,057,268
Other accounts payable	1,493	2,006
Balance, end of the Period	**6,879,762**	**6,971,171**

16. Profits from real estate investments

This item consists of:	March 31,2026 Reviewed USD	March 31,2025 Reviewed USD
Real estate investments	224,248	524,331
Costs	(86,797)	(469,424)
Balance, end of the Period	**137,451**	**54,907**

17. General and administrative expenses

This item consists of:	March 31,2026 Reviewed USD	March 31,2025 Reviewed USD
Salary expenses	160,076	182,547
Management allowance, chairman & Members - remuneration	10,000	10,000
Professional expenses	28,708	24,708
Travel and transport	5,100	5,464
Publications & media	12,882	13,074
Telephone, fax and post office	4,767	4,625
Insurance	3,914	3,451
Contribution fees in institutions and bodies	10,434	5,745
Stationery and publications	1,266	261
Electricity & water expenses	1,183	969
Bank charges	939	5,147
Hospitality	4,343	3,339
Maintenance	532	2,215
Rent expenses	1,587	1,587
Property taxes	9,708	9,579
Currency variance	2,033	(1,857)
Services	34,608	36,831
other	224	385
Total	**292,304**	**308,070**
Capitalization of overheads	-	(69,196)
Balance, end of the Period	**292,304**	**238,874**

18. Basic and Diluted Earnings per Share

This item consists of:	March 31,2026 Reviewed USD	March 31,2025 Reviewed USD
Annual profit / loss attributable to shareholders	(47,250)	(68,399)
Subscribed shares	32,000,000	32,000,000
Basic and diluted earning per share	**(.0015)**	**(.0021)**