EZDAN HOLDING GROUP Q.P.S.C.

CONSOLIDATED FINANCIAL STATEMENTS

31 December 2020

EZDAN HOLDING GROUP Q.P.S.C.

CONSOLIDATED FINANCIAL STATEMENTS
As at and for the year ended 31 December 2020

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of Ezdan Holding Group Q.P.S.C.
Doha, State of Qatar

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Ezdan Holding Group Q.P.S.C. (the "Company") and its subsidiaries (together with the Company, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information as set out on pages 12 to 67.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standard on Auditing (ISA). Our responsibilities under those standards are further described in the *"Auditor's Responsibilities for the Audit of the Consolidated Financial Statements"* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the Group's consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are these matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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INDEPENDENT AUDITOR'S REPORT - Ezdan Holding Group Q.P.S.C. (Continued)

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

Key Audit Matters (continued)

<table>
<tr><th colspan="2">Valuation of Investment Properties</th></tr>
<tr><td colspan="2">See Notes 2(d), 3(f), 9 and 28 to the consolidated financial statements</td></tr>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>The Group has recognized investment property in the amount of QR 44,512,585 thousand (2019: QR 43,933,362 thousand) which represents 90% (2019: 91%) of the Group's total assets and is measured at fair value.

Estimating the fair value is a complex process involving number of judgments and estimates including key assumptions. Consequently, the valuation of investment property is considered to be a key audit matter.</td><td>Our audit procedures in this area included, among others:

• Evaluating the competence and capabilities of the external valuation expert appointed by the Group;

• Agreeing the property information in the valuation by tracing a sample of inputs to the underlying property records held by the Group;

• Involving our own valuation specialist to assist us in the following matters:

- assessing the consistency of the valuation basis and appropriateness of the methodology used, based on generally accepted valuation practices; and

- evaluating the appropriateness of the assumptions applied to key inputs such as annual cash flows, market prices, operating costs, terminal value growth rates and the weighted-average cost of capital (discount rate), which included comparing these inputs with externally derived data as well as our own assessments based on our knowledge of the Group and the industry.

• Evaluating the adequacy of the disclosures in the consolidated financial statements including the disclosures of key assumptions and judgments.</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT - Ezdan Holding Group Q.P.S.C. (Continued)

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

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Group's annual report (the "Annual Report") but does not include the consolidated financial statements and our auditor's report thereon. Prior to the date of this auditor's report, we obtained the report of the Board of Directors which forms part of the Annual Report, and the remaining sections of the Annual Report are expected to be made available to us after that date.

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

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

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

Responsibilities of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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INDEPENDENT AUDITOR'S REPORT - Ezdan Holding Group Q.P.S.C. (Continued)

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

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

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

- Identify and assess the risk of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our audit's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and the timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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INDEPENDENT AUDITOR'S REPORT - Ezdan Holding Group Q.P.S.C. (Continued)

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

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

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

Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations we considered necessary for the purposes of our audit. The Company has maintained proper accounting records and its consolidated financial statements are in agreement therewith. Furthermore, the physical count of inventories was carried out in accordance with established principles. We have read the report of the Board of Directors to be included in the Annual Report and the consolidated financial information contained therein is in agreement with the books and records of the Company. We are not aware of any violations of the Qatar Commercial Companies Law No. 11 of 2015 or the terms of the Company's Articles of Association and any amendments thereto having occurred during the year which might have had a material effect on the Company's consolidated financial position or performance as at and for the year ended 31 December 2020.

15 March 2021
Doha
State of Qatar

Yacoub Hobeika
KPMG
Qatar Auditors' Registry Number 289
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

In thousands of Qatari Riyals

	Note	**2020**	2019
ASSETS			
Cash and bank balances	4	**650,311**	59,289
Trade and other receivables	5	**124,898**	315,188
Inventories	6	**9,745**	26,221
Equity investments	7	**2,549,407**	2,259,524
Equity-accounted investees and joint venture	8	**816,653**	834,173
Investment properties	9	**44,512,585**	43,933,362
Property and equipment	10	**734,202**	765,979
TOTAL ASSETS		**49,397,801**	48,193,736
LIABILITIES AND EQUITY			
LIABILITIES			
Trade and other payables	11	**2,605,258**	2,424,557
Sukuk and Islamic financing	13	**14,760,938**	14,365,348
TOTAL LIABILITIES		**17,366,196**	16,789,905
EQUITY			
Share capital	14	**26,524,967**	26,524,967
Legal reserve	15	**1,681,776**	1,646,982
Fair value reserves	17	**882,152**	591,918
Foreign currency translation reserve		**(1,784)**	(247)
Retained earnings		**3,223,486**	2,919,245
Equity attributable to owners of the Company		**32,310,597**	31,682,865
Non-controlling interests	30	**(278,992)**	(279,034)
Total equity		**32,031,605**	31,403,831
TOTAL EQUITY AND LIABILITIES		**49,397,801**	48,193,736

These consolidated financial statements were approved by the Company's Board of Directors and were signed on their behalf by the following on 15 March 2021.

Abdalla Bin Thani Al-Thani
Vice Chairman

Tamer Fouad Mahmoud
Group Chief Financial Officer

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The notes on pages 12 to 67 are an integral part of these consolidated financial statements.

EZDAN HOLDING GROUP Q.P.S.C.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2020

In thousands of Qatari Riyals

	Note	**2020**	2019
Rental income	9, 18	**1,177,397**	1,266,536
Other operating revenues	9, 18	**70,090**	103,728
Operating expenses	19(i)	**(252,579)**	(246,088)
OPERATING PROFIT FROM MAIN OPERATIONS		**994,908**	1,124,176
Dividend income from equity investments	7	**93,205**	122,416
Net gain on sale of equity-accounted investees	24	**-**	58,182
Share of results of equity-accounted investees and joint venture	8	**26,801**	57,127
NET OPERATING PROFIT		**1,114,914**	1,361,901
Loss from change in fair value of investment property	9	**-**	(100,014)
Other income	20	**33,699**	61,197
Finance costs	21	**(652,436)**	(898,637)
General and administrative expenses	19(ii)	**(80,856)**	(69,263)
Depreciation of property and equipment	10	**(32,796)**	(33,981)
Impairment loss of trade and other receivables - net	5	**(21,374)**	(3,696)
(Loss) / gain from foreign currency exchange		**(13,168)**	739
PROFIT FOR THE YEAR		**347,983**	318,246
Profit attributable to:			
Owners of the Company		**347,941**	309,292
Non-controlling interests	30	**42**	8,954
		347,983	318,246
BASIC AND DILUTED EARNINGS PER SHARE	22	**0.013**	0.012

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CONSOLIDATED STATEMENT OF OTHER COMPRHENSIVE INCOME

For the year ended 31 December 2020

In thousands of Qatari Riyals

	Note	2020	2019
Profit for the year		**347,983**	318,246
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Equity investments at FVOCI - net change in fair value	7, 17	**289,883**	(10,950)
Equity-accounted investees - share of OCI	17	**144**	511
		290,027	(10,439)
Items that are or may be reclassified subsequently to profit or loss			
Cash flow hedges - effective portion of changes in fair value	17	-	(10,844)
Foreign operations - foreign currency translation differences	17	**(1,537)**	(2,074)
Other comprehensive income / (loss) for the year		**288,490**	(23,357)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**636,473**	294,889
Attributable to:			
Owners of the Company		**636,431**	285,935
Non-controlling interests		**42**	8,954
		636,473	294,889

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The notes on pages 12 to 67 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2020

In thousands of Qatari Riyals

	Attributable to owners of the Company							
	Share capital	***Legal reserve (1)***	***Fair value reserves***	***Foreign currency translation reserve***	***Retained earnings***	***Total***	***Non-controlling interest***	***Total Equity***
Balance at 1 January 2020	**26,524,967**	**1,646,982**	**591,918**	**(247)**	**2,919,245**	**31,682,865**	**(279,034)**	**31,403,831**
Net profit for the year	-	-	-	-	**347,941**	**347,941**	**42**	**347,983**
Other comprehensive income for the year	-	-	**290,027**	**(1,537)**	**-**	**288,490**	-	**288,490**
Total comprehensive income for the year	**-**	**-**	**290,027**	**(1,537)**	**347,941**	**636,431**	**42**	**636,473**
Transfers of reserves on disposal of FVOCI (Note 17)	-	-	**207**	-	**(207)**	**-**	-	**-**
Transferred to legal reserve	**-**	**34,794**	**-**	**-**	**(34,794)**	**-**	**-**	**-**
Transferred to Social and Sports Activities Fund (Note 16)	**-**	**-**	**-**	**-**	**(8,699)**	**(8,699)**	**-**	**(8,699)**
Balance at 31 December 2020	**26,524,967**	**1,681,776**	**882,152**	**(1,784)**	**3,223,486**	**32,310,597**	**(278,992)**	**32,031,605**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)
For the year ended 31 December 2020

In thousands of Qatari Riyals

	Attributable to owners of the Company							
	Share capital	***Legal reserve (1)***	***Fair value reserves***	***Foreign currency translation reserve***	***Retained earnings***	***Total***	***Non-controlling interest***	***Total Equity***
Balance at 1 January 2019	26,524,967	1,616,053	719,779	1,827	2,542,036	31,404,662	(287,988)	31,116,674
Net profit for the year	-	-	-	-	309,292	309,292	8,954	318,246
Other comprehensive loss for the year	-	-	(21,283)	(2,074)	-	(23,357)	-	(23,357)
Total comprehensive income for the year	-	-	(21,283)	(2,074)	309,292	285,935	8,954	294,889
Transfers of reserves on disposal of FVOCI (Note 17)	-	-	(106,578)	-	106,578	-	-	-
Transferred to legal reserve	-	30,929	-	-	(30,929)	-	-	-
Transferred to Social and Sports Activities Fund (Note 16)	-	-	-	-	(7,732)	(7,732)	-	(7,732)
Balance at 31 December 2019	26,524,967	1,646,982	591,918	(247)	2,919,245	31,682,865	(279,034)	31,403,831

(1) In accordance with the requirements of the Qatar Commercial Companies Law No. 11 of 2015 and the Company's Article of Association, a minimum of 10% of the annual profit should be transferred to legal reserve until the reserve equals 50% of the share capital. The reserve is not available for distribution except in the circumstances stipulated in the above law and the Company's Article of Association.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

In thousands of Qatari Riyals

	Note	**2020**	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		**347,983**	318,246
Adjustments for:			
Loss from change in fair value of investment property	9	**-**	100,014
Dividend income from equity investments	7	**(93,205)**	(122,416)
Share of results of equity-accounted investees and joint venture	8	**(26,801)**	(57,127)
Depreciation of property and equipment	10	**32,796**	33,981
Impairment loss of trade and other receivables	5	**23,273**	10,599
Provision for employees' end of service benefits	19	**3,157**	3,302
Reversal of allowance for impairment loss of trade and other receivables	5	**(1,899)**	(6,903)
Operating expenses recognised from the consumption of small operating equipment	19(i)	**13,969**	-
Reversal of provision for claims	20	**-**	(10,920)
Waive-off of payable to a related party (1)	20	**-**	(35,400)
Net gain on sale of equity-accounted investees	8	**-**	(58,182)
Profit on Islamic bank accounts	20	**(6,856)**	(178)
Gain on disposal of property and equipment	10	**(127)**	(4,796)
Profits charged on Sukuk and Islamic Financing	21	**735,434**	862,653
Cash flow hedges – ineffective portion of change in fair value	21	**17,100**	35,984
Net gain from modification of Islamic financing	21	**(100,098)**	-
		944,726	1,068,857
Changes in:			
Trade and other receivables (2)		**143,413**	122,574
Inventories		**2,507**	1,840
Trade and other payables (3)		**(174,188)**	1,011,491
Cash generated from operating activities		**916,458**	2,204,762
Employees' end of service benefits paid	11	**(537)**	(19,714)
Net cash flows from operating activities		**915,921**	2,185,048
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	10	**(1,031)**	(2,364)
Payments for development of investment property		**(146,145)**	(385,420)
Purchase of equity investments	7	**(864)**	-
Proceeds from sale of equity investments		**864**	12
Proceeds from disposal of property and equipment		**139**	4,841
Dividends received	7, 8	**137,662**	197,855
Profit on Islamic bank accounts received		**6,856**	178
Net movement in restricted bank balances		**2,628**	(3,578)
Investment in bank deposits		**(36,415)**	-
Net cash flows used in investing activities		**(36,306)**	(188,476)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from sukuk and Islamic financing	13	**2,284,891**	-
Payments for sukuk and Islamic financing	13	**(2,513,211)**	(1,987,601)
Dividends paid		**(60,962)**	(40,797)
Movement in transaction cost		**(28,526)**	68,790
Net cash flows used in financing activities		**(317,808)**	(1,959,608)
NET INCREASE IN CASH AND BANK BALANCES		**561,807**	36,964
Net foreign exchange difference		**(4,572)**	(4,815)
Cash and bank balances as of 1 January		**54,086**	21,937
CASH AND BANK BALANCES AT 31 DECEMBER	4	**611,321**	54,086

Non- cash transactions:
1) Waiver off a payable to a related party (refer Note 20)
2) Capitalized finance costs on investment property under development (Note 21) and write of trade receivables (Note 5)
3) Disposal of subsidiaries by setting of payable balance to a related party (refer Note 24) for the year ended 31 December 2019, Development costs during the year (Note 9), Provision for Social and Sports Activities Fund (Note 11)

The notes on pages 12 to 67 are an integral part of these consolidated financial statements.

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Ezdan Holding Group Q.P.S.C. (the "Company") is a Qatari Public Shareholding Company registered in the State of Qatar under the Commercial Registration Number 15466. The Company was established on 24 May 1993 as a limited liability company, and was publicly listed at Qatar Stock Exchange on 18 February 2008. The Company is domiciled in the State of Qatar and its registered office is at Ezdan Towers, West Bay Doha, State of Qatar.

