Mazaya Real Estate Development Q.P.S.C.

Consolidated financial statements

31 December 2024

Mazaya Real Estate Development Q.P.S.C.

Consolidated financial statements
As at and for the year ended 31 December 2024

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Independent auditors' report

To the Shareholders of

Mazaya Real Estate Development Q.P.S.C.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Mazaya Real Estate Development Q.P.S.C. (the 'Company') and its subsidiaries (together the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

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 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 those 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.

Independent auditors' report (continued)

Mazaya Real Estate Development Q.P.S.C.

<table>
<tr><th colspan="2">Key Audit Matters (continued)</th></tr>
<tr><th colspan="2">Valuation of Investment Properties</th></tr>
<tr><td colspan="2">See Notes 7(e) and 10 to the consolidated financial statements.</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>We focused on this area because of the following reasons:

• Carrying value of investment properties as at 31 December 2024 amounted to QR 1,265,372,585 (2023: QR 896,885,003), which represents 48% (2023: 37%) of the Group's total assets, hence a material portion of the consolidated statement of financial position as at 31 December 2024.

• Valuation of investment properties involves the use of significant judgements and estimates.

• Sensitivity of valuations to key assumptions</td><td>Our audit procedures in this area included, among other things:

▪ Evaluating design and implementation and operating effectiveness of key controls over the data used in estimation of the fair value of investment properties;

▪ Evaluating the external valuer's competence, capabilities and objectivity;

▪ Inspecting the valuation reports and assessing whether any matters identified in them have a potential impact on the amounts recorded and / or the disclosures in the consolidated financial statements;

▪ Agreeing the property information in the valuation reports 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;

- evaluating the appropriateness of the assumptions applied to key inputs such as annual income (net operating income), operating costs, capitalization rates, and market comparable data where applicable.

- review the appropriateness of the valuation outcomes.

▪ Evaluating the adequacy of the financial statement disclosures including disclosures of key assumptions, judgements and sensitivities.</td></tr>
</table>

Independent auditors' report (continued)

Mazaya Real Estate Development Q.P.S.C.

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, but does not include the consolidated financial statements and our auditors' report thereon. Prior to the date of this auditors' 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 and will 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of 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 Accounting Standards, and for such internal control as the Board of Directors 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 Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

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

- Conclude on the appropriateness of 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, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 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.

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 are therefore the key audit matters. We describe these matters in our auditors' 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.

Independent auditors' report (continued)

Mazaya Real Estate Development Q.P.S.C.

Report on Other Legal Requirements

As required by the Qatar Commercial Companies Law No. 11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021 ("amended QCCL"), we also report that:

i) We have obtained all the information and explanations we considered necessary for the purposes of our audit.

ii) The Company has maintained proper accounting records and its consolidated financial statements are in agreement therewith.

iii) We have read the report of the Board of Directors to be included in the Annual Report, and the financial information contained therein is in agreement with the books and records of the Company.

iv) Furthermore, the Company did not hold inventories as at reporting date.

v) We are not aware of any other violations of the applicable provisions of the amended QCCL or the terms of the Company's Articles of Association 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 2024.

9 February 2025
Doha
State of Qatar

Salim Khalil
KPMG
Qatar Auditor's Registry Number 472
Licensed by QFMA: External Auditor's Licence No.120153

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Mazaya Real Estate Development Q.P.S.C.

Consolidated statement of financial position
As at 31 December 2024

In Qatari Riyals

	Note	2024	2023
Assets			
Non-current assets			
Property and equipment	8	**1,223,211**	1,835,376
Right-of-use asset	9	**1,024,891**	-
Investment properties	10	**1,265,372,585**	896,885,003
Equity accounted investee	11	**19,028,117**	18,743,444
Financial assets	12	**17,177,197**	24,677,197
Finance lease receivable	13	**993,240,539**	1,031,914,051
Total non-current assets		**2,297,066,540**	1,974,055,071
Current assets			
Development properties	14	**45,055,578**	22,571,014
Finance lease receivable	13	**38,673,513**	36,347,961
Trade and other receivables	15	**188,675,124**	47,957,174
Cash and cash equivalents	16	**79,579,645**	190,549,738
		351,983,860	297,425,887
Asset held for sale	17	**-**	134,604,201
Total current assets		**351,983,860**	432,030,088
Total assets		**2,649,050,400**	2,406,085,159
Equity			
Share capital	18	**1,000,000,000**	1,000,000,000
Legal reserve	19	**25,475,761**	25,475,761
(Accumulated losses) / retained earnings		**(69,013,900)**	25,976,332
Total equity		**956,461,861**	1,051,452,093
Liabilities			
Non-current liabilities			
Borrowings	20	**1,357,022,485**	1,157,370,108
Trade and other payables	21	**15,306,332**	-
Lease liabilities	9	**789,342**	-
Provision for employees' end of service benefits	22	**2,193,387**	2,793,420
Total non-current liabilities		**1,375,311,546**	1,160,163,528
Current liabilities			
Borrowings	20	**85,140,429**	72,833,662
Lease liabilities	9	**256,015**	-
Income tax payable		**-**	435,238
Trade and other payables	21	**231,880,549**	121,200,638
Total current liabilities		**317,276,993**	194,469,538
Total liabilities		**1,692,588,539**	1,354,633,066
Total equity and liabilities		**2,649,050,400**	2,406,085,159

These consolidated financial statements were approved by Company's Board of Directors on 9 February 2025 and were signed on their behalf by:

Sheikh Hamad Bin Mohammad Bin Khaled Al Thani
Chief Executive Officer and Board Member

The notes on pages 11 to 45 form an integral part of these consolidated financial statements.

Mazaya Real Estate Development Q.P.S.C.

Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2024 In Qatari Riyals

	Note	2024	2023
Operating income	23	**139,200,982**	122,340,596
Operating expenses	24	**(19,372,412)**	(9,709,289)
Gross profit		**119,828,570**	112,631,307
Other income	25	**10,141,785**	12,943,010
General and administrative expenses	26	**(29,881,004)**	(32,695,906)
Provision for legal settlements	21	**(85,871,006)**	(21,638,176)
Allowance for impairment of financial assets	12	**(7,500,000)**	(1,500,000)
Net fair value gain on investment properties	10	**-**	17,110,013
Share of results of equity accounted investee	11	**284,673**	1,079,735
Operating profit		**7,003,018**	87,929,983
Finance costs	27	**(76,993,250)**	(57,795,619)
(Loss) / profit before income tax		**(69,990,232)**	30,134,364
Income tax expense	28	**-**	(447,127)
(Loss) / profit for the year		**(69,990,232)**	29,687,237
Other comprehensive income for the year		**-**	-
Total comprehensive (loss) / income for the year		**(69,990,232)**	29,687,237
Earnings per share			
Basic and diluted earnings per share	29	**(0.070)**	0.026

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The notes on pages 11 to 45 form an integral part of these consolidated financial statements.

Mazaya Real Estate Development Q.P.S.C.

