IMPORTANT NOTICE

We set out in this document the transaction information for the acquisition by Investment Holding Group Q.P.S.C. ("**IHG**") of 100% of the share capital of Elegancia Group W.L.L. ("**Elegancia**") in consideration for shares in IHG (the "**Transaction**").

No person has been authorised to give any information or to make any representations other than those contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by IHG, Elegancia or any of their respective advisers in connection with the Transaction.

This document has been created by the management of IHG. For the information contained in this document other than that relating to Elegancia Group, the directors of IHG, to the best of their knowledge and belief (who have taken all reasonable care to ensure that such is the case), acknowledge that the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

For the information contained in this document other than that relating to IHG, the directors of Elegancia Group, to the best of the knowledge and belief (who have taken all reasonable care to ensure that such is the case), acknowledge that the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This document has been approved by the Qatar Financial Markets Authority (the "**QFMA**") and made available to the IHG Shareholders. Except in respect of the foregoing and IHG's financial statements for the financial years ended 2018, 2019 and 2020 and interim financial statements for the period ended 30 June 2021, neither the content of any website of IHG nor the content of any website accessible from hyperlinks on any of such websites is incorporated into, or forms part of, this document and no person accepts any responsibility for the contents of such websites.

IHG undertakes to comply with statutory obligations imposed in connection with the Transaction pursuant to the rules and regulations of the QFMA and the Ministry of Commerce and Industry ("**MOCI**").

QNB Capital ("**QNBC**") is acting as financial adviser to IHG and providing an independent fairness opinion in connection with the Transaction. QNBC has only reviewed information provided by IHG in accordance with the scope of its engagement terms but has not verified the information contained in this document.

Rödl Middle East LLC ("**Rödl**") is acting as the financial evaluator to IHG in connection with the Transaction. Rödl, a company registered under the QFMA's register of financial evaluators of the QFMA at the date of preparing and submitting their evaluation report, confirms that they have complied with the rules of professional conduct in relation to the integrity and confidentiality of information, and confirms that, to the best of their knowledge, their report does not contain any false or misleading information, and they have complied with the provisions of the Rules for External Auditors and Financial Evaluators of Listed Entities issued by the QFMA.

No party other than IHG may quote or use any or all parts of the report, or publish it, or use it for any other purpose, unless they have obtained the prior written consent of Rödl.

Rödl has not verified the information contained in this document, which has been prepared by the management of IHG. Accordingly, no representation or warranty is made or implied by Rödl or any of its respective affiliates in respect of the information contained in this document.

Consulting Haus LLC ("**CH**") is acting as evaluator to Elegancia in connection with the Transaction. CH, a company registered under the QFMA's register of financial evaluators at the date of preparing and submitting their evaluation report, confirms that they have complied with the rules of professional conduct in relation to the integrity and confidentiality of information, and confirms that, to the best of their knowledge, their report does not contain any false or misleading information.

No party other than Elegancia may quote or use any or all parts of the report, or publish it, or use it for any other purpose, unless they have obtained the prior written consent of CH.

CH has not verified the information contained in this document, which has been prepared by the management of IHG. Accordingly, no representation or warranty is made or implied by CH or any of its respective affiliates in respect of the information contained in this document.

This is an unofficial English translation of the formal shareholder circular published in the Arabic language. No reliance should be placed on this English translation which may not entirely reflect the official Arabic language shareholder circular.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you have any doubt as to the action you should take, it is recommended that you seek your own independent financial advice from your independent financial advisor.

Implementation of the Transaction is conditional upon, amongst other things, each of the resolutions set out in the notice of the Extraordinary General Assembly of Investment Holding Group QPSC ("**IHG**") (set out in Annex I to this document) receiving a vote in favour by holders of the requisite majority of IHG Shares represented at the IHG Extraordinary General Assembly. IHG undertakes to comply with statutory obligations imposed by the Transaction pursuant to the rules and regulations of the QFMA. The conditions to, and process for, implementing the Transaction are set out in full in Section 9 of this document.

مجموعة إستثمار القابضة
INVESTMENT HOLDING GROUP

Shareholder Circular
in respect of the acquisition by
Investment Holding Group Q.P.S.C. of 100% of the share capital of
Elegancia Group W.L.L.by way of increase of capital of IHG pursuant to Article (45) of the Offering & Listing of Securities on the Financial Markets Rulebook, and
the Commercial Companies Law No.11 of 2015 (as amended)

Certain risk factors should be taken into account when considering whether to vote in favour of the resolutions to be considered at the IHG Extraordinary General Assembly, see Section 7 of this document.

Unless the context otherwise requires, capitalised terms used in this document have the meanings given in Appendix I of this document. References to times and dates in this document are to Doha time and the Gregorian calendar, respectively.

Notice of the IHG Extraordinary General Assembly to be held at 9:00 pm on 11 April 2022 is set out in Annex I to this document.

THE MOCI AND THE QFMA SHALL NOT BE LIABLE FOR THE CONTENTS OF THIS DOCUMENT AND NEITHER DO THEY PROVIDE ANY CONFIRMATION AS TO THE CORRECTNESS AND ACCURACY OF THE INFORMATION CONTAINED IN THIS DOCUMENT. NONE OF THE ABOVEMENTIONED REGULATORS SHALL BE LIABLE FOR ANY LOSSES OR DAMAGES SUFFERED AS A RESULT OF THE CONTENTS OF THIS DOCUMENT.