These consolidated financial statements comprise the Company and its subsidiaries (together referred to as "Group").

The principal activity of the Group is management and rentals of real estate properties. The Group is engaged in exerting significant influence and or joint control over other Companies. The Group is also engaged in controlling the subsidiaries by exposing the Company, or having rights, to variable returns from the Company's involvement with the company and has the ability to affect those returns through its power over the company or more by owning at least 51% of its shares, investment in shares, Sukuk, financial securities and other investments inside and outside the State of Qatar.

The principal subsidiaries of the Group are as follows:

	Name of the subsidiary	*Country of incorporation*	*Principal Activity*	*Effective percentage of ownership*	
				31 December 2020	*31 December 2019*
1	Ezdan Hotels Company W.L.L.	Qatar	Hotel services	**100%**	100%
2	Ezdan Mall Company W.L.L.	Qatar	Malls management	**100%**	100%
3	Ezdan Real Estate Company W.L.L.	Qatar	Real estate services	**100%**	100%
4	Ezdan Palace Hotel Company W.L.L.	Qatar	Hotel services	**100%**	100%
5	Al Ekleem for Real Estate and Mediation Co. W.L.L.	Qatar	Investments in shares	**100%**	100%
6	Al Taybin Trading Company W.L.L.	Qatar	Investments in shares	**100%**	100%
7	Al Namaa for Maintenance Company W.L.L.	Qatar	Investments in shares	**100%**	100%
8	Shatea Al Nile Company W.L.L.	Qatar	Investments in shares	**100%**	100%
9	Arkan for Import and Export Company W.L.L.	Qatar	Investments in shares	**100%**	100%
10	Tareek Al Hak Trading Company W.L.L.	Qatar	Investments in shares	**100%**	100%
11	Een Jaloot Trading Company W.L.L.	Qatar	Investments in shares	**100%**	100%
12	Ezdan World W.L.L.	Qatar	Entertainment services	**70%**	70%
13	Emtedad Real Estate for Projects W.L.L.	Qatar	Real estate development	**67.5%**	67.5%
14	Ezdan International Limited	Jersey	Investment property management	**100%**	100%
15	Haloul Ezdan For Trading and Construction Company W.L.L.	Qatar	Building and maintenance works	**100%**	100%
16	Ezdan for Partnership Company W.L.L.	Qatar	Marketing and management	**100%**	100%
17	Ezdan for Cleaning Company W.L.L.	Qatar	General cleaning of buildings	**100%**	100%
18	Ezdan for Landscape Company W.L.L.	Qatar	Sewerage and sanitary contracting services	**100%**	100%
19	Alraed for Sewerage Company W.L.L.	Qatar	Sewerage and sanitary contracting services	**100%**	100%
20	Ezdan for Transactions Clearance Company W.L.L.	Qatar	Transaction clearance services	**100%**	100%

The Parent of the Group is Al-Tadawul Trading Group Q.P.S.C. ("Tadawul") which owns directly 54% (approximately) of the share capital of the Group as at 31 December 2020 (31 December 2019: 54%).

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES (Continued)

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 15 March 2021.

2 BASIS OF PREPARATION

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Details of Group's accounting policies are included in Note 3.

b) Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention, as modified by the derivative financial assets/liabilities, equity investments at fair value through other comprehensive income (FVOCI) and investment property which have been measured at fair value.

c) Functional and presentation currency

These consolidated financial statements are presented in Qatari Riyals ("QR"), which is the Company's functional currency. All Group entities except Ezdan International Limited have the Qatari Riyal ("QR") as their functional currency. Ezdan International Limited has Sterling Pound ("GBP") as its functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

d) Use of judgments and estimates

In preparing these consolidated financial statements, management has made judgments and estimates that affect the application of Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about areas that involve a higher degree of judgement or complexity, or areas where assumptions or estimates have a significant risk of resulting in a material adjustment to the consolidated financial statements are as follows:

I. Judgements
Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements:

Revenue recognition
Rental revenue is recognised on a monthly basis based on the period of contract and the space occupied.

Revenue from ancillary services provided to occupants of the property is recognised at a single time when the service is delivered to the customer.

Revenue from sale of goods is recognised when the control of the goods (food and beverages) are transferred to the buyer. The customers take control of the items at the time of delivery of goods. Invoices are generated and revenue is recognised at that point in time. The customers' balances are usually collectible at transaction date.

The Group makes judgments in determining the performance obligations that exist in contract with the customers. Judgments are also applied in determining timing of transfer of control at a point in time or over time. Where the standalone selling price is applicable, management uses estimates to determine it based on the cost-plus mark-up depending on the nature of goods and services to be provided to different customers.

2 BASIS OF PREPARATION (Continued)

d) Use of judgments and estimates (continued)

I. Judgements (continued)

Going concern
The management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. The Group has been profitable, and it had positive net assets (equity), and cash flow positions as at the year end.

As explained in Note 32, the impact of Covid 19 may continue to evolve, but at the present time the assessment show that the Group has sufficient resources to continue in operational existence and its going concern position remains largely unaffected and unchanged from 31 December 2019. Therefore, these financial statements have been prepared on a going concern basis and do not include any adjustments to the carrying amounts and classification of assets, liabilities and reported expenses that may otherwise be required if the going concern basis was not appropriate. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on a going concern basis.

Business model assessment
Classification and measurement of financial assets depends on the results of "solely payments of principal and interest" (SPPI) and the business model test (refer to the accounting policy "Financial instruments" in Note 3). The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the year.

Interests in other entities (equity-accounted investees and joint venture)
Judgment is required in assessing the level of control obtained in a transaction to acquire an interest in another entity; depending upon the facts and circumstances in each case, the Group may obtain control, joint control or significant influence over the entity or arrangement. The Group considers that it has significant influence over investees when it has board representation which allows them to participate in the financial and operating policy decisions but is not control or joint control of those policies. Judgment is also required to assess whether the arrangement is a joint operation or a joint venture. The Group assesses the arrangement as a joint venture since the rights of the Group reside in the net assets of the joint arrangement (i.e. it is the joint arrangement, not the parties to the joint arrangement, that has a direct right to the assets, and obligations for the liabilities of the joint arrangement).

Impairment of non-financial assets
The carrying amounts of the Group's non-financial assets (equity-accounted investees and joint venture and property and equipment, but not inventories and investment property) are reviewed at each reporting date to determine whether there is any indication of impairment. Such indications may include decline in value of asset significantly, significant changes with an adverse effect on the Group have taken place, obsolescence or physical damage of asset, deterioration in the economic performance of the asset etc. If any such indication exists, then the asset's recoverable amount is estimated.

Distinction between property and equipment and investment property
The Group determines whether a property qualifies as an investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Property and equipment or owner-occupied properties generate cash flows that are attributable not only to the property but also to the other assets used in the production or supply process.

Group holds some properties that comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use for administrative purposes. These portions could not be sold separately (or leased out separately under a finance lease), so the Group has classified the whole of property as investment property because only an insignificant portion is held for use for administrative purposes. The Group provides ancillary services to the occupants of properties it holds and treats such properties as investment property as the services are insignificant to the arrangement as a whole.

2 BASIS OF PREPARATION (Continued)

d) Use of judgments and estimates (continued)

I. Judgements (continued)

Other provisions and liabilities
Other provisions and liabilities are recognized in the period only to the extent management considers it probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. Since the actual cash outflows can take place in subsequent years, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances. A change in estimate of a recognized provision or liability would result in a charge or credit to profit or loss in the period in which the change occurs.

II. Assumptions and estimation uncertainties

Impairment of financial assets measured at amortised cost
The "expected credit loss" (ECL) impairment model requires forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. It also requires management to assign probability and magnitude of default to various categories of financial assets measured at amortised cost (cash at bank and trade and other receivables). Probability of default constitutes a key input in measuring an ECL and entails considerable judgement; it is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. The magnitude of the loss in case there is a default is also an estimate of the loss arising on default; it is based on the difference between the contractual cash flows due and those that the Group would expect to receive.

Provision of slow-moving and obsolete inventories
Inventories are held at the lower of cost and net realizable value. When inventories become old or obsolete, an estimate is made of their net realizable value. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical realizable value.

Fair value measurement of investment property
The Group carries its investment property at fair value, with changes in fair value being recognized in profit or loss. The Group engages independent external valuers to determine the fair value. The valuers used recognized valuation techniques such as income (discounted cash flow [DCF]), market and residual approaches.

Depreciation of property and equipment
Items of property and equipment are depreciated over their estimated individual useful lives. The determination of useful lives is based on the expected usage of the asset, physical wear and tear, and technological or commercial obsolescence, and impacts the annual depreciation charge recognized in profit or loss. Management reviews annually the useful lives of these assets. Future depreciation charge could be materially adjusted where management believes the useful lives differ from previous estimates.

Legal proceedings
From time to time, the Group is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. The management applies significant assumptions in measuring the risks of exposure to contingent liabilities and provisions related to existing legal proceedings and other unsettled claims. The management's judgment is required in estimating the probability of a successful claim against the Group or crystallising of a material obligation, and in determining the probable amount of the final settlement or obligation. The Group makes provisions against legal cases for all present obligations based on their prior experience on similar cases and advice sought from the legal advisers.

2 BASIS OF PREPARATION (Continued)

e) New and amended standards and interpretations adopted by the Group

During the year, the below new and amended International Financial Reporting Standards ("IFRS" or "standards") and interpretations became effective for the first time for the financial year beginning on or after 1 January 2020.

- Amendments to references to conceptual framework in IFRS standards.
- Amendments to IFRS 3 "Business Combinations" of definition of business.
- Amendments to IFRS 7 "Financial Instruments: Disclosures", IFRS 9 "Financial Instruments" and IAS 39 "Financial Instruments: Recognition and Measurement" of pre-replacement issues in the context of the Interest rate benchmark reform.
- Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies", Changes in Accounting Estimates and Errors" of definition of material.
- Amendments to IFRS 16 "Leases" on rent concessions (Covid-19 related).

The adoption of the above new and amended standards and the interpretations to a standard listed above do not have any or material effect on the Group's financial statements.

f) New and amended standards and an interpretation to a standard not yet effective, but available for early adoption.

The below new and amended International Financial Reporting Standards ("IFRS" or "standards") and an interpretation to a standards that are available for early adoption for financial years beginning after 1 January 2020 are not effective until a later period, and they have not been applied in preparing these consolidated financial statements.

Effective for year beginning 1 January 2021	• *Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instrument: Recognition and Measurement", IFRS 7 "Financial Instruments: Disclosures", IFRS 4 "Insurance Contracts" and IFRS 16 "Leases" on Interest rate benchmark reform – phase 2.*
Effective for year beginning 1 January 2022	• *Amendments to IAS 37 "Provisions, Contingent Liabilities, and Contingent Assets" on onerous contracts - cost of fulfilling a contract.* • *Amendments to IAS 16 "Property, Plant and Equipment" on proceeds before intended use.* • *Amendments to IFRS 3 "Business Combinations" of reference to the Conceptual Framework.* • *Annual improvements to IFRS Standards 2018-2020*
Effective for year beginning 1 January 2023	• *IFRS 17 "Insurance Contracts"* • *Amendments to IAS 1 "Presentation of financial statements" of classification of liabilities as Current or Non-Current.* • *Amendments to IFRS 17 "Insurance Contracts"*
Effective date deferred indefinitely / available for optional adoption	• *Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" on sale or contribution of assets between an investor and its associate or joint venture*

Management does not expect that the adoption of the above new and amended standards and the interpretation to a standard will have a significant impact on the Group's consolidated financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies of the Group applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently to both years presented in these consolidated financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group (see section on “Subsidiaries” below).

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree’s identifiable net assets at the acquisition date. Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Equity-accounted investees and joint venture

Equity-accounted investees are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group’s investments in its equity-accounted investees and a joint venture are accounted for using the equity method.

Under the equity method, the investment in an equity-accounted investee or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group’s share of net assets of the equity-accounted investees or a joint venture since the acquisition date. Goodwill relating to the equity-accounted investees or a joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The consolidated statement of profit or loss reflects the Group’s share of the results of operations of the equity-accounted investees and joint venture. Any change in OCI of those investees is presented as part of the Group’s OCI. In addition, when there has been a change recognised directly in the equity of the equity-accounted investees or a joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the equity-accounted investees or a joint venture are eliminated to the extent of the interest in the equity-accounted investees or a joint venture.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Basis of consolidation (continued)

Equity-accounted investees and joint venture (continued)

The aggregate of the Group's share of results of equity-accounted investees and joint ventures is shown on the face of the consolidated statement of profit or loss.

The financial statements of the equity-accounted investees and a joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group's accounting policies.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its equity-accounted investees and a joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the equity-accounted investees and joint venture are impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the equity-accounted investees or a joint venture and its carrying value, then recognises the loss in the consolidated statement of profit or loss.

Upon loss of significant influence over the equity-accounted investees or a joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the equity-accounted investees or a joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated statement of profit or loss.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b) Financial instruments

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

A financial asset or financial liability is initially measured at fair value plus, for an item not at FVTPL, 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.

Classification and subsequent measurement of financial assets

A financial asset is classified at:

- Amortised cost – if it meets both of the following conditions and is not designated as at FVTPL:
  - o it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
  - o its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- FVOCI - if it meets both of the following conditions and is not designated as at FVTPL:
  - o it is held within a business model whose objective achieved by both collecting contractual cash flows and selling financial assets; and
  - o its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.
- FVTPL – All financial assets not classified as measured at amortised cost or FVOCI as described above.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Financial instruments (continued)

Classification and subsequent measurement of financial assets (continued)

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

On initial recognition, the Group may irrecoverably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

The Group has classified on initial recognition its cash and cash equivalents and trade and other receivables at amortised cost.