Consolidated statement of changes in equity
For the year ended 31 December 2024

In Qatari Riyals

	Share capital	Legal reserve	Retained earnings/ (accumulated losses)	Total equity
Balance at 1 January 2023	1,157,625,000	62,106,682	(197,224,645)	1,022,507,037
Total comprehensive income for the year				
Profit for the year	-	-	29,687,237	29,687,237
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	29,687,237	29,687,237
Capital reduction and absorption of losses (Note 18)	(157,625,000)	(39,599,645)	197,224,645	-
Transfer to legal reserve (Note 19)	-	2,968,724	(2,968,724)	-
Social and sports fund contribution (Note 21)	-	-	(742,181)	(742,181)
Balance at 31 December 2023	1,000,000,000	25,475,761	25,976,332	1,051,452,093
Balance at 1 January 2024	**1,000,000,000**	**25,475,761**	**25,976,332**	**1,051,452,093**
Total comprehensive loss for the year				
Loss for the year	**-**	**-**	**(69,990,232)**	**(69,990,232)**
Other comprehensive income for the year	**-**	**-**	**-**	**-**
Total comprehensive loss for the year	**-**	**-**	**(69,990,232)**	**(69,990,232)**
Dividends paid (Note 30)	**-**	**-**	**(25,000,000)**	**(25,000,000)**
Balance at 31 December 2024	**1,000,000,000**	**25,475,761**	**(69,013,900)**	**956,461,861**

The notes on pages 11 to 45 form an integral part of these consolidated financial statements.

Mazaya Real Estate Development Q.P.S.C.

Consolidated statement of cash flows

For the year ended 31 December 2024 In Qatari Riyals

	Note	2024	2023
Cash flows from operating activities			
(Loss) / profit before income tax		**(69,990,232)**	30,134,364
Adjustments for:			-
- Depreciation of property and equipment	8	**387,103**	371,086
- Depreciation of right-of-use asset	9	**157,673**	-
- Net fair value gain on investment properties	10	**-**	(17,110,013)
- Gain on disposal of investment properties	10	**(1,686,408)**	(231,832)
- Share of results of equity accounted investee	11	**(284,673)**	(1,079,735)
- Allowance for impairment of financial assets	12	**7,500,000**	1,500,000
- Provision for legal settlements	21	**85,871,006**	21,638,176
- Provision for employees' end of service benefits	22	**412,098**	614,100
- Profit from deposits with Islamic banks	25	**(6,907,805)**	(11,124,099)
- Finance income from finance lease	23	**(64,352,039)**	(66,537,746)
- Finance costs	27	**76,993,250**	57,795,619
		28,099,973	15,969,920
Changes in:			
- Finance lease receivable		**100,699,999**	100,700,001
- Development properties		**(22,484,564)**	-
- Trade and other receivables		**(140,717,950)**	(15,231,551)
- Trade and other payables		**40,115,237**	(19,720,661)
Cash generated from operating activities		**5,712,695**	81,717,709
Income tax paid		**(435,238)**	(424,994)
Employees' end of service benefits paid	22	**(1,012,131)**	(104,541)
Net cash from operating activities		**4,265,326**	81,188,174
Cash flows from investing activities			
Profit received from deposits with Islamic banks	25	**6,907,805**	11,124,099
Acquisition of property and equipment	8	**(768,733)**	(2,391,621)
Proceeds from disposal of property and equipment		**993,795**	-
Acquisition of investment properties	10	**(391,129,674)**	(459,678,526)
Proceeds from disposal of investment properties	10	**24,328,500**	231,855,702
Net proceeds from equity accounted investee	11	**-**	800,000
Proceeds from disposal of asset held for sale	17	**134,604,201**	-
Net cash used in investing activities		**(225,064,106)**	(218,290,346)

The notes on pages 11 to 45 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows (continued)
For the year ended 31 December 2024 In Qatari Riyals

	Note	2024	2023
Cash flows from financing activities			
Payment of lease liabilities	9	**(184,000)**	-
Proceeds from borrowings		**248,615,492**	294,800,379
Repayments of borrowings		**(43,147,441)**	(16,443,539)
Dividends paid	30	**(25,000,000)**	-
Finance costs paid		**(70,455,364)**	(41,352,080)
Changes in cash at bank – restricted accounts	16	**498,609**	1,387,950
Net cash from financing activities		**110,327,296**	238,392,710
Net change in cash and cash equivalents		**(110,471,484)**	101,290,538
Cash and cash equivalents at 1 January		**182,327,164**	81,036,626
Cash and cash equivalents at 31 December	16	**71,855,680**	182,327,164
Non-cash transactions			
Transfer from investment properties to development properties	10	**-**	22,571,014
Transfer from property and equipment to asset held for sale	8	**-**	134,604,201

The notes on pages 11 to 45 form an integral part of these consolidated financial statements.

1 Reporting entity

Mazaya Real Estate Development Q.P.S.C. (the "Company") is a Qatari Public Shareholding Company incorporated in State of Qatar under commercial registration number 38173. The address of the Company's registered office is Tornado Tower, Majlis Al Taawon Street, West Bay, P.O. Box 18132, Doha, State of Qatar.

These consolidated financial statements as at and for year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as "the Group").

The Group is primarily involved in developing and managing residential compounds, real estate investment, land development for resale, construction, project management, real estate marketing, property management, maintenance, and brokerage services.

Details of the Group's consolidated subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Share capital	The Company shareholding percentage as at 31 December	
		QR	2024	2023
Qortuba Real Estate Investment Company W.L.L.	Qatar	200,000	100%	100%
Granada Real Estate Investment Company W.L.L.	Qatar	200,000	100%	100%
Gulf Spring Real Estate Investment and Development Company W.L.L.	Qatar	200,000	100%	100%
Mazaya Lebanon for Tourism Development and Real Estate S.A.R.L.	Lebanon	12,000	100%	100%
Facilitx Facility Management W.L.L.	Qatar	200,000	100%	100%

2 Basis of accounting

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). They were authorised for issue by the Company's board of directors on 9 February 2025.

Details of the Group's material accounting policies, including changes thereto, are included in Note 7.

3 Functional and presentation currency

These consolidated financial statements are presented in Qatari Riyal, which is the Company's functional currency. All amounts have been rounded to the nearest Qatari Riyal, unless otherwise indicated.

4 Basis of measurement

The consolidated financial statements have been prepared under historical cost basis except for the investment properties which are measured at fair value.

5 Use of judgements 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.

Going concern

The Group 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. Furthermore, the 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 the going concern basis.

Valuation of investment properties

Investment properties are stated at fair value at each reporting date. Gains or losses arising from changes in the fair values are included in profit or loss in the period in which they arise. Fair value is determined by management using internally generated valuation models and by independent external appraisers using recognized valuation techniques. These models and techniques comprise the Direct Capitalization method and the Comparable method.