Financial assets – Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual cash flows or realising cash flows through the sale of assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

Financial assets – Assessment whether contractual cash flows are Solely Payments of Principal and Interest (SPPI)

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

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Financial instruments (continued)

Classification and subsequent measurement of financial assets (continued)

Financial assets – Assessment whether contractual cash flows are Solely Payments of Principal and Interest (SPPI) (continued)

- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

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

Financial assets – Subsequent measurement and gains and losses

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

- Financial assets FVTPL -These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. The Group does not hold such assets.

- Debt instruments at FVTOCI - These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. The Group does not hold such assets.

- Equity investments at FVOCI - These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never derecognised to profit or loss. The Group hold such assets.

Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Financial instruments (continued)

Derecognition (continued)

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

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 currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

c) Impairment

Non-derivative financial assets

The Group recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost (cash at bank and receivables). The Group does not hold debt investments measured at amortised cost or contract assets.

The Group measures loss allowance either at an amount equal to:

- lifetime ECLs, which are those ECLs that result from all possible default events over the expected life of a financial instruments; or

- 12-month ECLs, which includes the portion of ECLs that results from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

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

Loss allowances for receivables are always measured at an amount equal to lifetime ECLs.

Loss allowances on bank balances are always measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when the customer is unlikely to pay its credit obligation to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

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

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Impairment (continued)

Non-derivative financial assets (continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer; or
- a breach of contract such as a default or being more than 120 days past due (more than 365 days for mall operations); or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (equity-accounted investees and joint venture, property and equipment, but not inventories and investment property) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For 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 Cash Generating Units (CGUs).

The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or a CGU.

An impairment loss is recognized if the carrying amount of an asset or a CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

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, if no impairment loss had been recognised.

d) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash and bank balances and bank deposits with original maturities of three months or less and unrestricted balances held with banks which are subject to insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments, net of outstanding bank overdrafts and restricted bank balances.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. A provision is made for any write-down of inventories to net realisable value and such a provision is reflected as an expense in profit or loss in the period of write-down. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised in profit or loss in the period in which the reversal occurs.

f) Investment property

Investment property are properties which are held either to earn rental income, including those under development, or for capital appreciation or for both are initially measured at cost, including transaction costs.

Investment property are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property are stated at fair value which reflects market condition at the reporting date. Gains and losses arising from changes in the fair values of investment property are included in the consolidated statement of profit or loss in the period in which they arise. Fair values are determined based on revaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment property are derecognised either when have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal and the carrying amount of the asset is recognised in the consolidated statement of profit or loss in the period of derecognition.

Property that is being constructed for future use as investment property is accounted for as investment property under the fair value model. Property under construction is designated as investment property only if there are unambiguous plans by management to subsequently utilize the property for rental activities upon completion of development, or if there is undetermined future use of the property and hence the property is held for long term capital appreciation.

Transfers between property categories

Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by:

(a) commencement of owner-occupation, for a transfer from investment properties to owner- occupied property;
(b) commencement of development with a view to sale, for a transfer from investment properties to inventories;
(c) end of owner-occupation, for a transfer from owner-occupied property to investment property;
(d) commencement of an operating lease to another party, for a transfer from inventories to investment property.

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Any gain arising on remeasurement is recognized directly in equity as a revaluation surplus. Any loss is recognized immediately in the consolidated statement of profit or loss.

For a transfer from investment property carried at fair value to owner-occupied property or inventories, the property's deemed cost for subsequent accounting in accordance with IAS 16 or IAS 2 shall be its fair value at the date of change in use.

For a transfer from inventories to investment property that will be carried at fair value, any difference between the fair value of the property at that date and its previous carrying amount shall be recognized in consolidated statement of profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Property and equipment

Recognition and measurement
Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The capital work in progress includes the cost of materials and direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that computers and office equipment.

Any gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

Subsequent expenditure
Subsequent expenditure is capitalized only if it is probable that future economic benefits associated with the expenditure will flow to the Group.

Depreciation is recognized in the consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of each item of property and equipment.

Depreciation
Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss.

The estimated useful lives of property and equipment for current and comparative periods are as follows:

	Years
Buildings	20
Motor vehicles	5
Furniture, fixtures and office equipment	2-5

Land and capital work in progress are not depreciated. Once assets within capital work in progress are completed, they are reclassified to the relevant category of other property and equipment stated above and depreciated accordingly once they are put into use.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

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

Allocation of depreciation expense
Depreciation is allocated to operating and general and administrative expenses on the basis of relative usage of assets for these purposes.

h) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity.

i) Revenue recognition

Rental income
Rental income receivable from operating leases, less the Group’s initial direct costs of entering into the leases, is recognized on a straight-line basis over the term of the lease, except for contingent rental income which is recognized when it arises.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Revenue recognition (continued)

Incentives for lessees to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such a basis. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the lessors are reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognized in the consolidated statement of profit or loss when they arise.

Dividend income from equity investments
Dividend income is recognised when the Group's right to receive the payment is established which is generally when shareholders approve the dividend.

Service charges and expenses recoverable from tenants
Income arising from expenses recharged to tenants is recognized in the period in which the expense can be contractually recovered. Service charges and other such receipts are included gross of the related costs in revenue, as the Group acts as principal in this respect.

Sale of goods
Revenue is recognized when the control of the goods are transferred to the buyer.

Other income
Revenue is recognized when earned.

j) Expense recognition

Expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen and can be measured reliably.

An expense is recognized immediately in profit or loss when an expenditure produces no future economic benefits, or when, and to the extent that, future economic benefits do not qualify or cease to qualify for recognition in the consolidated statement of financial position as an asset, such as in the case of asset impairments.

k) Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the consolidated statement of financial position date. All differences are taken to the consolidated statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

l) Borrowing costs

Borrowing costs are finance cost and other costs that the Group incurs in connection with the borrowing of funds. A qualifying asset for finance cost capitalization is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The Group capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The Group recognizes other borrowing costs as an expense in the period in which it incurs them.

The Group begins capitalizing borrowing costs as part of the cost of a qualifying asset on the commencement date. The commencement date for capitalization is the date when the Group first meets all of the following conditions:

a) incurs expenditures for the asset;
b) incurs borrowing costs; and
c) undertakes activities that are necessary to prepare the asset for its intended use or sale.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Borrowing costs (continued)

To the extent that the Group borrows funds specifically for the purpose of obtaining a qualifying asset, the Group determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings, if any.

The borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than those specific borrowings mentioned above as made specifically for the purpose of obtaining a qualified asset, are capitalized by applying a capitalization rate to the expenditures on that asset.

The amount of borrowing costs that the Group capitalizes during the period is not to exceed the amount of borrowing costs it incurred during that period. The Group suspends capitalization of borrowing costs during extended periods in which it suspends active development of a qualifying asset, and ceases capitalizing borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are expensed in profit or loss using the effective interest method.

m) Tenants' deposits

Tenants deposits liabilities are initially recognized at fair value and subsequently measured at amortized cost where material. Any difference between the initial fair value and the nominal amount is included as a component of operating lease income and recognized on a straight-line basis over the lease term.

n) Employees' end of service benefits

The Group provides end of service benefits to its expatriate employees in accordance with Qatari Labor Law. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of minimum service period. The expected costs of these benefits are accrued over the period of employment.

o) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. The expense relating a provision is presented in the consolidated statement of profit or loss net of any reimbursement.

With respect to its Qatari employees, the Group provides contributions to the General Pension and Social Insurance Authority calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

p) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees, if any.

q) Dividends

The Group recognizes a liability to make cash distributions to equity shareholders of the Parent when distribution is authorized and the distribution in no longer at the discretion of the company. As per the Qatar Commercial Law No 11 of 2015, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

r) Income tax

Taxes are calculated based on tax laws and regulations in jurisdictions in which the Group operates. A tax provision is made based on an evaluation of the expected tax liability.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

s) Operating segments

The Group's operating segments are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on operating segments is presented in Note 30 to the consolidated financial statements. The Managing Director (the chief operating decision maker) reviews management reports on a regular basis.

The measurement policies the Group used for segment reporting under IFRS 8 are the same as those used in the consolidated financial statements. There have been no changes in the measurement methods used to determine reported segment profit or loss from prior periods. All inter-segment transfers are carried out at arm's length prices.

Segment revenues, expenses and performance include sales and purchases between business segments. Such sales and purchases are eliminated in consolidation.

t) Current versus non-current classification

The Group presents assets and liabilities based on current / non-current classification. An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or,
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

u) Contingent assets and liabilities

Contingent assets are not recognised in the consolidated financial statements, but are disclosed when an inflow of economic benefits is probable.

Contingent liabilities are not recognised in the consolidated financial statements, but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

v) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into, on or after 1 January 2019.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

v) Leases (continued)

Group as a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group 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 following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, 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. Right-of-use assets that meet the definition of investment property are presented within investment property.

Short-term leases and leases of low-value assets

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

Group as a lessor

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

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

v) Leases (continued)

Group as a lessor (continued)

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

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

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

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

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

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of ‘rental revenues’.

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

w) Fair value measurement

The Group measures financial instruments such as derivatives, equity investment financial assets and non- financial assets such as investment property at fair value at each reporting date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value are disclosed in these consolidated financial statements in Note 28.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

If an asset or liability measured at fair value has a bid price and an ask price, then the Group measures assets at a bid price and liabilities at an ask price.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

w) Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

4 CASH AND BANK BALANCES

	2020	2019
Cash on hand	**297**	292
Cash at banks and other financial institutions		
Current accounts	**22,074**	43,555
Saving and call accounts (1)	**625,365**	10,239
Margin accounts	**2,575**	5,203
Total cash at banks and other financial institutions	**650,014**	58,997
Cash and cash equivalents	**650,311**	59,289
Less: restricted bank balances (2)	**(2,575)**	(5,203)
Less: bank deposits (3)	**(36,415)**	-
Cash and cash equivalents	**611,321**	54,086

(1) This includes short term deposit of QR 616 Million as at 31 December 2020.
(2) Restricted bank balances represent cash margin (letter of guarantees) and are not available for use by the Group.
(3) Bank deposits represent deposits which will be maturing in the month of April 2021.

5 TRADE AND OTHER RECEIVABLES

	2020	2019
Tenant receivables – net	**47,361**	53,769
Receivable from government on expropriation of investment property	**46,844**	50,366
Advances to suppliers and contractors	**7,398**	9,856
Due from related parties - net (Note 12(b))	**1,380**	177,996
Refundable deposits – net	**11,084**	10,899
Prepaid expenses	**4,175**	4,237
Accrued interest income	**1,052**	-
Net other receivables and debit balances	**5,604**	8,065
	124,898	315,188

As at and for the year ended 31 December 2020 In thousands of Qatari Riyals

5 TRADE AND OTHER RECEIVABLES (Continued)

Trade and other receivables are segregated between current and non-current as follows:

2020	**Current**	**Non-current**	**Total**
Tenant receivables – net	**47,361**	-	**47,361**
Receivable from government on expropriation of investment property	**46,844**	-	**46,844**
Advances to suppliers and contractors	**7,398**	-	**7,398**
Due from related parties - net	**1,380**	-	**1,380**
Refundable deposits – net	**-**	**11,084**	**11,084**
Prepaid expenses	**4,175**	-	**4,175**
Accrued income	**1,052**	-	**1,052**
Net other receivables and debit balances	**5,604**	-	**5,604**
	113,814	**11,084**	**124,898**

2019	Current	Non-current	Total
Tenant receivables – net	53,769	-	53,769
Receivable from government on expropriation of investment property	50,366	-	50,366
Advances to suppliers and contractors	9,856	-	9,856
Due from related parties - net	177,996	-	177,996
Refundable deposits – net	-	10,899	10,899
Prepaid expenses	4,237	-	4,237
Net other receivables and debit balances	8,065	-	8,065
	304,289	10,899	315,188

The movements in the allowance for impairment of trade and other receivables were as follows:

	2020	2019
At 1 January	**101,142**	125,686
Provision made during the year	**23,273**	10,599
Provision reversed	**(1,899)**	(6,903)
Provision derecognized on disposal of subsidiaries (Note 24)	**-**	(504)
Provision written-off	**(17,944)**	(27,736)
At 31 December	**104,572**	101,142

The allowance for impairment is consists of:

	2020	2019
Tenants receivables	**95,185**	93,194
Refundable deposits	**1,627**	1,627
Other receivables	**7,760**	6,321
	104,572	101,142

6 INVENTORIES

	2020	2019
Inventories carried at cost		
Consumables	**4,613**	21,024
Buildings and maintenance materials	**5,132**	5,197
	9,745	26,221

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6 INVENTORIES (Continued)

Small operating equipment represents linen, cutlery and other hotel consumables. In 2020, small operating equipment of QAR 13,969 were recognised as an expense during the year and included in 'operating expenses' (Note 19).

During the year, the Group has decided to recognise small operating equipment as an expense based on its issuance to the operation. Previously the small operating inventories were written off when they were damaged.

The movement in the provision for obsolete inventories were as follows:

	2019
At 1 January	5,363
Provision written off	(5,363)
At 31 December	-

7 EQUITY INVESTMENTS

	2020	2019
At 1 January	**2,259,524**	3,316,717
Purchases	**864**	-
Disposals as part of disposal of subsidiaries (Note 24)	**-**	(1,046,230)
Other disposals	**(864)**	(13)
Net change in fair value (Note 17)	**289,883**	(10,950)
At 31 December	**2,549,407**	2,259,524

The equity investments consist of:

	2020	2019
Quoted shares (1) (Note 27 (a))	**2,549,407**	2,259,524

(1) The quoted shares are the Group's equity investments that are designated by the Group as FVOCI.

Quoted shares: concentration of investment portfolio

Concentration of investment portfolio arises when a number of investments are made in entities engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would be affected by changes in economic, political or other conditions. The Group manages this risk through diversification of investments in terms of industry concentration. The industry concentration of the investment portfolio is as follows:

Listed shares located in State of Qatar	**2020**	2019
Banks and financial institutions	**2,483,111**	2,189,815
Consumer goods and services	**32,267**	34,489
Transportation	**17,962**	19,238
Industries	**15,609**	14,727
Telecommunication	**10**	575
Real estate	**448**	680
	2,549,407	2,259,524

As at and for the year ended 31 December 2020 In thousands of Qatari Riyals

7 EQUITY INVESTMENTS (Continued)

The Group generated dividend income from the equity investments amounting to QR 93,205 (2019: QR 122,416) during the year.

8 EQUITY-ACCOUNTED INVESTEES AND JOINT VENTURE

The Group has following equity-accounted investees and joint venture:

	Country of incorporation	*Ownership interest*			
		2020	2019	**2020**	2019
Associates:					
Qatar International Islamic Bank Q.P.S.C. (i) (Note 12(c.ii))	Qatar	**6.04%**	6.04%	**576,349**	562,439
Medicare Group Q.P.S.C. (ii)	Qatar	**2.00%**	2.00%	**40,608**	40,395
Qatar Islamic Insurance Group Q.P.S.C. (iii)	Qatar	**4.92%**	4.92%	**47,975**	48,788
Total of associates				**664,932**	651,622
Joint venture:					
White Square Real Estate W.L.L. (iv)	Qatar	**32.50%**	32.50%	**151,721**	182,551
				816,653	834,173

A. Associates

(i) Qatar International Islamic Bank Q.P.S.C. (QIIB)

QIIB was incorporated under Amiri Decree No.52 of 1990. QIIB operates through its head office located on Grand Hamad Street in Doha and 19 local branches. The QIIB is listed and its shares are traded on the Qatar Stock Exchange. QIIB is engaged in banking, financing and investing activities in accordance with its Articles of Incorporation, Islamic Shari'a rules and principles as determined by the Shari'a Supervisory Board of QIIB and regulations of Qatar Central Bank.

(ii) Medicare Group Q.P.S.C. (MCGS)

MCGS formerly known as Al Ahli Specialised Hospital Company Q.S.C. is a Qatari Public Shareholding Company incorporated on 30 December 1996 under Commercial Registration Number 18895. It's registered office is located at P.O. Box 6401, Doha, State of Qatar. Its main activity is to operate a specialised hospital and promote medical services in State of Qatar.

(iii) Qatar Islamic Insurance Group Q.P.S.C. (QIIG)

QIIG was incorporated in the State of Qatar as a Closed Shareholding Company on 30 October 1993. On 12 December 1999, QIIG changed its status to a public listed company. The QIIG is engaged in business of underwriting general, Takaful (life) and health non- interest insurance in accordance with the Islamic Shari'a principles.

Although the Group holds less than 20% of the ownership interest and voting rights of QIIB, MCGS and QIIG, the Group has the ability to exercise significant influence through its nominated members in Board of Directors of the aforesaid equity-accounted investees, hence, the equity method has been applied.

B. Joint venture

(iv) White Square Real Estate W.L.L. (White Square)

White Square is a limited liability company registered and incorporated in the State of Qatar under the Commercial Registration No. 51302. White Square is structured as a joint venture company between the Company and Mr. Ibrahim Rashid Al-Mohannadi for the purpose of constructing and management of an investment property. White Square is principally engaged in real estate trading, development and rental activities.

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8 EQUITY-ACCOUNTED INVESTEES AND JOINT VENTURE (Continued)

C. Fair value disclosure of equity accounted investees and joint venture

The total fair market value of the associates amounted to QR 927,716 (2019: QR 981,278) as at reporting date. Fair value is directly observable from stock exchange (Level 1). Fair value of joint venture is not available as it is not a listed entity.

D. Reconciliation of summarized financial information for equity accounted investees and joint venture

Reconciliation of the summarized financial information presented to the carrying amount of its interests in equity-accounted investees and joint venture is as follows:

	2020	2019
At 1 January	**834,173**	1,425,613
Dividends received	**(44,457)**	(75,439)
Share of results	**26,801**	57,127
Share of net movement in other comprehensive income (Note 17)	**144**	511
Share of the net movement of translation reserve	**(8)**	(9)
Disposals during the year (Note 24)	**-**	(573,630)
At 31 December	**816,653**	834,173

E. Summarized financial information for associates

Summarized statement of financial position of associates as at 31 December 2020:

	QIIB	***MCGS***	***QIIG***	***Total***
Non-current assets	**29,214,170**	**993,852**	**230,001**	**30,438,023**
Current assets	**32,368,763**	**185,095**	**207,391**	**32,761,249**
Non-current liabilities	**(11,030,508)**	**(155,449)**	**-**	**(11,185,957)**
Current liabilities	**(44,051,974)**	**(133,118)**	**(36,111)**	**(44,221,203)**
Net assets (100%)	**6,500,451**	**890,380**	**401,281**	**7,792,112**
Percentage ownership interest	**6.04%**	**2.00%**	**4.92%**	
Group's share of net assets	**392,378**	**17,808**	**19,730**	**429,916**
Goodwill	**183,971**	**22,800**	**28,245**	**235,016**
Carrying value of investment	**576,349**	**40,608**	**47,975**	**664,932**

As at and for the year ended 31 December 2020 In thousands of Qatari Riyals

8 EQUITY-ACCOUNTED INVESTEES AND JOINT VENTURE (Continued)

E. Summarized financial information for associates (continued)

Summarized statement of financial position of associates as at 31 December 2019:

	QIIB	*MCGS*	*QIIG*	*Total*
Non-current assets	21,949,476	963,510	270,756	23,183,742
Current assets	32,987,847	189,992	186,505	33,364,344
Non-current liabilities	(10,146,427)	(149,110)	-	(10,295,537)
Current liabilities	(38,524,853)	(124,642)	(39,720)	(38,689,215)
Net assets (100%)	6,266,043	879,750	417,541	7,563,334
Percentage ownership interest	6.04%	2.00%	4.92%	
Group's share of net assets	378,469	17,595	20,543	416,607
Goodwill	183,970	22,800	28,245	235,015
Carrying value of investment	562,439	40,395	48,788	651,622

Summarized statement of profit or loss and other comprehensive income of associates for the year ended 31 December 2020:

	QIIB	***MCGS***	***QIIG***	***Total***
Revenues	**2,242,015**	**476,795**	**116,417**	**2,835,227**
Profit from continuing operations	**872,962**	**86,847**	**38,978**	**998,787**
Other comprehensive income	**786**	**2,595**	**730**	**4,111**
Total comprehensive income	**873,748**	**89,442**	**39,708**	**1,002,898**
Group's share of comprehensive income	**48**	**52**	**36**	**136**
Group's share of total comprehensive income	**52,742**	**1,789**	**1,952**	**56,483**
Dividends	**38,832**	**1,576**	**2,765**	**43,173**

Summarized statement of profit or loss and other comprehensive income of associates for the year ended 31 December 2019:

	QIIB	*MCGS*	*QIIG*	*Total*
Revenues	2,500,072	500,990	126,249	3,127,311
Profit from continuing operations	811,374	187,150	81,687	1,080,211
Other comprehensive income	1,573	21,450	(467)	22,556
Total comprehensive income	812,947	208,600	81,220	1,102,767
Group's share of comprehensive income	95	429	(23)	501
Group's share of total comprehensive income	49,007	3,743	4,019	56,769
Dividends	60,548	10,554	3,850	74,952

As at and for the year ended 31 December 2020 In thousands of Qatari Riyals

8 EQUITY-ACCOUNTED INVESTEES AND JOINT VENTURE (Continued)

E. Summarized financial information for associates (continued)

The following table analyses, in aggregate, the carrying amount and share of profit and OCI of associates.

	2020	2019
Carrying amount of interests in associates	**664,932**	651,622
Share of:		
– Profit from continuing operations	**998,787**	1,080,211
– OCI	**4,111**	22,556
	1,002,898	1,102,767

F. Summarized financial information for joint venture

Summarized statement of financial position of Joint Venture:

	2020	2019
Percentage ownership interest	**32.50%**	32.50%
Non-current assets	**907,321**	1,010,619
Current assets – cash and cash equivalents	**2,591**	976
Other current assets	**10,156**	7,060
Non-current financial liabilities (excluding trade and other payables and provisions)	**(432,881)**	(428,467)
Other non-current liabilities	**(333)**	(887)
Current financial liabilities (excluding trade and other payables and provisions)	**(13,676)**	(13,758)
Other current liabilities	**(6,345)**	(13,848)
Net assets (100%)	**466,833**	561,695
Group's share of net assets (32.5%)	**151,722**	182,551
Goodwill	-	-
Carrying amount of interest in joint venture	**151,722**	182,551

Summarized statement of profit or loss and other comprehensive income are as follows:

	2020	2019
Revenues	**40,390**	55,813
Depreciation and amortization	**(2,007)**	(2,196)
Interest expense	**(23,501)**	(25,358)
(Loss) / profit and total comprehensive (loss) / income (100%)	**(90,911)**	1,099
Group's share of total comprehensive (loss) / income (32.5%)	**(29,546)**	358
Dividends received by the Group	**1,284**	487

The Group also recognized its share on the operating results of its equity-accounted investees / joint venture amounting to QR 26,801 (2019: QR 57,127) during the year.

No impairment loss was recognized on equity-accounted investees during the year.

All the associates and joint venture are accounted for using the equity method of accounting.

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9 INVESTMENT PROPERTIES

I. Reconciliation of carrying amount

The movements in the investment properties during the year are as follows:

	2020	2019
At 1 January	**43,933,362**	43,863,571
Loss from change in fair value of investment property	**-**	(100,014)
Development costs during the year (Note 12(a))	**550,677**	100,871
Acquisition of vacant land	**-**	50,959
Foreign exchange adjustment	**3,043**	3,555
Capitalized finance costs on investment property under development (Note 21) (1)	**25,503**	14,420
At 31 December	**44,512,585**	43,933,362

(1) Capitalized finance cost is computed based on the average qualifying expenditures related to the projects under developments. Finance cost is capitalized using the Group's weighted average capitalization rate of 4.68% during the year (2019: 4.68%).

Investment properties consist of:

	2020	2019
Completed properties	**41,279,478**	41,130,122
Vacant land	**1,052,337**	1,052,580
Projects under development	**2,180,770**	1,750,660
	44,512,585	43,933,362

Investment properties are located in State of Qatar and United Kingdom.

The mortgages on the investment properties are disclosed in Note 13.

II. Reconciliation of fair value of investment properties

	2020	2019
Fair value of investment property as received from valuer	**44,509,542**	43,929,807
Other adjustments	**3,043**	3,555
Fair value of investment property as disclosed in the financial statements	**44,512,585**	43,933,362

Investment property are stated at fair value, which has been determined based on valuation performed by accredited independent valuers as at 31 December 2020 and 2019. The valuer is an accredited independent valuer with a recognised and relevant professional qualifications and with recent experience in the location and category of those investment property being valued. In arriving at estimated market values, the valuers have used their market knowledge and professional judgment and not only relied on historical transactions comparable. The valuation has been prepared in accordance with the appropriate sections of the Practice Statements ("PS"), contained with the RICS Valuation-Professional Standards 2017 (the "Red Book").

III. Valuation Process

The Group's management determines the valuation policies and procedures for property valuations. Each year, the management, after approval of the Audit committee, appoints the external valuers responsible for the valuations of the Group's investment property. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management engages independent and competent third-party valuation experts to countercheck the appropriateness of the methodologies used and appropriateness of the assumptions used; and to help them identify if there is any contradictory information and to reduce the estimation uncertainty involved in the estimation process.

9 INVESTMENT PROPERTIES (Continued)

III. Valuation Process (continued)

The management decides after discussion with the external valuers:

- the valuation method to be applied for each property (the methods that are applied for fair value measurements categorised within Level 3 of the fair value hierarchy are the discounted cash flow method and the income capitalisation method; for fair value measurements in Level 2 of the fair value hierarchy, the market comparison approach is used) and;
- the assumptions made for unobservable inputs that are used in valuation methods (the major unobservable inputs are estimated rental value, rent growth per annum, long term vacancy rate, discount rate and exit yield)

Description of valuation techniques used by the Group and key inputs to valuation of the investment property are disclosed in Note 28.

Income approach
Income approach is a valuation method appraisers and real estate investors use to estimate the value of income producing real estate. It is based upon the premise of anticipation i.e., the expectation of future benefits. This method of valuation relates value to two things: the "market rent" that a property can be expected to earn and, the "reversion" (resale) when a property is sold.

The most commonly used technique for assessing market value within the income approach is discounted cash flow. This is a financial modelling technique based on explicit assumptions regarding the prospective cash-flow to a property or business and the costs associated with being able to generate the income. To this assessed cash-flow a market-derived discount rate is applied to establish a present value of the income stream. This net present value (“NPV”) is an indication of market value.

Market approach
Market approach or direct comparison method is based on comparing the subject asset with identical or similar assets (or liabilities) for which price information is available, such as a comparison with market transactions in the same, or closely similar (i.e. similar properties that have actually been sold in arms’-length transactions or are offered for sale), type of asset (or liability) within an appropriate time horizon. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar assets (or liabilities) in an open and competitive market. Generally, the opinion on value is based on evidence of open market transactions in similar property with adjustments of the comparable to differentiate the differences between the subject property and the comparable. The market approach of valuation has primarily been adopted for plots of land in Qatar and residential properties in United Kingdom.