The determination of the fair value of investment properties requires the use of estimates such as future cash flows from assets (including lease income and costs, future revenue streams, capital expenditures of fixtures and fittings, any environmental matters and the overall repair and condition of the property or stabilized net operating income) and discount, capitalization and terminal capitalization rates applicable to those cash flows. These estimates are based on local market conditions existing at the reporting date. The carrying value for the Group's investment properties reflects its best estimate for the highest and best use as at the reporting date.

Techniques used for valuing investment properties

The Income Capitalization method converts anticipated future cash flow benefits in the form of rental income into present value. This approach requires estimation of normalized annual future cash inflows and application of investor yield or return requirements in the form of capitalization rates.

The Comparable method involves the comparison of the Group's investment properties to similar investment properties that have transacted within a recent time frame from which a fair value is estimated based on the price per square foot of these comparable sales.

Impairment of property and equipment and development properties

The carrying amounts of the Group's property and equipment and development properties are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, then an impairment test is performed by the management. The determination of what can be considered impaired, as well as the determination of recoverable amounts require management to make significant judgments, estimation and assumptions.

Impairment of investments in associates

The Group accounts for its investments in associates under the equity method. In addition, the Group makes an annual assessment based on the available market information and the judgement to evaluate whether any indications existed for provision for impairment loss for the Group's net investment in the associate. If indication is existed, the Group would reduce its net investment to the extent of estimated recoverable value of such investment.

5 Use of judgement and estimates (continued)

Distinction between property and equipment and investment properties

The Group determines whether a property qualifies as investment properties. 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.

The Group holds properties that is held to earn rentals or for capital appreciation, so the Group has classified the whole of property as investment property. 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.

Impairment of receivable

The Group uses an expected credit loss (ECL) impairment model to determine the impairment of receivables. This 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 of default to various categories of receivables. Probability of default constitutes a key input in measuring the 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.

Useful life 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.

Lease liabilities

Management assesses whether contracts entered by the Group for renting various assets contain a lease. The lease identification, including whether or not the Group has contracted to substantially all the economic benefits of the underlying asset, may require significant judgement. Establishing the lease term may also present challenges where a contract has an indefinite term or is subject to auto renewal or there are renewal options that are unclear if they will be exercised at the option date. The extend of the lease term significantly influences the value of the lease liability and the related right-of-use asset and arriving at a conclusion sometimes requires significant judgement calls. Furthermore, once the lease term is established, management needs to estimate the future cash flows payable over the lease term and discount them using the incremental borrowing rate that a lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. That also requires significant judgment and affects both the finance lease liability and the fair value of the underlying asset.

Provision for employees’ end of service benefits

Management has measured the Group’s provision for the end of service benefits of its employees in accordance with the provisions of the Labour Laws. Management does not perform an actuarial valuation as required by International Accounting Standard 19 “Employee Benefits” as it estimates that such valuation does not result to a significantly different level of provision. The provision is reassessed by management at regular basis, and any change to the provision for employees’ end of service benefits is adjusted in the consolidated statement of profit or loss and other comprehensive income.

5 Use of judgement and estimates (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 consolidated statement of profit or loss and other comprehensive income in the period in which the change occurs.

6 New accounting standards or amendments for 2024 and forthcoming requirements

a) New currently effective requirements

The Group has applied the following new and revised IFRS Accounting Standards that have been issued and are effective for annual periods beginning on or after 1 January 2024:

Effective Date	New Accounting Standards or amendments
1 January 2024	Non-current Liabilities with Covenants – Amendments to IAS 1 and Classification of Liabilities as Current or Non-current – Amendments to IAS 1
	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16
	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The application of these amendments had no material impact on the Group's consolidated financial statements.

b) New and revised standards and interpretation issued but not yet effective

A number of new standards, amendments and interpretations to standards are effective for annual periods beginning on or after 1 January 2024 and earlier application is permitted; however, the Group has not early applied the following new standards, amendments and interpretations in preparing these consolidated financial statements.

The following new and amendments to standards are not expected to have a significant impact on Group's consolidated financial statements.

Effective Date	New Accounting Standards or amendments
1 January 2025	Lack of Exchangeability – Amendments to IAS 21
1 January 2026	Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7
	Annual Improvements to IFRS Accounting Standards – Volume 11
1 January 2027	IFRS 18 Presentation and Disclosure in Financial Statements
	IFRS 19 Subsidiaries without Public Accountability: Disclosures
Available for optional adoption / effective date deferred indefinitely	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28

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

7 Material accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise.

a) Basis of consolidation

i. Business combinations

The Group accounts for business combinations under the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a “concentration test’ that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

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 consolidated statement of profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in consolidated statement of profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in consolidated statement of profit or loss.

ii. 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.

iii. Non-controlling interests

NCI are measured initially at their proportionate share of the acquiree’s identifiable net assets at the date of acquisition.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest (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.

7 Material accounting policies (continued)

a) Basis of consolidation (continued)

v. Interests in equity accounted investees

The Group's interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, until the date on which significant influence or joint control ceases.

vi. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) 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) Foreign currency translation

Transaction and balances
Transactions in foreign currencies are translated into respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. All differences are taken to the consolidated statement of profit or loss and other comprehensive income.

c) Revenue recognition

Rental income
Revenue from contracts under operating leases is recognized on a straight-line basis over the lease term, in accordance with IFRS 16. The lease term includes the non-cancellable period of the lease, together with any extension periods where the lessee is reasonably certain to exercise their option to renew. Lease incentives provided to tenants, such as rent-free periods, are spread evenly over the lease term, regardless of the timing of related cash flows. Amounts received from tenants as compensation for lease terminations or property dilapidations are recognized in the consolidated statement of profit or loss when they arise.

Finance income
Finance income from properties under finance leases is recognized over the lease term in accordance with IFRS 16 and IFRS 9. Finance lease income is recognized using the effective interest rate method, reflecting a constant periodic rate of return on the net investment in the lease. The lease term includes the non-cancellable period of the lease, together with any extension periods where the lessee is reasonably certain to exercise their option to renew. Revenue is recognized when the lease agreement is in place, control of the leased asset is transferred to the lessee, and it is probable that the Company will collect the amounts due. Amounts received from lessees as compensation for lease terminations or other related payments are recognized in the consolidated statement of profit or loss when they arise.

7 Material accounting policies (continued)

c) Revenue recognition (continued)

Rendering of services
The Group provides property management services. Revenue from providing services is recognised in the accounting period in which the services are rendered. Revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously.

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.

d) Property and equipment

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

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and 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
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 consolidated statement of profit or loss. Land is not depreciated.

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

Building	25 years
Furniture and fixtures	3-5 years
Motor vehicles	5 years
Computer and equipment	1-3 years

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

Derecognition
An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Profits and losses on disposals of items of property and equipment are determined by comparing the proceeds from their disposals with their respective carrying amounts and are recognised net within consolidated statement of profit or loss.

7 Material accounting policies (continued)

e) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment property is carried at fair value.

After initial recognition, investment property is carried at fair value. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value. Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable.