Residual valuation approach
Where the nature of the development is such that there are no (or limited) transactions to use for the market comparable method, the residual method provides an alternative valuation approach. As per the residual approach, costs of the proposed completed development (including developer’s profit) to be deducted from the market value of the proposed completed development (known as gross development value) to arrive at the underlying residual asset value.

IV. Amounts recognised in profit or loss

The following amounts are recognized in consolidated statement of profit or loss:

	2020	2019
Rental income and other operating revenues	**1,247,487**	1,370,264
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the year	**(213,808)**	(215,644)
Profit arising from investment property carried at fair value	**1,033,679**	1,154,620

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9 INVESTMENT PROPERTIES (Continued)

V. Reconciliation of fair values categorized within level 3

The reconciliation of fair values categorized within level 3 is as follows:

	2020	2019
Balance as at 1 January	**42,880,782**	41,165,391
Gain / (loss) on valuation recognized in profit or loss	**773**	(100,014)
Reclassification from level 2 (1)	**-**	1,696,559
Addition	**575,650**	115,291
Others	**3,043**	3,555
Balance as at 31 December	**43,460,248**	42,880,782

(1) Reclassification from level 2 to level 3 pertain to vacant land which was measured using market approach (level 2) in the prior years, however, due to ongoing construction of residential properties on the same land during the year 2019, the market approach is no longer appropriate, and fair value of these properties were measured using discounted cash flow approach (level 3). No reclassification between level 2 and level 3 during the year.

The capital expenditure and operating lease commitments of the Group are disclosed in Note 26.

10 PROPERTY AND EQUIPMENT

I. Reconciliation of carrying amount

	Land	**Buildings**	**Motor vehicles**	**Furniture, fixtures and office equipment**	**Capital work in progress**	**Total**
Cost						
At 1 January 2020	**407,660**	**362,906**	**9,325**	**119,299**	**-**	**899,190**
Additions	**-**	**130**	**-**	**660**	**241**	**1,031**
Disposals	**-**	**-**	**(625)**	**-**	**-**	**(625)**
At 31 December 2020	**407,660**	**363,036**	**8,700**	**119,959**	**241**	**899,596**
Accumulated depreciation						
At 1 January 2020	**-**	**35,068**	**7,629**	**90,514**	**-**	**133,211**
Charge for the year	**-**	**18,213**	**856**	**13,727**	**-**	**32,796**
Disposals	**-**	**-**	**(613)**	**-**	**-**	**(613)**
At 31 December 2020	**-**	**53,281**	**7,872**	**104,241**	**-**	**165,394**
Carrying amounts						
31 December 2020	**407,660**	**309,755**	**828**	**15,718**	**241**	**734,202**

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10 PROPERTY AND EQUIPMENT (Continued)

I. Reconciliation of carrying amount (continued)

	Land	Buildings	Motor vehicles	Furniture, fixtures and office equipment	Total
Cost					
At 1 January 2019	407,660	362,302	10,457	162,516	942,935
Additions	-	604	-	1,760	2,364
Disposals	-	-	(1,132)	(44,977)	(46,109)
At 31 December 2019	407,660	362,906	9,325	119,299	899,190
Accumulated depreciation					
At 1 January 2019	-	16,904	7,804	120,586	145,294
Charge for the year	-	18,164	956	14,861	33,981
Disposals	-	-	(1,131)	(44,933)	(46,064)
At 31 December 2019	-	35,068	7,629	90,514	133,211
Carrying amounts					
31 December 2019	407,660	327,838	1,696	28,785	765,979

The Group recognized net gain on disposal of property and equipment amounting to QR 127 (2019: net gain QR 4,796) during the year.

11 TRADE AND OTHER PAYABLES

	2020	2019
Due to related parties (Note 12 (c.i))	**1,634,142**	1,306,535
Dividend payables (Note 23)	**656,080**	717,042
Tenants’ deposits	**141,026**	140,696
Payables to contractors and suppliers (1)	**45,836**	52,336
Unearned rent income	**41,768**	48,981
Retention payable	**25,935**	25,935
Accrued expenses	**10,510**	29,280
Derivative financial liabilities	**-**	35,984
Provision for Social and Sports Activities Fund (Note 16)	**8,699**	7,732
Provision for employees’ end of service benefits (2)	**7,374**	7,175
Other payables	**33,888**	52,861
	2,605,258	2,424,557

(1) Due to related parties’ balances included in payable to contractors and suppliers are disclosed in (Note 12(c.ii)).

(2) The movements in the employees’ end of service benefits were as follows:

	2020	2019
At 1 January	**7,175**	23,587
Provision made during the year (Note 19 (ii))	**3,157**	3,302
Transferred to related parties	**(2,421)**	-
Provision paid	**(537)**	(19,714)
At 31 December	**7,374**	7,175

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11 TRADE AND OTHER PAYABLES (Continued)

The maturity of the trade and other payables are as follows:

2020	**Current**	**Non-current**	**Total**
Due to related parties	**1,634,142**	**-**	**1,634,142**
Dividend payables	**656,080**	**-**	**656,080**
Tenants' deposits	**141,026**	**-**	**141,026**
Payables to contractors and suppliers	**45,836**	**-**	**45,836**
Unearned rent income	**41,768**	**-**	**41,768**
Retention payable	**-**	**25,935**	**25,935**
Accrued expenses	**10,510**	**-**	**10,510**
Provision for Social and Sports Activities Fund	**8,699**	**-**	**8,699**
Provision for employees' end of service benefits	**-**	**7,374**	**7,374**
Other payables	**33,888**	**-**	**33,888**
	2,571,949	**33,309**	**2,605,258**

2019	Current	Non-current	Total
Due to related parties	1,306,535	-	1,306,535
Dividend payables	717,042	-	717,042
Tenants' deposits	140,696	-	140,696
Payables to contractors and suppliers	52,336	-	52,336
Unearned rent income	48,981	-	48,981
Retention payable	-	25,935	25,935
Accrued expenses	29,280	-	29,280
Derivative financial liabilities	35,984	-	35,984
Provision for Social and Sports Activities Fund	7,732	-	7,732
Provision for employees' end of service benefits	-	7,175	7,175
Other payables	52,861	-	52,861
	2,391,447	33,110	2,424,557

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12 RELATED PARTIES DISCLOSURES

(a) Related party transactions

Transactions with related parties are as follows:

	2020	2019
Transactions with entities under common control:		
Development costs of investment property (1)	**541,880**	88,362
Capitalized finance costs	**22,680**	12,221
Transactions with associates:		
Expensed-out finance costs (2)	**(14,926)**	103,569
Capitalized finance costs (2)	**-**	253
Transactions with related parties:		
Rental income	**2,253**	3,004
Management fees	**-**	409
Transactions with key management personnel:		
Allowances of key management personnel (Notes 12(d) and 19(ii))	**3,674**	4,738
Transaction with other related party:		
Other income (Note 20)	**-**	35,400
Financing received	**28,242**	886,135

(1) The Group entered into a construction agreement with SAK Trading and Contracting Company W.L.L. an entity under common control to construct specific investment properties (Note 9).

(2) The Group had secured Islamic finance borrowing from its equity-accounted investee (Note 12(c.ii)).

(3) No allowances were approved for board of directors for the year ended 31 December 2020 and 31 December 2019 as per Annual General Meeting ("AGM").

(b) Due from related parties

	2020	2019
Parent Company:		
Al-Tadawul Trading Group Q.P.S.C.	**657**	-
Entities under common control:		
SAK Holding W.L.L. (1)	**-**	176,172
The Curve Hotel Company W.L.L.	**460**	1,561
White Square Real Estate Company W.L.L.	**263**	263
Due from related parties (Note 5)	**1,380**	177,996

(1) This amount represents the remaining balance due from SAK Holding Group W.L.L. and its subsidiaries in relation to the settlement agreement with the Group and its subsidiaries (Note 11).

The above balances bear no interest or securities and are receivable on demand.

There are no other related party receivables as at 31 December 2020.

(c.i) Due to related parties

	2020	2019
Entity under common control:		
SAK Holding Group W.L.L. (1)	**299,365**	-
Other related party	**1,334,777**	1,306,535
	1,634,142	1,306,535

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12 RELATED PARTIES DISCLOSURES (Continued)

(c.i) Due to related parties (continued)

(2) This amount represents the remaining balance due to SAK Holding Group W.L.L. and its subsidiaries in relation to the settlement agreement with the Group and its subsidiaries (Note 11).

The above balance bears no interest or securities and payable on demand.

(c.ii) Other related party payables

	2020	2019
Equity accounted investee (QIIB):		
Secured Islamic financing borrowings from QIIB (Note 8)	**1,883,123**	1,942,217
Trade payables to QIIG (Note 11)	**4,022**	4,697

(d) Compensation of directors and other key management personnel

The compensation of Board Directors and other key management personnel during the year is as follows (Notes 12(a) and 19(ii)):

	2020	2019
Allowances of key management personnel – short term benefits (Notes 12(a) and 19(ii))	**3,674**	4,738

No compensation of board of directors were incurred during the current year and during 2019.

13 SUKUK AND ISLAMIC FINANCING

The movements on the sukuk and Islamic financing during the year were as follows:

	2020	2019
At 1 January	**14,390,355**	15,479,319
Additions	**2,284,891**	-
Finance costs (Note 21)	**652,436**	898,637
Repayments	**(2,513,211)**	(1,987,601)
Total	**14,814,471**	14,390,355
Less: transaction costs (1)	**(53,533)**	(25,007)
At 31 December	**14,760,938**	14,365,348

(1) Movement of transaction cost is as follows:

	2020	2019
Opening balance	**25,007**	93,797
Additional payment	**50,849**	-
Amortization	**(22,323)**	(68,790)
Closing balance	**53,533**	25,007

The maturity of these borrowings are as follows:

	2020	2019
Current portion	**2,095,216**	2,443,452
Non-current portion	**12,665,722**	11,921,896
	14,760,938	14,365,348

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13 SUKUK AND ISLAMIC FINANCING (Continued)

Terms and conditions of the outstanding borrowing facilities were as follows:

Type of facility	*Currency*	*Condition*	*Profit rates / terms*	**2020**	2019
Ijara	QR	Secured	QMRL rate	**4,415,517**	4,147,928
Murabaha	QR	Secured	QMRL rate	**6,547,566**	4,515,172
Ijara	USD	Secured	1M/3M LIBOR	**-**	285,852
Murabaha	USD	Secured	1Y/3 M LIBOR	**335,743**	1,776,679
Sukuk financings	USD	Unsecured	4.375% / 4.875%	**3,515,645**	3,664,724
				14,814,471	14,390,355

The sukuk and Islamic financing have been obtained for the purpose of financing the obligations of the Group. All the contracts carry profits at commercial rates.

During the year, the Group has obtained Islamic financing borrowings from local bank amounting QR 2,284,891. The purpose of the borrowing is to refinance some existing borrowings and the contract carry profits at commercial rates. The borrowing is secured by mortgage on some investment property.

As part of a Sharia's approved programme to issue QAR 7,283,000 (USD 2,000,000) Sukuks through a special purpose entity ("Ezdan Sukuk Company Ltd."), two tranches of Sukuks of QR 1,820,750 (USD 500,000) each were issued on behalf of the Group with total issuance cost of QR 10,086 and QR 9,959, respectively. The Sukuks were issued at an annual fixed profit rate of 4.375% and 4.875% paid semi-annually with a tenor of five years maturing in May 2021 and April 2022. The Sukuks are listed on the Irish Stock Exchange. During 2020, the group has buy back Sukuk amounting to QR 152,943 (USD 42,000) as QR 61,906 for first tranche and QR 91,038 for second tranche.

As at 31 December 2020, the Group had secured borrowings against mortgages on different types of investment property (Note 9) owned by the Group with a fair market value of QR19,796,260 (2019: QR 15,452,980) and pledge against quoted shares included in the consolidated financial statements within the equity investments and equity-accounted investees (Notes 7 and 8) was nil (2019: QR 539,826)

Sukuks of the Group are listed on Irish Stock Exchange. The fair values of these Sukuk are disclosed in Note 28.

The maturity profiles of the facilities are as follows:

2020	**1 year**	**2-5 years**	**ver 5 years**	**Total**
Type of facility				
Ijara (QR)	**254,175**	**627,703**	**3,533,639**	**4,415,517**
Murabaha (USD)	**80,127**	**255,616**	**-**	**335,743**
Murabaha (QR)	**28,515**	**2,052,677**	**4,466,374**	**6,547,566**
Sukuk financings (USD)	**1,785,932**	**1,729,713**	**-**	**3,515,645**
	2,148,749	**4,665,709**	**8,000,013**	**14,814,471**

2019	1 year	2-5 years	Over 5 years	Total
Type of facility				
Ijara (USD)	285,852	-	-	285,852
Ijara (QR)	226,692	1,044,984	2,876,252	4,147,928
Murabaha (USD)	1,441,346	238,146	97,187	1,776,679
Murabaha (QR)	491,345	1,965,849	2,057,978	4,515,172
Sukuk financings (USD)	23,224	3,641,500	-	3,664,724
	2,468,459	6,890,479	5,031,417	14,390,355

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14 SHARE CAPITAL

	2020	2019
Authorised, issued and fully paid up:		
26,524,966,910 shares of QR 1 each) (2019: 26,524,966,910 shares of QR 1 each)	**26,524,967**	26,524,967

All ordinary shares rank equally with regard to the Company's residual assets.

15 NATURE AND PURPOSE OF RESERVES

I. Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

II. Fair value reserve

The fair value reserve comprises:
- the cumulative net change in the fair value of equity securities designated at FVOCI; and
- the cumulative net change in fair value of debt securities at FVOCI until the assets are derecognised or reclassified. This amount is adjusted by the amount of loss allowance.