Investment properties under construction for which the fair value cannot be determined reliably, but for which the Group expects the fair value of the property will be reliably determinable when construction is completed, are measured at cost until the fair value becomes reliably determinable or construction is completed - whichever is earlier.

It may sometimes be difficult to determine reliably the fair value of the investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others:

- the provisions of the construction contract;
- the stage of completion;
- whether the project/property is standard (typical for the market) or non-standard;
- the level of reliability of cash inflows after completion;
- the development risk specific to the property;
- past experience with similar constructions; and
- status of construction permits.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the cost of the replacement is included in the carrying amount of the property, and the fair value is reassessed.

Changes in fair values are recognised in the consolidated statement of profit or loss and other comprehensive income. Investment properties are derecognised when they have been disposed of.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this property at the date of transfer is treated in the same way as a revaluation under IAS 16. Any resulting increase in the carrying amount of the property is recognised in consolidated statement of profit or loss and other comprehensive income to the extent that it reverses a previous impairment loss, with any remaining increase recognised in other comprehensive income and increase directly to equity in revaluation surplus within equity. Any resulting decrease in the carrying amount of the property is initially charged in other comprehensive income against any previously recognised revaluation surplus, with any remaining decrease charged to consolidated statement of profit or loss and other comprehensive income.

7 Material accounting policies (continued)

f) Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to financial assets, deferred tax assets, employee benefit assets, investment property which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

g) Development properties

Properties acquired, constructed or in the course of construction for sale are classified as development properties. These are stated at the lower of cost and net realisable value.

Cost principally includes the cost of the land and construction cost and all other costs which are necessary to get the properties ready for sale. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of development properties recognised in the consolidated statement of profit or loss is determined with reference to the costs incurred on the property sold to the extent of work completed.

h) Equity accounted investee

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions through representation in the Board of Directors of the investee but is not control or joint control over those policies.

The Group’s investments in associates is accounted for under the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group’s share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group’s investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

7 Material accounting policies (continued)

h) Equity accounted investee (continued)

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate is disposed of.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group’s consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

i) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise of cash at banks and cash in hand and short-term deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of any outstanding bank overdrafts.

j) Financial instruments

i) Recognition and initial measurement

Trade receivables 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 (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at 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.

ii) Classification and subsequent measurement

Financial assets – Classification

On initial recognition, a financial asset is classified as measured at amortised cost.

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.

7 Material accounting policies (continued)

j) Financial instruments (continued)

ii) Classification and subsequent measurement (continued)

Financial assets – Classification (continued)

A financial asset is measured at amortised cost as it meets both of the following conditions and is not designed as at FVTPL.

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

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.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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 interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the 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 that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

7 Material accounting policies (continued)

j) Financial instruments (continued)

ii) Classification and subsequent measurement (continued)

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

In assessing whether the contractual cash flows are SPPI, 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
- 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 SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable 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 compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant on initial recognition. The Group had no financial assets held outside trading business models that failed the SPPI assessment.

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 liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is measured 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. Any gain or loss on derecognition is also recognised in profit or loss.

7 Material accounting policies (continued)

j) Financial instruments (continued)

iii) 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.

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.

iv) 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 realize the asset and settle the liability simultaneously.

k) Impairment

Non-derivative financial assets

Financial instruments

The Group recognises loss allowances for ECLs on: financial assets measured at amortised cost.

The Group also recognises loss allowances for ECLs on lease receivables, which are disclosed as part of trade and other receivables.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables (including lease receivables) are always measured at an amount equal to lifetime ECLs.

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 that includes forward-looking information.

7 Material accounting policies (continued)

k) Impairment (continued)

Non-derivative financial assets (continued)

Financial instruments (continued)

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:
- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held), or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

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

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

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.

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;
- a breach of contract such as a default or being more than 730 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the consolidated statement of financial position
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.

7 Material accounting policies (continued)

k) Impairment (continued)

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

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 CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or 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 CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

l) Employees' end of service benefits

In accordance with Qatar Labour Law No. 14 of 2004 or any other countries whereby the Group redundant, it provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

With respect to the Qatari nationals, the Group makes contributions to Qatar Retirement and Pension Authority as a percentage of the employees' salaries in accordance with the requirements of respective local laws pertaining to retirement and pensions. The Group's share of contributions to these schemes are charged to consolidated statement of profit or loss in the year to which they relate.

m) Provision

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 a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

7 Material accounting policies (continued)

n) Income tax

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

Taxes are calculated based on applicable tax laws or regulations in the countries in which the Group operates. Currently there is no corporate tax applicable to the Parent in the State of Qatar. However, corporate tax is applicable on subsidiaries operating inside the State of Qatar.

Income tax expense is recognized in the consolidated statement of comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

o) Leases

i. Leases – Group as a lessee

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 assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either the Group has the right to operate the asset; or the Group designed the asset in a way that predetermines how and for what purpose it will be used.

Where it is established that the Group is a lessee, a right-of-use asset and lease liabilities are recognized 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 under 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.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the profit 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.

7 Material accounting policies (continued)

o) Leases (continued)

i. Leases – Group as a lessee (continued)

Lease payments included in the measurement of the lease liabilities 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.

Lease liabilities are subsequently measured at amortised cost using the effective profit method.

Lease liabilities are 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, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When lease liabilities are remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in consolidated statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii. Leases – 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. 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 'operating income'.

7 Material accounting policies (continued)

p) Share capital

Ordinary shares are classified as equity.

q) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in consolidated statement of profit or loss over the period of the borrowings using the effective profit method.

Borrowings are derecognised from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the consolidated statement of profit or loss and other comprehensive income as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they incur. Borrowing costs consist of profit and other costs that the Company incurs in connection with the borrowing of funds.

Classification of liabilities as current or Non-current and Non-current liabilities with covenants

The Group has adopted classification of liabilities as current and Non-current and Non-current liabilities with covenants (Amendments to IAS 1) from 1 January 2024. The amendments apply retrospectively. They clarify certain requirements for determining whether a liability should be capitalized as current or Non–current and require new disclosures for Non-current loan liabilities that are subject to covenants with 12 months after the reporting date.

As per the management assessment, the Group expects to comply with all the applicable covenants within 12 months after the reporting date. Accordingly, the covenants with which the Group needs to comply after the reporting date do not affect the Group’s right to defer settlement of the loans at the reporting date.

r) 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.

7 Material accounting policies (continued)

s) Earning per share

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

t) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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 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 motive.

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.

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.