III. Legal reserve

In accordance with the requirements of the Qatar Commercial Companies Law No. 11 of 2015 ("Law") and the Company's Article of Association, a minimum of 10% of the net profit should be transferred to a legal reserve each year until this reserve is equal to 50% of the paid up share capital. The reserve is not available for distribution except in the circumstances stipulated in the above Law and the Company's Article of Association.

16 CONTRIBUTION TO SOCIAL AND SPORTS ACTIVITIES FUND

In accordance with Law No. 8 of 2011 (Amendment to Law No. 13 of 2008), the Group made an appropriation of profit in amount of QR 8,699 (2019: QR 7,732) equivalent to 2.5% of the consolidated net profit for the year for the support of sports, cultural, social and charitable activities (Note 11).

17 COMPONENTS OF OTHER COMPREHENSIVE INCOME

	2020	2019
Fair value reserve:		
At 1 January	**591,918**	719,779
Movements (see below analysis)	**290,027**	(21,283)
Reclassification of fair value reserve on disposal of equity investments	**207**	(106,578)
At 31 December	**882,152**	591,918

	2020	2019
Fair value reserve movement on equity investments:		
Net gain / (loss) on equity investments	**289,883**	(10,950)
Change in fair value of cash flow hedges	**-**	(10,844)
Share of net movement in fair value reserves of equity-accounted investees (Note 8)	**144**	511
Movement of fair value reserve	**290,027**	(21,283)
Foreign currency translation reserve		
Foreign operations - foreign currency translation differences	**(1,537)**	(2,074)
Other comprehensive income / (loss) for the year	**288,490**	(23,357)

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18 RENTAL INCOME AND OTHER OPERATING REVENUES

Revenue streams
The Group's operations and main revenue streams are those described below. Apart from income from investments and leasing, Group has revenue from contracts with customers.

Disaggregation of revenue from contracts with customers
In the following table, revenue from contracts with customers is disaggregated by major service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

A. Disaggregation of revenue based on major revenue streams:

	Revenue streams				
For the year ended 31 December 2020	***Residential and commercial property***	***Investments***	***Hotel and suites***	***Malls***	***Total***
Rental income (under IFRS 16)	**1,030,130**	**-**	**115,689**	**31,578**	**1,177,397**
Revenue under IFRS 15					
Major service lines					
Food and beverage	-	-	**10,909**	-	**10,909**
Health club	-	-	**1,885**	-	**1,885**
Internet	-	-	**1,381**	-	**1,381**
Laundry	-	-	**501**	-	**501**
Entertainment	-	-	-	**77**	**77**
Provision of utilities services	**23,521**	-	-	-	**23,521**
Common area charges	-	-	-	**17,650**	**17,650**
Marketing services	-	-	-	**4,051**	**4,051**
Others	**7,615**	-	**331**	**2,169**	**10,115**
Revenue under IFRS 15	**31,136**	-	**15,007**	**23,947**	**70,090**
Income from investments and other income					
Dividend income from equity accounted investees	-	**93,205**	-	-	**93,205**
Share of results of equity-accounted investees and joint venture	-	**26,801**	-	-	**26,801**
Other income	**28,916**	**89**	**4,689**	**5**	**33,699**
	28,916	**120,095**	**4,689**	**5**	**153,705**
External revenue as reported in Note 29	**1,090,182**	**120,095**	**135,385**	**55,530**	**1,401,192**

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18 RENTAL INCOME AND OTHER OPERATING REVENUES (Continued)

A. Disaggregation of revenue based on major revenue streams (continued):

	Revenue streams				
For the year ended 31 December 2019	***Residential and commercial property***	***Investments***	***Hotel and suites***	***Malls***	***Total***
Rental income (under IFRS 16)	1,029,358	-	170,675	66,503	1,266,536
Revenue under IFRS 15					
Major service lines					
Food and beverage	-	-	29,964	-	29,964
Health club	-	-	3,858	-	3,858
Internet	-	-	1,922	-	1,922
Laundry	-	-	1,081	-	1,081
Entertainment	-	-	-	377	377
Provision of utilities services	37,471	-	-	-	37,471
Common area charges	-	-	-	15,882	15,882
Marketing services	-	-	-	3,358	3,358
Others	8,848	-	696	271	9,815
Revenue under IFRS 15	46,319	-	37,521	19,888	103,728
Income from investments and other income					
Dividend income from equity accounted investees	-	122,416	-	-	122,416
Share of results of equity-accounted investees and joint venture	-	57,127	-	-	57,127
Net gain on sale of equity-accounted investees	-	58,182	-	-	58,182
Other income	60,192	996	7	2	61,197
	60,192	238,721	7	2	298,922
External revenue as reported in Note 29	1,135,869	238,721	208,203	86,393	1,669,186

B. Disaggregation of revenue under IFRS 15 based on timing of revenue recognition:

	For the year ended 31 December		**Timing of revenue recognition**
	2020	2019	
Food and beverage	**10,909**	29,964	**Point in time**
Health club	**1,885**	3,858	**Over the time**
Internet	**1,381**	1,922	**Over the time**
Laundry	**501**	1,081	**Point in time**
Entertainment	**77**	377	**Over the time**
Provision of utilities services	**23,521**	37,471	**Over the time**
Common area charges	**17,650**	15,882	**Over the time**
Marketing services	**4,051**	3,358	**Over the time**
Others	**10,115**	9,815	**Over the time**
Revenue under IFRS 15	**70,090**	103,728	

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19 EXPENSES

(i) Operating expenses:

	2020	2019
Utilities	**82,143**	76,373
Staff cost (1)	**50,258**	50,176
Repairs and maintenance	**23,197**	23,217
Sewage	**23,153**	22,514
Air conditioning	**17,815**	21,090
Security	**9,484**	10,574
Cleaning	**7,759**	11,071
Food and beverage	**3,978**	8,561
Rent	**245**	629
Laundry and dry cleaning	**3,358**	4,907
Registration fees	**6,159**	5,662
Advertising costs	**1,564**	1,637
Commission	**2,001**	1,763
Other operating expenses (3)	**21,465**	7,914
	252,579	246,088

(ii) General and administrative expenses:

	2020	2019
Staff cost (1) (2)	**29,509**	30,151
Professional expenses	**15,220**	11,994
Registration fees	**8,395**	8,384
Bank charges	**6,007**	3,987
Information system	**1,636**	2,045
Rent	**-**	1,717
Insurance	**3,888**	3,818
Advertising costs	**375**	1,106
Communication	**1,956**	2,068
Printing and stationery	**553**	736
Connection fees	**6,042**	-
Other general and administrative expenses	**7,275**	3,257
	80,856	69,263

(1) The account includes a provision for employees' end of service benefits of QR 3,157 (2019: QR 3,302) during the year (Note 11).

(2) The account charged under general and administrative expense also includes allowances of key management personnel amounting to QR 3,674 (2019: QR 4,738) (Note 12(d)).

(3) This account includes operating expenses recognised from the consumption of small operating equipment amounted to QR 13,969 based on its issuance to operation (Note 6).

20 OTHER INCOME

	2020	2019
Profit on Islamic bank accounts	**6,856**	178
Reversal of provision for claims (1)	**-**	10,920
Waive-off of payable to a related party (Note 12 (a))	**-**	35,400
Miscellaneous income	**26,843**	14,699
	33,699	61,197

(1) This relates to settlement of provision based on receipt of final figures against outstanding claims.

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21 FINANCE COSTS

	2020	2019
Finance costs		
Profits charged on Sukuk and Islamic Financing	**735,434**	862,653
Net gain from modification of Islamic financing (1))	**(100,098)**	-
Cash flow hedges – ineffective portion of change in fair value	**17,100**	35,984
Finance costs – impact in profit and loss (Note 13)	**652,436**	898,637
Capitalized finance costs on investment property under development (Note 9)	**25,503**	14,420
	677,939	913,057

(1) During the year, the group agreed with some local banks for modification of Islamic financing by modifying the grace period and profit rates. These agreements carry profit at a commercial rate.

22 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to shareholders of the Company by the weighted average number of shares outstanding during the year. There were no potentially dilutive shares outstanding at any time during the year and, therefore, the dilutive earnings per share are equal to the basic earnings per share.

	2020	2019
Profit attributable to ordinary shareholders		
Profit attributable to equity holders of the parent from continuing operations	**347,941**	309,292
Weighted-average number of ordinary shares (basic)		
Weighted average number of shares outstanding during the year (thousands of shares)	**26,524,967**	26,524,967
Basic and diluted earnings per share (QR)	**0.013**	0.012
Basic and diluted earnings per share from continuing operations (QR)	**0.013**	0.012

23 DIVIDENDS

No dividends have been declared during the year. The outstanding dividend amounting to QR 656,080 (2019: QR 717,042) as at 31 December 2020 pertain to dividends declared in prior years (Note 11).

24 DISPOSAL OF SUBSIDIARIES

The Group entered into an agreement with SAK Holding Group W.L.L. on 7 April and 8 April 2019 to dispose of the following subsidiaries. Sale proceeds from the transaction were settled against the balance payable to SAK Holding Group W.L.L. and constitutes a non-cash transaction.

Gain on disposal of subsidiaries / associates is computed as follows:

	Sale Price	*Net Assets*	*Gain / (Loss)*
Alkora Alzahbya Company W.L.L.	459,257	(433,960)	25,297
Al Ruba Al Khali Trading Company W.L.L.	453,115	(457,499)	(4,384)
Manazel Trading Company W.L.L.	404,658	(378,945)	25,713
Tareek Al-Khair Trading Company W.L.L.	374,382	(362,826)	11,556
	1,691,412	(1,633,230)	58,182

In the consolidated financial statements of the Group, some of the equity investments held by the subsidiaries are classified as associates due to existence of significant influence. The whole of gain on disposal of QR 58,182 pertains to the partial disposal of these equity accounted investees. Carrying amount of these equity accounted investees disposed of amounted to QR 573,630. For the subsidiaries, net assets comprise of FVOCI equity investments, which are carried at fair value, and the sale price determined is also fair value of these assets, accordingly there is no gain on disposal of subsidiaries.

On disposal, the Group transferred fair value reserves relating to FVOCI equity investments QR 106,578 to retained earnings for the year ended 31 December 2019.

As at and for the year ended 31 December 2020 In thousands of Qatari Riyals

24 DISPOSAL OF SUBSIDIARIES (Continued)

As a result of disposal, the following assets were derecognised from the books of the Group for the year ended 31 December 2019.

	2019
Equity investments (Note 7)	1,046,230
Equity accounted investees (Note 8)	573,630
Receivables and prepayments	14,679
Provision against receivables	(504)
Others	(805)
	1,633,230

25 CONTINGENT LIABILITIES

	2020	2019
Bank guarantees	5,555	8,183

The Group anticipates that no material liabilities will arise from the above guarantees which are issued in the ordinary course of business.

26 COMMITMENTS

(i) Capital expenditure commitments

The Group has contractual commitments to contractors and suppliers amounting to QR 1,133,048 (2019: QR 1,520,442) for development of investment property projects (Note 9).

(ii) Operating lease commitments – Group as a lessor

The Group leases out residential and commercial properties under non-cancelable operating lease agreements (Note 18).

Rent income recognized to profit or loss during the year is disclosed in Note 18 as “Rental income”.

The future aggregate minimum lease receivables under non-cancelable operating leases are as follows:

	2020	2019
No later than one year	691,909	635,305
Later than one year and no later than five years	386,306	308,659
More than five years	244,038	257,608
	1,322,253	1,201,572

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27 FINANCIAL INSTRUMENTS

(a) Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements.

The management has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group and to monitor risks.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. The Group's maximum exposure to credit risk as at the reporting date is the carrying amount of its financial assets, which are the following:

	2020	2019
Tenants receivables	**142,546**	146,963
Due from related parties	**1,380**	177,996
Refundable deposits	**12,711**	12,526
Other receivables	**13,364**	14,386
Cash at bank	**650,014**	58,997
At 31 December	**820,015**	410,868

Tenants' receivables

The Group renders services to around 20 thousand customers with its largest ten customers accounting for 21% (2019: 17%) of its tenants receivables. This significant concentration risk has been managed through enhanced monitoring and periodic tracking. In accordance with the provisions of the lease contracts, the lessees are required to deposit with the Group security deposits and advance rentals which help reduce the Group's credit risk exposure in case of defaults by the tenants. The Group has a rigorous policy of credit screening prior to providing services on credit. Management evaluates the creditworthiness of each client prior to entering into contracts. Management also periodically reviews the collectability of its tenants' receivables and has a policy to provide any amounts whose collection is no longer probable and to write-off as bad debts any amounts whose recovery is unlikely. As a result, management believes that there is no significant credit risk on its tenants' receivables as presented on the consolidated statement of financial position.

More than 30% of the Group's customers have been transacting with the Group for over three years, and losses have occurred infrequently. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a government or non-government entity, their geographic location, industry, trading history with the Group and existence of previous financial difficulties.

The Group's most significant customers are corporates and individuals.

As at and for the year ended 31 December 2020 In thousands of Qatari Riyals

27 FINANCIAL INSTRUMENTS (Continued)

(a) Financial risk management (continued)

Credit risk (continued)

Tenants' receivables (continued)

The Group uses an allowance matrix to measure the ECLs of tenants' receivables.