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; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

8 Property and equipment

	Land	Building	Furniture and fixtures	Motor vehicles	Computer and equipment	Total
Cost						
Balance at 1 January 2023	40,000,000	93,996,163	46,284	342,850	1,748,068	136,133,365
Additions	-	608,038	19,052	-	1,764,531	2,391,621
Transfer to asset held for sale (Note 17)	(40,000,000)	(94,604,201)	-	-	-	(134,604,201)
Balance at 31 December 2023	-	-	65,336	342,850	3,512,599	3,920,785
Additions	**-**	**-**	**438,890**	**100,000**	**229,843**	**768,733**
Disposals	**-**	**-**	**-**	**-**	**(1,243,810)**	**(1,243,810)**
Balance at 31 December 2024	**-**	**-**	**504,226**	**442,850**	**2,498,632**	**3,445,708**
Accumulated depreciation						
Balance at 1 January 2023	-	-	39,226	120,464	1,554,633	1,714,323
Depreciation (Note 26)	-	-	3,593	61,630	305,863	371,086
Balance at 31 December 2023	-	-	42,819	182,094	1,860,496	2,085,409
Depreciation (Note 26)	**-**	**-**	**78,659**	**63,686**	**244,758**	**387,103**
Disposals	**-**	**-**	**-**	**-**	**(250,015)**	**(250,015)**
Balance at 31 December 2024	**-**	**-**	**121,478**	**245,780**	**1,855,239**	**2,222,497**
Carrying amounts						
At 31 December 2024	**-**	**-**	**382,748**	**197,070**	**643,393**	**1,223,211**
At 31 December 2023	-	-	22,517	160,756	1,652,103	1,835,376

9 Right-of-use asset and lease liabilities

During the year, the Group has entered into a lease contract for a showroom used in its operations with a lease term of five years. Following are the carrying amount of the Group's right-of-use asset and the movements during the year:

	2024	2023
Cost		
Balance at 1 January	**-**	-
Additions	**1,182,564**	-
Balance at 31 December	**1,182,564**	-
Accumulated depreciation		
Balance at 1 January	**-**	-
Depreciation (Note 26)	**157,673**	-
Balance at 31 December	**157,673**	-
Carrying amount at 31 December	**1,024,891**	-

In relation to above right-of-use asset, the Group has recorded lease liabilities as below:

	2024	2023
Balance at 1 January	**-**	-
Additions	**1,182,564**	-
Payment of lease liabilities	**(184,000)**	-
Interest expense (Note 27)	**46,793**	-
Balance at 31 December	**1,045,357**	-

Lease liabilities are presented in consolidated statement of financial position as follows:

	2024	2023
Current portion	**256,015**	-
Non-current portion	**789,342**	-
	1,045,357	-

10 Investment properties

a) Reconciliation of carrying amount

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

	2024	2023
Balance at 1 January	**896,885,003**	674,291,348
Additions	**391,129,674**	458,723,870
Disposals (1)	**(22,642,092)**	(231,623,870)
Transfer to development properties (Note 14)	**-**	(22,571,014)
Development cost	**-**	954,656
Net fair value gain (2)	**-**	17,110,013
Balance at 31 December	**1,265,372,585**	896,885,003

(1) This represents the disposal of a land in Palm Deira Dubai during the year for net proceeds of QR 24,328,500. The Group recognized a gain of QR 1,686,408 on disposal of this investment property during the year. The disposal in 2023, amounting to QR 231,832 related to a different property.

(2) In 2024, no fair value gain on properties was recognized, as the amount was deemed immaterial. In comparison, a fair value gain was recorded in 2023. Changes in fair values are recognized as gains or losses in the consolidated statement of profit or loss, with all such gains or losses being unrealized.

(3) Certain investment properties of the Group, with fair value of QR 993,322,373 at 31 December 2024 (2023: 602,192,698) are mortgaged to a local bank against the facilities obtained by the Group.

The investment properties comprise several completed commercial and residential buildings leased to third parties, as well as vacant lands, primarily located in the State of Qatar.

	2024	2023
Completed properties	**1,064,891,826**	623,313,418
Vacant lands	**200,480,759**	273,571,585
Balance at 31 December	**1,265,372,585**	896,885,003

b) Amounts recognized in profit or loss

The group leases out its investment properties. The group has classified these leases as operating leases, as they do not transfer substantially all risks and rewards incidental to the ownership of the assets, except for one contract classified as a finance lease. Rental income recognized by the Group in respect of the operating leases during the year amounted to QR 68,986,701 (2023: QR 50,251,549).

c) Measurement of fair values

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. This independent valuer provides the fair value of the Group’s investment property portfolio at each reporting date.

10 Investment properties (continued)

c) Measurement of fair values (continued)

The fair value measurements for all of the investment properties have been categorized as Level 3 fair value based on the inputs to the valuation technique used.

Techniques used for valuing investment properties

The Income Capitalization method

The fair value of Tala residence, Al Sadd Building, Muaither Compound, Sidra Village Retail Units, Lusail University, Gold Plaza and Mesaimeer property having a carrying value of QR 1,064,891,826 (2023: QR 623,313,418) is determined using income capitalization approach. Under this method, the net operating income (NOI) of each property is divided by the appropriate capitalization rate. Stabilized net operating income (NOI) is computed at revenue less estimated property operating expenses.

Key unobservable inputs	**2024**	2023
Monthly rental income	**29-164 sqm**	33-99 sqm
All risk yield – current	**4.2% to 7.1%**	6.5% to 8.25%

Market comparable method

Fair value of vacant lands having a carrying value of QR 200,480,759 (2023: QR 273,571,585) is determined using the market comparable approach, due to moderate volume of transactions involving comparable properties in the areas where they are located. Under the market comparable approach, a property's fair value is estimated based on comparable transactions. The market comparable approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. The unit of comparison applied by the Group is the price per square feet (square ft).

	Estimated land value per sq ft	
	2024	2023
Plots in Dubai	**-**	212
Plot in Qatar	**650**	650

11 Equity accounted investee

The Group as at the reporting dates had the following equity accounted investee:

Name of joint venture	Country of corporation	Ownership	Principal activity
Nishan Investment and Real Estate Development Company Q.P.S.C.	Qatar	11.43%	Real Estate

Movement in the equity accounted investee is as follows:

	2024	2023
Balance at 1 January	**18,743,444**	18,463,709
Share of results	**284,673**	1,079,735
Dividends received	**-**	(800,000)
Balance at 31 December	**19,028,117**	18,743,444

The summarized financial information of the Group's equity accounted investee are as follows:

	2024	2023
Current assets	**17,900,741**	22,645,009
Non-current assets	**30,326,258**	23,341,412
Current liabilities	**(2,672,502)**	(5,309,407)
Non-current liabilities	**(26,526,380)**	(21,933,570)
Net assets	**19,028,117**	18,743,444

	2024	2023
Share in the associate revenue and results revenues	**284,673**	251,309
Share of gain for the year	**284,673**	1,079,735

12 Financial assets

	2024	2023
Financial assets – at amortized cost	**61,354,395**	61,354,395
Less: Allowance for impairment of financial assets	**(44,177,198)**	(36,677,198)
	17,177,197	24,677,197

The financial asset relates to a Wakala contract of QR 65,000,000 entered into in 2009 with a GCC Investment Company through an agent. The investment company failed to settle the amount on the maturity date. In subsequent years, the Group secured multiple court rulings in its favor, including a judgment in 2011 for settlement and an additional ruling in 2019 awarding QR 15,000,000 with accrued interest. The Central Bank of Kuwait was assigned to oversee the liquidation process.