The following table provides information about the exposure to credit risk and ECLs for tenants' receivables:

As at 31 December 2020:

	Weighted average loss rate (1)	Gross carrying amount	Loss allowance
Not past due	**2%**	**32,219**	**741**
1-30 days past due	**18%**	**3,447**	**634**
31-60 days past due	**14%**	**2,044**	**288**
61-90 days past due	**17%**	**6,939**	**1,186**
90 -120 days past due	**27%**	**4,339**	**1,190**
Above 120 days (2)	**100%**	**62,935**	**62,935**
Above 365 days (3)	**100%**	**13,806**	**13,806**
Specific provision (4)	**86%**	**16,817**	**14,405**
Total (Note 5)	**67%**	**142,546**	**95,185**

As at 31 December 2019:

	Weighted average loss rate (1)	Gross carrying amount	Loss allowance
Not past due	0%	31,455	-
1-30 days past due	12%	7,460	912
31-60 days past due	12%	3,129	381
61-90 days past due	7%	5,656	390
90 -120 days past due	33%	4,028	1,317
Above 120 days (2)	94%	62,657	58,860
Above 365 days (3)	100%	4,841	4,841
Specific provision (4)	96%	27,737	26,493
Total (Note 5)	63%	146,963	93,194

(1) Loss rates are calculated using a 'net flow rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Net flow rates are calculated based on common credit risk characteristics.

(2) This represents default period for residential, commercial and hotel segments.

(3) This represents default period for mall segment.

(4) This represents provision made by management for customers where the recoverability is doubtful or balances are considered credit-impaired.

The movements in the provision for impairment of tenants' receivables are disclosed in Note 5.

As at and for the year ended 31 December 2020 In thousands of Qatari Riyals

27 FINANCIAL INSTRUMENTS (Continued)

(a) Financial risk management (continued)

Credit risk (continued)

Due from related parties

Management believes that there is no significant credit risk in its receivables from the related parties because these counterparties are under the control of the Group's shareholders, who are financially healthy (Note 5).

Refundable deposits

Credit risks are considered to be minimal as the refundable deposits are collectible from a government agency.

Other receivables

Credit risks on these receivables are considered to be minimal as these are substantially recovered on monthly basis and based on historical payment behaviour and analysis of customer credit base.

Cash at bank and bank deposit

The Group's cash at bank and bank deposit are held with banks that are independently rated by credit rating agencies as follows:

	2020	2019
Credit ratings (by Moody's)		
A+	**58**	-
A1	**266,798**	602
A2	**371,575**	38,852
A3	**11,344**	5,996
Aa3	**235**	12,348
Baa1	**4**	-
Baa2	**-**	1,199
Cash at bank (Note 4)	**650,014**	58,997

The Group has balances with credit worthy and reputable banks in Qatar with high credit ratings. Therefore, management believes that credit risk in respect of these balances is minimal.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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27 FINANCIAL INSTRUMENTS (Continued)

(a) Financial risk management (continued)

Liquidity risk (continued)

The table below summarizes the contractual undiscounted maturities of the Group's financial liabilities at the reporting date. The Group's financial liabilities include any contractual interest payments.

	Carrying amounts	**Contractual cash flows**	**Less than 1 year**	**1 - 2 years**	**2 - 5 years**	**More than 5 years**
2020						
Non-derivative financial liabilities						
- Due to related parties (1)	**1,634,142**	**(1,634,142)**	**(1,634,142)**	**-**	**-**	**-**
- Tenants' deposits (2)	**141,026**	**(141,026)**	**(141,026)**	**-**	**-**	**-**
- Payables to contractors and suppliers (3)	**45,836**	**(45,836)**	**(45,836)**	**-**	**-**	**-**
- Retention payable (4)	**25,935**	**(25,935)**	**-**	**(25,935)**	**-**	**-**
- Other payables (4)	**33,888**	**(33,888)**	**(33,888)**	**-**	**-**	**-**
- Sukuk and Islamic financing (5)	**14,814,471**	**(19,359,608)**	**(2,724,611)**	**(3,993,943)**	**(2,703,660)**	**(9,937,394)**
	16,695,298	**(21,240,435)**	**(4,579,503)**	**(4,019,878)**	**(2,703,660)**	**(9,937,394)**

	Carrying amounts	Contractual cash flows	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years
2019						
Non-derivative financial liabilities						
- Due to related parties (1)	1,306,535	(1,306,535)	(1,306,535)	-	-	-
- Tenants' deposits (2)	140,696	(140,696)	(140,696)	-	-	-
- Payables to contractors and suppliers (3)	52,336	(52,336)	(52,336)	-	-	-
- Retention payable (4)	25,935	(25,935)	-	(25,935)	-	-
- Other payables (4)	52,861	(52,861)	(52,861)	-	-	-
- Sukuk and Islamic financing (5)	14,390,355	(17,972,666)	(3,014,743)	(3,252,416)	(5,281,603)	(6,423,904)
	15,968,718	(19,551,029)	(4,567,171)	(3,278,351)	(5,281,603)	(6,423,904)

(1) Management believes that there is no significant liquidity risk in its due to related parties. These payables have no definite payment terms and considered payable upon demand.
(2) Liquidity risk on tenant deposits is minimal as these represents small amounts from large number of tenants.
(3) The Group received services and goods from various suppliers and contractors with its top ten suppliers accounting to 62% (2019: 78%) of its payables to contractors and suppliers during the year.
(4) Liquidity risk in retention payable and other payable is minimal as the 100% (2019:100%) of the retention payable pertains to only one contractor (2019: one contractor) during the year while 85% (2019: 70%) of other payables pertain to only three contractors (2019: three contractors).
(5) Sukuk and Islamic financing are obtained from several banks during the year. Management believes that there is minimal liquidity risk as there is no impact on cash flows in case of non-compliance of loan covenants as per loan agreement.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, profit rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. As the QR is pegged to the US Dollar, balances denominated in US Dollars are not considered to represent significant currency risks.

Management is of the opinion that the Group's exposure to currency risk is minimal as the Group's significant transactions are denominated in Qatari Riyal (QR) and the US Dollar, which is pegged against QR.

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27 FINANCIAL INSTRUMENTS (Continued)

(a) Financial risk management (continued)

Market risk (continued)

Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market profit rates relates primarily to the Group's Islamic financing borrowings and term deposits with floating profit rates.

The Group adopts a policy of ensuring that profit rates on short-term deposits and borrowing costs rate on Islamic financing borrowings exposures are reviewed monthly and that finance cost rates are not subject to present fluctuations in profit rates. Also the Group's policy ensures that most of the exposure on profit rates on borrowings are on a fixed basis or are based on Qatar Central Bank MRL rates , unless, the variable basis are in favourable terms to the Group.

To manage certain floating profit rate borrowings, the Group enters into profit rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable profit rate amounts calculated by reference to an agreed-upon notional principal amount.

At the reporting date the profit rate profile of the Group's interest bearing financial instruments was:

	2020	2019
Term deposits	**616,415**	-
Islamic financing borrowings	**6,883,309**	6,577,703

The following table demonstrates the sensitivity of equity and profit or loss to reasonably possible changes in profit rates by 25 basis points, with all other variables held constant. The sensitivity of equity and profit or loss is the effect of the assumed changes in profit rates for one year, based on the floating rate financial instruments held 31 December after impact of hedge accounting. The effect of decreases in profit rates is expected to be equal and opposite to the effect of the increases shown.

	Net effect on profit or loss +25b.p
At 31 December 2020	**(15,642)**
At 31 December 2019	(16,444)

Equity price risk

The Group's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification in terms of industry concentration and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis.

The following table demonstrates the sensitivity of the effect of cumulative changes in fair value of the Group to reasonably possible changes in quoted equity share prices, with all other variables held constant. The effect of decrease in equity prices is expected to be equal and opposite to the effect of the increase shown.

	Change in equity prices	***Effect on equity***	
		2020	2019
Quoted equity investments (Note 7)	10%	**254,941**	225,952

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27 FINANCIAL INSTRUMENTS (Continued)

(b) Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital, reserves and retained earnings of the Group. The management monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity.

The Group's main objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk; and
- to remain within the Group's quantitative banking covenants and attain a strong credit rating.

Further, the Board of directors seeks to maintain a balance between higher targeted returns and the advantages and security afforded by the strong capital position of the Group.

The Group's net debt to equity ratio at the reporting date was as follows:

	2020	2019
Sukuk and Islamic financing (Note 13)	**14,814,471**	14,390,355
Less: cash and bank balances (Note 4)	**(650,311)**	(59,289)
Net debt	**14,164,160**	14,331,066
Total equity	**32,031,605**	31,403,831
Net debt to equity ratio at 31 December	**44%**	46%

On the other hand, the Group reviews regularly the borrowing to value ratio, which is calculated as the amount of outstanding debt divided by the fair value of investment property and equity investments. The Group's policy is to keep average borrowing to value at a low risk ratio.

The Group's borrowing to value ratio at the reporting date was as follows:

	2020	2019
Sukuk and Islamic financing (Note 13)	**14,814,471**	14,390,355
Fair values of:		
- Investment property (Note 9)	**44,512,585**	43,933,362
- Equity investments (Note 7)	**2,549,407**	2,259,524
Total	**47,061,992**	46,192,886
Borrowing to fair value ratio at 31 December	**31%**	31%

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders, and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group's capital management policy remained unchanged since the previous year.

The Group is subject to externally imposed capital requirements, other than the requirement of the Qatar Commercial Companies Law No. 11 of 2015 Article 298 which obliges the managers of a company to call a general assembly of the shareholders within 30 days from the date when the accumulated losses of the company exceed 50% its registered share capital with the purpose of finding ways to cover the shortage in capital.

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28 FAIR VALUES AND RISK MANAGEMENT

FINANCIAL INSTRUMENTS

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financials assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount			*Fair Values*			
	FVOCI – Equity Investment	*Fair value – Hedging instruments*	*Amortized cost*	*Level 1*	*Level 2*	*Level 3*	*Total*
As at 31 December 2020							
Financial assets measured at fair value							
Equity investments	**2,549,407**	-	**-**	**2,549,407**	**-**	**-**	**2,549,407**
Financial assets not measured at fair value							
Trade and other receivables	**-**	**-**	**170,001**	**-**	**-**	**-**	**-**
Cash and bank balances	**-**	**-**	**650,014**	**-**	**-**	**-**	**-**
Financial liabilities measured at fair value and amortized cost							
Sukuk – listed	**-**	**-**	**3,515,645**	**3,502,213**	-	-	**3,502,213**
Islamic financing – others	-	-	**11,298,826**	-	-	-	-
Trade and other payables	**-**	**-**	**1,880,827**	**-**	**-**	**-**	**-**

As at and for the year ended 31 December 2020 In thousands of Qatari Riyals

28 FAIR VALUES AND RISK MANAGEMENT (Continued)

FINANCIAL INSTRUMENTS (continued)

Accounting classification and fair values (continued)

	Carrying amount			*Fair Values*			
	FVOCI – Equity investment	*Fair value – Hedging instruments*	*Amortized cost*	*Level 1*	*Level 2*	*Level 3*	*Total*
As at 31 December 2019							
Financial assets measured at fair value							
Equity investments	2,259,524	-	-	2,259,524	-	-	2,259,524
Financial assets not measured at fair value							
Trade and other receivables	-	-	351,871	-	-	-	-
Cash and bank balances	-	-	58,997	-	-	-	-
Financial liability measured at fair value							
Derivative	-	35,984	-	-	35,984	-	35,984
Financial liabilities measured at fair value and amortised cost							
Sukuk – listed	-	-	3,664,724	3,269,703	-	-	3,269,703
Islamic financing – others	-	-	10,700,624	-	-	-	-
Trade and other payables	-	-	1,578,363	-	-	-	-

As at and for the year ended 31 December 2020 In thousands of Qatari Riyals

28 FAIR VALUES AND RISK MANAGEMENT (Continued)

INVESTMENT PROPERTIES

		Fair Values			
	Carrying amount	***Level 1***	***Level 2***	***Level 3***	***Total***
As at 31 December 2020					
Completed properties	**41,279,478**	-	-	**41,279,478**	**41,279,478**
Vacant land	**1,052,337**	-	**1,052,337**	-	**1,052,337**
Projects Under development	**2,180,770**	-	-	**2,180,770**	**2,180,770**
	44,512,585	**-**	**1,052,337**	**43,460,248**	**44,512,585**

	Carrying amount	*Level 1*	*Level 2*	*Level 3*	*Total*
As at 31 December 2019					
Completed properties	41,130,122	-	-	41,130,122	41,130,122
Vacant land	1,052,580	-	1,052,580	-	1,052,580
Projects Under development	1,750,660	-	-	1,750,660	1,750,660
	43,933,362	-	1,052,580	42,880,782	43,933,362

In 2019, a reclassification was made from level 2 to level 3 amounting to QR 1,696,559 (Refer Note 9). There were no transfers between level 2 and level 3 during current year.

All the Group's investment property that are measured at fair value, the current use of the properties is their highest and best use.

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28 FAIR VALUES AND RISK MANAGEMENT (Continued)

INVESTMENT PROPERTIES (continued)

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values at 31 December 2020 and 2019 for assets and liabilities measured at fair value in the statement of financial position, as well as the significant unobservable inputs used. Related valuation processes are described in Note 3.

Type	***Valuation technique***	***Significant unobservable inputs***	***Inter-relationship between significant unobservable inputs and fair value measurement***
Investment property – Vacant land and residential – State of Qatar/ commercial properties in UK	*Market comparison technique:* The fair values are calculated as derived from the current market prices available for the properties or nearby / adjacent properties adjusted for any differences with the comparable properties. Impact of Covid 19 on fair value of investment properties are mentioned in Note 32.	Not Applicable	Not Applicable
Investment property – completed properties and projects under development– State of Qatar	*Discounted cash flows*: The valuation model considers the present value of expected net cash flows generated from investment property discounted using weighted average cost of the capital of the Group. Impact of Covid 19 on fair value of investment properties are mentioned in Note 32.	Expected net cash flows: (31 December 2020: from positive net cash flows of QR409,816 to positive net cash flows of QR 2,081,459 from year 2021 to 2025 and a terminal value of QR 34,024,283; 31 December 2019: from positive net cash flows of QR 585,974 to positive net cash flows of QR 2,152,129 from year 2020 to 2024 and a terminal value of QR 34,591,129) Weighted average cost of capital: (31 December 2020: 7% to 9%, 31 December 2019: 7% to 9%) Terminal growth rate: (31 December 2020: 2.75%, 31 December 2019: 2.80%)	The estimated fair value would increase (decrease) if: - Expected net cash flows were higher (lower); - Weighted average cost of capital were lower (higher); or - Terminal growth rate were higher (lower).