During the year, the Group recognized an additional allowance for impairment of QR 7,500,000 (2023: QR 1,500,000), reflecting uncertainty around the timing and recoverability of the remaining balance. The Group continues to monitor the recovery process closely.

13 Finance lease receivable

The Group entered into a finance lease arrangement as a lessor for the construction, maintenance and operation of residential compound with a third party. The compound is specifically constructed by the Group for leasing to the third party for a term of 21 years and will be transferred to the party at the end of the lease term.

Finance lease receivable is presented in the consolidated statement of financial position as follows:

	2024	2023
Current portion	**38,673,513**	36,347,961
Non-current portion	**993,240,539**	1,031,914,051
	1,031,914,052	1,068,262,012

The following table presents the gross and net investment in the lease.

	2024	2023
Amount receivable under finance leases:		
Year 1	**100,700,000**	100,700,000
Year 2	**100,700,000**	100,700,000
Year 3	**100,700,000**	100,700,000
Year 4	**100,700,000**	100,700,000
Year 5	**100,700,000**	100,700,000
Onwards	**1,087,560,000**	1,188,260,000
Gross investment in lease	**1,591,060,000**	1,691,760,000
Less: unearned finance income	**(559,145,948)**	(623,497,988)
Present value of minimum lease payments schedule	**1,031,914,052**	1,068,262,012
Net investment in the lease	**1,031,914,052**	1,068,262,012

The finance lease receivable at the end of the reporting year is neither past due nor impaired.

14 Development properties

Development properties include the ongoing construction of the VERA residential tower in Lusail city, which is expected to be completed in 2026. The property is intended for sale upon completion.

The movement in development properties during the year is as follows:

	2024	2023
Balance at 1 January	**22,571,014**	-
Additions (1)	**22,484,564**	-
Transfer from investment properties (2)	**-**	22,571,014
Balance at 31 December	**45,055,578**	22,571,014

(1) Reflects costs incurred during the year for the development of the VERA residential tower, including construction expenses, professional fees, and other related costs.

(2) Represents the reclassification of the VERA tower from investment properties to development properties in 2023, aligning with the Group's intention to sell the property upon completion.

15 Trade and other receivables

	2024	2023
Trade receivables	**5,688,891**	5,487,323
Prepayments	**13,603,383**	41,719,481
Refundable deposits	**888,808**	600,525
Other receivables (1)	**168,494,042**	149,845
	188,675,124	47,957,174

(1) As of 31 December 2024, other receivables include an amount of QR 167,336,694 held as a bank guarantee. This balance represents funds designated to fulfil the Group's obligations in relation to a legal execution case, ensuring compliance with legal requirements.

16 Cash and cash equivalents

	2024	2023
Cash in hand	**36,720**	14,676
Cash at bank – current accounts	**16,293,530**	49,978,777
Cash at bank – short-term deposit accounts (1)	**55,525,430**	132,333,711
Cash at bank – restricted accounts (2)	**7,723,965**	8,222,574
Cash and bank balances	**79,579,645**	190,549,738
Less: Cash at bank – restricted accounts (2)	**(7,723,965)**	(8,222,574)
Cash and cash equivalents	**71,855,680**	182,327,164

(1) Short-term deposits are made for varying terms depending on the immediate cash requirements of the Group and earn profit at market rates.

(2) The restricted accounts consist of amounts held in the banks for the dividends declared but not yet claimed by the eligible shareholders.

17 Asset held for sale

In February 2023, the Group classified a property as held for sale following the completion of renovation and maintenance work, transitioning it from property and equipment to an asset held for sale. During 2024, the Group finalized the necessary legal proceedings and obtained the required regulatory approvals and completed the sale of the property. The total proceeds from the sale amounted to QR 134,604,201.

18 Share capital

	2024	2023
Authorized, issued and fully paid:		
1,000,000,000 ordinary shares of QR 1 each (1)	**1,000,000,000**	1,000,000,000

(1) All shares are of same class and carry equal voting rights.

(2) Based on the extraordinary general assembly meeting of Mazaya Real Estate Development (Q.P.S.C.) held on May 17, 2023, the shareholders have resolved to reduce its paid-up share capital from QR 1,157,625,000 to QR 1,000,000,000 (QR one billion) through the cancellation of 157,625,000 shares equivalent to QR 157,625,000, or 13.61% of the total capital. The extraordinary general assembly also resolved the use of QR 39,599,645 from the legal reserve to cover the remaining losses, which amount to QR 39,599,645. The cancellation of the shares in the amount of QR 157,625,000 together with the use of legal reserve in the amount of QR 39,599,645 would absorb the accumulated losses of the Company outstanding as of 31 December 2022 in the amount of QR 197,224,645. The extraordinary general assembly also resolved in the same meeting that 299,000,000 shares (nominal value of QR 1) equivalent to 29% of the capital are authorized by the board to be issued within one year. The issuance of additional shares has not been done as of the date of the financial statements.

19 Legal reserve

In accordance with Qatar Commercial Companies Law No. 11 of 2015 (as amended by Law No. 8 of 2021), an amount equal to 10% of the net profit for the year is required to be transferred to a legal reserve account until such time the balance of the legal reserve account reaches 50% of paid up share capital. The legal reserve is not available for distribution, except in circumstances specified in the above mentioned Law. The Group did not make any transfers to the legal reserve in 2024 due to the loss for the year (2023: QR 2,968,724).

20 Borrowings

	2024	2023
Islamic facility (1)	**798,498,746**	835,155,094
Islamic facility (2)	**440,000,000**	440,000,000
Islamic facility (3)	**246,912,873**	-
	1,485,411,619	1,275,155,094
Less: transaction costs of refinancing	**(43,248,705)**	(44,951,324)
	1,442,162,914	1,230,203,770

Borrowings are presented in the consolidated statement of financial position as follows:

	2024	2023
Current portion	**85,140,429**	72,833,662
Non-current portion	**1,357,022,485**	1,157,370,108
	1,442,162,914	1,230,203,770

(1) On 30 January 2023, the Group entered into an agreement with QIB to refinance the outstanding balance of the Islamic facility with Dukhan Bank and to secure an additional loan facility. The agreement included a grace period until 31 July 2023 and carried a profit rate of 3.75%. The facility requires quarterly instalments of QR 17,000,000 and is repayable over 18 years, with the last instalment due in April 2040. The expected receipts from the Sidra real estate project are pledged as security against this facility.

(2) In 2014, the Group entered into an initial agreement with QIB to finance the Tala Residence real estate project. This facility originally required repayment in 9 annual variable instalments from the end of 2014 to 2021, with a final settlement in 2022. It carried a minimum profit rate of 5.25% per annum.

In 2022, the tenor was extended to a maximum of 15 years (up to 1 December 2037), with semi-annual instalments of QR 12,520,000 and a profit rate of 6%.

On 22 October 2023, the Group refinanced the outstanding balance under a new agreement. The updated terms include a grace period until 1 July 2024, a profit rate of 6.5%, and semi-annual instalments of QR 16,800,000. This facility is now repayable over 25 years, with the last instalment due in January 2049. Security for the facility includes rental income from Tala Residence and Al Sadd Buildings, with additional pledges on Gold Plaza and Mueither real estate properties.

(3) On 12 February 2024, the Group entered into a new Islamic financing agreement with Dukhan Bank to finance up to 70% of the acquisition cost of the building complex (ECQ B01 - B02) located in Lusail, which is currently serving as the Lusail University Female Campus. The loan facility is valued at QR 250 million, carries a profit rate of 6.5%, and is repayable over 25 years with no grace period. The repayment schedule consists of quarterly instalments of QR 5,075,000, and the building complex (ECQ B01 - B02) is pledged as collateral for this facility.

Finance costs for the year amounted to QR 76,946,457 (2023: QR 57,795,619) (Note 27).

21 Trade and other payables

	2024	2023
Trade payables	**8,231,551**	3,595,496
Encashment of bond (1)	**59,827,513**	59,827,513
Accrued expenses	**32,158,581**	19,814,305
Provision for legal settlements (2)	**107,509,182**	21,638,176
Contract liabilities (3)	**20,958,527**	-
Dividends payable	**14,407,808**	14,906,417
Provision for social and sports fund contribution (4)	**-**	742,181
Retention payable	**3,424,935**	-
Refundable deposits	**668,784**	676,550
	247,186,881	121,200,638

(1) In 2019, the Group encashed a performance bond amounting to QR 59,827,513 related to one of the Group's projects. This amount was initially recorded as a liability, with the expectation that it would be settled upon the project's completion. Following the estimated financial obligation resulting from legal proceedings as per the appeal judgement dated 26 June 2024, the encashment of bond credit balance in the amount of QR 59,827,513 together with the provision of QR 107,509,182 in note 21 (2) below constitute the provision for the overall settlement with the contractor balance in the amount of QR 167,336,694. The Group continues to recognize the encashed amount as a liability until the settlement of the case.

(2) A provision of QR 85,871,006 has been recorded during the year (2023: QR 21,638,176), in relation to an ongoing legal case thus bringing the total provision to QR 107,509,182. This amount reflects the estimated financial obligation resulting from legal proceedings as per the appeal judgement dated 26 June 2024 and represents an accrued liability on the company's balance sheet. The Group has fully provided for the amount which was determined by the court ruling.

(3) Contract liabilities include an amount of QR 15,306,332, representing advance payments received from customers for units in the VERA residential tower, which is currently under construction in Lusail City and expected to be completed in 2026.

(4) The Group made an appropriation of QR nil (2023: QR 742,181) to the Social and Sports Fund of the State of Qatar pursuant to the Qatar Law No. 13 of 2008.

Trade and other payables are presented in the consolidated statement of financial position as follows:

	2024	2023
Current portion	**231,880,549**	121,200,638
Non-current portion	**15,306,332**	-
	247,186,881	121,200,638

22 Provision for employees' end of service benefits

	2024	2023
Balance at 1 January	**2,793,420**	2,283,861
Provision made during the year (Note 26)	**412,098**	614,100
Payments made during the year	**(1,012,131)**	(104,541)
Balance at 31 December	**2,193,387**	2,793,420

23 Operating income

	2024	2023
Rental income	**68,986,701**	50,251,549
Finance income	**64,352,039**	66,537,746
Property management income	**5,862,242**	5,551,301
	139,200,982	122,340,596

24 Operating expenses

Operating expenses primarily include costs directly attributable to the Group's investment properties and service operations.

25 Other income

	2024	2023
Profit from deposits with Islamic banks	**6,907,805**	11,124,099
Gain on disposal of investment properties	**1,686,408**	231,832
Miscellaneous income	**1,547,572**	1,587,079
	10,141,785	12,943,010

26 General and administrative expenses

	2024	2023
Staff costs (1)	**18,269,885**	21,007,038
Legal and professional expenses (2)	**4,624,531**	3,572,255
Board of Directors' remuneration	**675,000**	990,000
Depreciation of property and equipment (Note 8)	**387,103**	371,086
Depreciation of right-of use-asset (Note 9)	**157,673**	-
Marketing and advertising	**697,068**	2,741,406
Rent expenses	**1,469,192**	1,427,932
Transportation	**77,653**	138,576
Bank charges	**572,610**	515,229
Utilities	**316,500**	244,087
Commission expenses	**1,475,455**	911,625
Communication	**245,159**	164,089
Shariaa Board Fees	**90,000**	90,000
Other miscellaneous expenses	**823,175**	522,583
	29,881,004	32,695,906

(1) Staff costs include a provision of QR 412,098 (2023: QR 614,100) in respect of employees' end of service benefits (Note 22).

(2) This includes fees to statutory auditors, of which QR 239,000 (2023: QR 224,000) is for the audit and review of the financial statements and QR 166,500 (2023: QR 166,500) for non-audit services.

27 Finance costs

	2024	2023
Interest expense from borrowings (Note 20)	**76,946,457**	57,795,619
Interest expense on lease liabilities (Note 9)	**46,793**	-
	76,993,250	57,795,619

28 Income tax expense

	2024	2023
The Tax reconciliation is presented as follows:		
(Loss) / profit before tax	**(69,990,232)**	30,134,364
Adjustment for:		
Effect of income not subject to tax	**-**	(98,882)
Taxable income – Qatari shareholders	**-**	(25,564,212)
Taxable income – subject to tax	**-**	4,471,270
Income tax (10%)	**-**	447,127

29 Earnings per share

The calculation of basic and diluted earnings per share (EPS) is arrived by dividing the profit attributable to shareholders of the Parent Company for the year by the weighted average number of ordinary shares outstanding at the year end.

	2024	2023
(Loss) / profit for the year attributable to Owners of the Company	**(69,990,232)**	29,687,237
Adjusted weighted average number of outstanding shares	**1,000,000,000**	1,145,101,370
Basic and diluted earnings per share	**(0.070)**	0.026

30 Dividends

The board of directors, in its meeting dated 19 February 2024, proposed a cash dividend of 2.5% of the nominal share value amounting to QR 25 million (QR 0.025 per share with nominal value of QR 1 each) relating to the profits of the year 2023. The proposed dividend was subsequently approved by the shareholders during the Annual General Assembly held on 19 March 2024.

31 Related parties

Related parties represent significant shareholders, directors and key management personnel, affiliates of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

a) Compensation of key management personnel

	2024	2023
Short-term benefits		
Key management remuneration	**3,696,456**	3,403,409
Employees' end of service benefits	**96,250**	94,170
	3,792,706	3,497,579

b) Board of Directors remuneration

The Group accounted for the Board of Directors remunerations relating to 2024 in the amount of QR 675,000. The payment of these remunerations is subject to the approval of the General Assembly of shareholders. (2023: QR 990,000).