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28 FAIR VALUES AND RISK MANAGEMENT (Continued)

INVESTMENT PROPERTIES (continued)

Sensitivity Information for investment property

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy of the Group's investment property are:

- Projected rental revenue per annum
- Projected rent growth per annum
- Projected occupancy per annum
- Projected operating expenses per annum
- Discount rate
- Exit / terminal yield rate

Significant increases (decreases) in project rental value per annum, projected rent growth per annum and projected occupancy rate per annum in isolation would result in a significantly higher (lower) fair value measurement. Significant increases (decreases) in projected operating expenses per annum, discount rate and exit or terminal yield in isolation would result in a significantly lower (higher) fair value measurement. The effect of the COVID-19 pandemic has meant that the range of reasonably possible changes is wider for the 2020 figures than for the comparative year.

A quantitative sensitivity analysis is as shown below:

As at 31 December 2020	**Sensitivity Level**	**Completed properties**	**Projects under Development**
Projected rental revenue per annum	+/- 0.5%	**836,000**	**119,150**
Projected rent growth per annum	+/- 0.5%	**836,000**	**119,150**
Projected occupancy per annum	+/- 0.5%	**216,890**	**23,410**
Projected operating expenses per annum	+/- 0.5%	**(11,020)**	**(590)**
Discount rate	+/- 0.5%	**(981,640)**	**(291,130)**
Exit / terminal yield rate	+/- 0.5%	**(3,199,030)**	**(10,340)**

As at 31 December 2019	Sensitivity Level	Completed properties	Projects under Development
Projected rental revenue per annum	+/- 0.5%	984,677	110,272
Projected rent growth per annum	+/- 0.5%	984,677	110,272
Projected occupancy per annum	+/- 0.5%	202,110	23,848
Projected operating expenses per annum	+/- 0.5%	(189,128)	(16,690)
Discount rate	+/- 0.5%	(864,903)	(118,364)
Exit / terminal yield rate	+/- 0.5%	(3,373,802)	(193,379)

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29 OPERATING SEGMENTS

Basis for segmentation

For management purposes, the Group is organised into business units based on its business activities and has four reportable segments. These divisions offer different products and services and are managed separately because they require different technology and marketing strategies.

Reportable segments	Operations
a. Residential and commercial properties	Developing, owning, and renting of real estate properties.
b. Investments	Investing activities including shares.
c. Hotel and suites	Managing hotels, suites and restaurants.
d. Malls	Management of shopping malls.

No operating segments have been aggregated to form the above reportable operating segments.

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

The following table presents revenues and expenses regarding the Group's operating segments.

	Residential and commercial properties	Investments	Hotel and suites	Malls	Adjustments and eliminations	Total
31 December 2020						
Rental income	**1,034,616**	**-**	**121,651**	**31,578**	**(10,448)**	**1,177,397**
Dividends income from equity investments	**-**	**93,205**	**-**	**-**	**-**	**93,205**
Share from the results of equity-accounted investees and joint venture	**-**	**26,801**	**-**	**-**	**-**	**26,801**
Other operating revenues	**31,136**	**-**	**15,007**	**23,947**	**-**	**70,090**
Other income	**28,916**	**89**	**4,689**	**5**	**-**	**33,699**
Operating expenses	**(162,644)**	**-**	**(72,113)**	**(22,309)**	**4,487**	**(252,579)**
General and administrative expenses	**(77,504)**	**(285)**	**(9,028)**	**-**	**5,961**	**(80,856)**
Loss from foreign currency exchange	**(13,168)**	**-**	**-**	**-**	**-**	**(13,168)**
Depreciation	**(30,944)**	**-**	**(1,768)**	**(84)**	**-**	**(32,796)**
Segment profit	**810,408**	**119,810**	**58,438**	**33,137**	**-**	**1,021,793**
Finance costs	**(652,436)**	**-**	**-**	**-**	**-**	**(652,436)**
Impairment loss of trade and other receivables	**(16,075)**	**-**	**(523)**	**(4,776)**	**-**	**(21,374)**
Net profit	**141,897**	**119,810**	**57,915**	**28,361**	**-**	**347,983**

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29 OPERATING SEGMENTS (Continued)

	Residential and commercial properties	Investments	Hotel and suites	Malls	Adjustments and eliminations	Total
31 December 2019						
Rental income	1,037,333	-	177,018	66,503	(14,318)	1,266,536
Dividends income from equity investments	-	122,416	-	-	-	122,416
Share from the results of equity-accounted investees and joint venture	-	57,127	-	-	-	57,127
Net gain on sale of equity-accounted investees	-	58,182	-	-	-	58,182
Loss on revaluation of investment property	(100,014)	-	-	-	-	(100,014)
Other operating revenues	46,319	-	37,521	19,888	-	103,728
Other income	60,192	996	7	2	-	61,197
Operating expenses	(145,710)	-	(75,477)	(32,877)	7,976	(246,088)
General and administrative expenses	(64,849)	(181)	(10,205)	-	5,972	(69,263)
Gain from foreign currency exchange	739	-	-	-	-	739
Depreciation	(31,878)	-	(1,974)	(129)	-	(33,981)
Segment profit	802,132	238,540	126,890	53,387	(370)	1,220,579
Finance costs	(898,637)	-	-	-	-	(898,637)
Impairment loss of trade and other receivables	(4,118)	-	422	-	-	(3,696)
Net profit	(100,623)	238,540	127,312	53,387	(370)	318,246

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29 OPERATING SEGMENTS (Continued)

The following table presents assets and liabilities of the Group's operating segments as at reporting dates.

	Residential and commercial properties	Investments	Hotel and suites	Malls	Adjustments and eliminations	Total
31 December 2020						
Segment assets						
Cash and bank balances	**643,981**	**211**	**4,078**	**2,041**	**-**	**650,311**
Trade and other receivables	**2,316,634**	**-**	**54,804**	**79,826**	**(2,326,366)**	**124,898**
Inventories	**4,945**	**-**	**4,613**	**187**	**-**	**9,745**
Equity investments	-	**2,549,407**	-	-	-	**2,549,407**
Equity-accounted investees and joint venture	-	**816,653**	-	-	-	**816,653**
Investment properties	**38,668,655**	**-**	**3,890,240**	**1,953,690**	**-**	**44,512,585**
Property and equipment	**8,680**	**-**	**725,519**	**3**	**-**	**734,202**
Total assets	**41,642,895**	**3,366,271**	**4,679,254**	**2,035,747**	**(2,326,366)**	**49,397,801**
Segment liabilities						
Trade and other payables	**3,909,306**	**833,399**	**144,987**	**43,563**	**(2,325,997)**	**2,605,258**
Sukuk and Islamic financing	**14,760,938**	**-**	**-**	**-**	**-**	**14,760,938**
Total liabilities	**18,670,244**	**833,399**	**144,987**	**43,563**	**(2,325,997)**	**17,366,196**

Geographically, the Group operates in the State of Qatar and the United Kingdom. Qatar operations contributed approximately 100% of the Group's profit for the year ended 31 December 2020 (31 December 2019: 100%) and approximately 99.77 % (31 December 2019: 99.97%) of its assets.

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29 OPERATING SEGMENTS (Continued)

31 December 2019	Residential and commercial properties	Investments	Hotel and suites	Malls	Adjustments and eliminations	Total
Segment assets						
Cash and bank balances	48,688	73	5,506	5,022	-	59,289
Trade and other receivables	2,460,369	-	66,686	82,786	(2,294,653)	315,188
Inventories	4,990	-	21,024	207	-	26,221
Equity investments	-	2,259,524	-	-	-	2,259,524
Equity-accounted investees and joint venture	-	834,173	-	-	-	834,173
Investment properties	37,262,872	-	4,326,850	2,343,640	-	43,933,362
Property and equipment	8,521	-	757,373	85	-	765,979
Total assets	39,785,440	3,093,770	5,177,439	2,431,740	(2,294,653)	48,193,736
Segment liabilities						
Trade and other payables	3,569,625	969,444	133,272	46,869	(2,294,653)	2,424,557
Sukuk and Islamic financing	14,365,348	-	-	-	-	14,365,348
Total liabilities	17,934,973	969,444	133,272	46,869	(2,294,653)	16,789,905

Major customer

Revenues from one customer of the Group’s residential and commercial properties segment represented approximately 3.05% (2019: 3.5%) of the Group’s total rental revenue.

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30 NON-CONTROLLING INTERESTS

The financial information of Group's subsidiaries are provided below. The summarized financial information below represent amounts before intragroup eliminations.

31 December 2020	**Emtedad Real Estate for Projects W.L.L.**	**Ezdan World W.L.L.**	**Intragroup eliminations**	**Total**
NCI percentage	**32.50%**	**30.00%**		
Non-current assets	**2,204,470**	**-**		
Current assets	**124**	**1,092**		
Current liabilities	**(523,645)**	**(68,162)**		
Net assets	**1,680,949**	**(67,070)**		
Net assets attributable to NCI	**546,308**	**(20,120)**	**(805,180)**	**(278,992)**
Revenue	**-**	**-**		
(Loss) / Profit	**(93)**	**239**		
OCI	**-**	**-**		
Total comprehensive (loss) / income	**(93)**	**239**		
Profit allocated to NCI	**(30)**	**72**	**-**	**42**
OCI allocated to NCI	**-**	**-**	**-**	**-**
Cash flows from operating activities	**81,116**	**94**		
Cash flows from investment activities	**(404,532)**	**-**		
Cash flows from financing activities	**323,280**	**(103)**		
Net decrease in cash and cash equivalents	**(136)**	**(9)**		

31 December 2019	Emtedad Real Estate for Projects W.L.L.	Ezdan World W.L.L.	Intragroup eliminations	Total
NCI percentage	32.50%	30.00%		
Non-current assets	1,774,490	-		
Current assets	260	1,100		
Current liabilities	(93,707)	(68,410)		
Net assets	1,681,043	(67,310)		
Net assets attributable to NCI	546,339	(20,193)	(805,180)	(279,034)
Revenue	-	-		
Profit	22,931	5,005		
OCI	-	-		
Total comprehensive income	22,931	5,005		
Profit allocated to NCI	7,453	1,501	-	8,954
OCI allocated to NCI	-	-	-	-
Cash flows from operating activities	(277,955)	(9,021)		
Cash flows from investment activities	(77,047)	-		
Cash flows from financing activities	355,061	9,031		
Net decrease in cash and cash equivalents	59	10		

The NCI of the Group is negative due to share of its accumulated losses from subsidiaries of the Group.

31 COMPARATIVE FIGURES

The comparative figures for the previous year have been reclassified, where necessary, in order to conform to the current year's presentation. Such reclassifications did not affect the previously reported profit, gross assets or equity.

32 IMPACT OF COVID 19

The coronavirus outbreak ("Covid 19") at the beginning of 2020 has brought about a deceleration of the economic activity in the State of Qatar and globally. Fiscal and monetary authorities, both domestic and international, have announced various support measures across the globe to counter possible adverse implications.

During the year, the Group has provided rent concession to its directly affected tenants mainly in Ezdan Malls considering the impact on their operations. The Group will continue to closely monitor as the situation progresses and has activated its business continuity planning and other risk management practices to manage any associate risk that may arise impacting business operations and financial performance.

The Group's business operations and performance remain largely unaffected by the current situation. However, there may be uncertainty over how the future development of the outbreak will impact the Group's business and customer demand for its product and services. Further, the Group will continue to closely monitor as the situation progresses and has activated its business continuity planning and other risk management practices to manage the potential business operations disruption and financial performance in the future.

Below are the key assumptions about the future and other sources of estimation uncertainties:

(i) Going concern
The Group has performed an assessment of whether it is a going concern in the light of current economic conditions and all available information about future risks and uncertainties. The projections have been prepared covering the Group's future performance, capital and liquidity. The impact of Covid-19 may continue to evolve, but at the present time, the projections show that the Group has sufficient resources to continue in operational existence. As a result, these consolidated financial statements have been appropriately prepared on a going concern basis.

(ii) Fair value of investment properties
The general risk environment in which the Group operates has heightened during the year largely due to the continued level of overall uncertainty of the future impact Covid-19 worldwide, which may have a significant impact on property values. The Group's investment properties were valued by professionally qualified third-party valuation companies. The outbreak of Covid-19 during the year has resulted in the real estate market experiencing significantly lower levels of transactional activities and liquidity. The current response to Covid-19 means that the valuer is faced with an unprecedented set of circumstances on which to base a judgment. The valuation across all investment properties are therefore reported on best case basis given current circumstances.

(iii) Borrowings

During the year, the Group has availed the moratorium facility on one of its existing borrowings resulting into extension of payment period by three to six months.

(iv) Expected credit losses
The uncertainties caused by Covid 19 has required the Group to update the inputs and assumptions used for the determination of expected credit losses ("ECLs") as at 31 December 2020. ECLs were estimated based on a range of forecast economic conditions as at that date and considering that the situation is fast evolving, the Group has considered the impact of higher volatility in the forward-looking macro-economic factors, when determining the severity and likelihood of economic scenarios for ECL determination.

33 SUBSEQUENT EVENTS

There were no significant subsequent events which have a bearing on the understanding of the financial statements.

Independent auditor's report on pages 1, 2, 3, 4 and 5.