32 Commitments and contingent liabilities

	2024	2023
Letters of guarantee	**252,000**	860,000

33 Financial instruments – Fair values and risk management

a) Fair value of financial instruments

Financial assets consist of financial assets, finance lease receivable, cash at banks, refundable deposits, trade receivables and other receivables. Financial liabilities consist of borrowings, lease liabilities, trade and other payables.The Fair values of financial instruments approximate their carrying values due to the short – term maturities of these instruments.

b) 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.

Risk management framework

The Group's Board of Directors has overall responsibility for the establishment of oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyze risks faced by the Group, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in the market conditions and Group activities. The Group, through its training and management standards and procedures, aim to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

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:

	2024	2023
Finance lease receivable	**1,031,914,052**	1,068,262,012
Financial assets	**17,177,197**	24,677,197
Cash at banks	**79,542,925**	190,535,062
Refundable deposits	**888,808**	600,525
Trade receivables	**5,688,891**	5,487,323
Other receivables	**168,494,042**	149,845
	1,303,705,915	1,289,711,964

33 Financial instruments – Fair values and risk management (continued)

b) Risk management (continued)

Credit risk (continued)

Finance lease receivable
The Group's finance lease receivables represent amounts due from lessees under long-term lease agreements. Credit risk is managed by assessing the lessees' creditworthiness at the start of the lease and regularly monitoring payments.

An impairment analysis is performed at each reporting date based on past payment behavior, current conditions, and future expectations. However, due to the Group's strong credit assessment and the reliable payment history of lessees, no significant credit losses have been recognized on these receivables.

Financial assets
The Group's financial assets include investment. This investment is assessed for impairment at each reporting date using the Expected Credit Loss (ECL) model, which considers past events, current conditions, and future forecasts.

As of the reporting date, the Group has recognized a loss allowance of QR 44,177,198. The Group is also involved in a legal case against a company it has invested in, and the potential impact on the recoverability of the investment is being closely monitored. Any necessary adjustments will be made as more information becomes available.

Cash at banks
The Group's cash at banks are held with a credit worthy and reputable bank. As a result, management believes that the credit risk in respect of its cash at banks is minimal.

Refundable deposits
These are with tenants and management believes that credit risk in respect of these balances is insignificant.

Trade receivables
The Group's receivables at year-end primarily consist of balances due from individual tenants. Customer credit risk is managed through established policies and procedures, which include the assessment of tenant credit quality prior to lease agreements. As tenants typically pay at the end of their lease period, outstanding balances are monitored regularly, and necessary follow-ups are conducted to ensure payments are collected in a timely manner.

An impairment analysis is performed at each reporting date in compliance with applicable financial reporting standards. However, as the amounts due are not material or significant, and tenants have historically settled their accounts on time, no significant provisions have been recorded.

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. Management'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.

33 Financial instruments – Fair values and risk management (continued)

b) 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 future contractual profit payments.

31 December 2024	**Carrying amount**	**Contractual cash flow** Less than 1 year	1 to 5 years	More than 5 years	**Total**
Trade and other payables (1)	**214,359,516**	**199,053,184**	**15,306,332**	**-**	**214,359,516**
Borrowings	**1,442,162,914**	**144,781,451**	**559,942,751**	**1,265,065,723**	**1,969,789,925**
Lease liabilities	**1,045,357**	**256,015**	**836,135**	**-**	**1,092,150**
	1,657,567,787	**344,090,650**	**576,085,218**	**1,265,065,723**	**2,185,241,591**

31 December 2023	Carrying amount	Contractual cash flow Less than 1 year	1 to 5 years	More than 5 years	Total
Trade and other payables (1)	100,709,783	100,709,783	-	-	100,709,783
Borrowings	1,230,203,770	149,191,714	575,400,000	1,311,534,858	2,036,126,572
	1,330,913,553	249,901,497	575,400,000	1,311,534,858	2,136,836,355

(1) Excluding accrued expenses and refundable deposits.

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.

i) Currency risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Group's functional currency. The Group is not exposed to significant foreign exchange risk as it primarily transacts in Qatari Riyal, which is the Group's presentation currency. Management believes that the Group's exposure to currency risk is minimal.

33 Financial instruments – Fair values and risk management (continued)

b) Risk management (continued)

Market risk (continued)

ii) Proft rate risk

Profit rate risk arises when the fair value or future cash flows of a financial instrument will fluctuate because of changes in market profit rates. The Group's profit rate risk arises mainly from Islamic financing and bank deposits issued at variable rates, which expose the Group to cash flow profit rate risk.

At 31 December 2024, if profit rates on Qatari Riyal-denominated bank deposits and Islamic financing had been 1% (2023: 1%) higher/lower with all other variables held constant, post-tax profit for the year would have been QR 14,421,629 (2023: QR 12,302,038) lower/higher, mainly as a result of higher/lower profit charge on floating rate Islamic financing. Therefore, management monitors the profit rate fluctuations on a continuous basis and acts accordingly.

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong capital base in order to support its business and to sustain future development of the business. Management monitors its capital structure and makes adjustments to it in light of economic conditions.

The Group monitors capital using a gearing ratio, which is calculated as net debt divided by total capital. The debt is calculated as total borrowings (non-current and current borrowings and bank overdrafts as shown on the consolidated statement of financial position) less cash and cash equivalents (excluding bank overdrafts). The total capital is calculated as "equity" as shown on the consolidated statement of financial position plus net debt.

	2024	2023
Borrowings (Note 20)	**1,442,162,914**	1,230,203,770
Less: Cash and cash equivalents (Note 16)	**(71,855,680)**	(182,327,164)
Net debt	**1,370,307,234**	1,047,876,606
Total equity	**956,461,861**	1,051,452,093
Total capital	**2,326,769,095**	2,099,328,699
Gearing ratio	**58.89%**	49.91%

The Group's capital management policy remained unchanged since the previous year as well as there is no significant change in the gearing ratio. The Group is not subject to any externally imposed capital requirements.

34 Segment information

The Group operates in a single reportable segment, which is the investment, development, and operations of real estate properties. All activities and significant non-current assets are based in the State of Qatar, with revenue generated entirely within the country. During the reporting period, revenue from a limited number of major customers individually accounted for more than 10% of the Group's total revenue.

35 Subsequent events

A legal court ruling was issued subsequent to the reporting date in relation with the ongoing legal case disclosed in Note 21 (2). This ruling overturned the previous decision issued previously thus reducing the amount required to be paid by the Group from QR 85,871,006 to QR 67,000,000.

The Group recognized a full provision for the original amount of QR 85,871,006 as at 31 December 2024. No adjustment has been made to the consolidated financial statements as a result of the above ruling subsequent to the reporting date as management of the Group and its legal advisors are still assessing the implications of the ruling on the financial liability of the Group.

Other than the above, there are no material events subsequent to the reporting date that have a bearing on the understanding of these consolidated financial statements.

36 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 do not affect the previously reported net profits, gross assets and equity.