TABLE OF CONTENTS

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements with respect to IHG and Elegancia. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “will”, “goal”, “believe”, “aim”, “may”, “would”, “could” or “should” or other words of similar meaning or the negative thereof. Forward-looking statements in this document include, without limitation, statements relating to the following: (i) preliminary synergy estimates, future capital expenditures, expenses, revenues, economic performance, financial conditions, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of the operations of IHG following completion of the Transaction; and (iii) the Transaction, related matters and the dates on which events are expected to occur.

These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, industry results, strategies or events, to be materially different from any results, performance, achievements or other events or factors expressed or implied by such forward-looking statements. Many of the risks and uncertainties relating to forward-looking statements are beyond IHG’s ability to control or estimate precisely, such as future market conditions and the behaviours of other market participants, and therefore undue reliance should not be placed on such statements. Forward-looking statements are not guarantees of future performance. They have not been reviewed by the auditors of IHG. Forward-looking statements are based on numerous assumptions, including assumptions regarding the present and future business strategies of IHG or Elegancia and the environment in which each will operate in the future. All subsequent oral or written forward-looking statements made by or attributable to IHG or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above.

The risks and uncertainties include, but are not limited to:

- the economic and financial markets conditions in the State of Qatar;
- the performance of the various sectors in which IHG and Elegancia operate in the State of Qatar and the wider region;
- the ability of IHG to achieve and manage the integration and growth of the enlarged business;
- the ability of IHG to obtain financing or maintain sufficient capital to fund their existing and future operations;
- changes in political, social, legal or economic conditions in the markets in which IHG and its customers operate;
- changes in the competitive environment in which IHG operates;
- removal or adjustment of the monetary or fiscal policies in the State of Qatar; and
- the introduction of new forms of taxation (including value added tax (VAT)) in the future.

IHG assumes no obligation to, and does not intend to, update any forward-looking statements, except as required pursuant to applicable law and regulation.

You are advised to read this document in its entirety, and in particular the risk factors discussed in Section 7 of this document, for discussion of the factors that could affect the future performance of IHG following completion of the Transaction, and the industries in which it will operate.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

IHG's audited financial statements for the financial years ended 2018, 2019 and 2020 are available on IHG's website at www.ihgqatar.com/en/financial-information/financial-statements and www.qe.com.qa/financial-statements and are incorporated into this document by reference. Elegancia's financial statements for the financial years ended 2019, 2020, and Interim 6 months to 30 June 2021 and the audited consolidated interim financial statements of Elegancia for the nine-month period ending 30 September 2020 can be found in Annex IV, Annex V, and Annex VI respectively.

IHG's consolidated financial statements for the years ended on 31 December 2019 and 2020 are prepared in accordance with the (IFRS) International Financial Reporting Standards and Elegancia's consolidated statement of financial position and consolidated statement of comprehensive income for the years ended on 31 December 2019 and 2020 were prepared in accordance with the International Standards on related services (ISRS) 4400: engagement of perform agreed upon procedures regarding financial information. Save as disclosed otherwise, all financial information is set out in QAR.

The interim condensed consolidated financial statements of IHG for the six-month period ended 30 June 2021 and the audited consolidated interim financial statements of Elegancia for the nine-month period ending 30 September 2020 were prepared in accordance the International Auditing Standard No 34 "Interim Financial Statements".

This document has been prepared for the purpose of complying with applicable laws and regulations of the State of Qatar and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and/or regulations of jurisdictions outside the State of Qatar.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following dates are indicative only and will depend, among other things, on whether (and the dates on which) the conditions of the Transaction (including, without limitation, the IHG Shareholders and the Elegancia Owners as at the relevant Record Date approving the Transaction at the IHG Extraordinary General Assembly and the Elegancia Extraordinary General Assembly, respectively) are satisfied. The full conditions of the Transaction are set out in Section 9 of this document.

Event	Date
Elegancia Extraordinary General Assembly	8 November 2021
Date of this Circular	15 March 2022
Record Date for the IHG Extraordinary General Assembly	11 April 2022
IHG Extraordinary General Assembly	11 April 2022
Effective Date of Transaction	11 April 2022
Completion Date of Transaction	12 April 2022

Notes

1. The quorum for the IHG Extraordinary General Assembly is shareholders representing 75% of IHG's share capital. If this quorum is not achieved, the IHG Extraordinary General Assembly will be called to a second meeting to be held within 30 days from the date of the first meeting. The second meeting shall be considered valid if shareholders representing 75% of IHG's share capital are present. If the IHG Extraordinary General Assembly is called to a second meeting, the remaining dates in this expected timetable will be extended accordingly.

2. Subject to the conditions of the Transaction having been satisfied, it is expected that share issuance will occur on, the Completion Date

1. Letter from the Chairman of IHG

15 March 2022

Dear IHG Shareholders,

Recommended acquisition by IHG of 100% of the share capital of Elegancia Group W.L.L by way of increase of capital resulting in the acquisition by the Elegancia Owners of 75.61719% of the enlarged share capital of IHG (the "Transaction")

The Board of IHG commenced discussions with Elegancia's shareholders in April 2021, with a view to exploring the merits and potential synergies, through a potential acquisition of Elegancia by way of share swap. While the two companies operate in complimentary sectors, they possess additive capabilities and different client base. It is believed that the combination of these factors provides the scale and scope to provide enhanced solutions and services to the collective clientele.

On 10 March 2022, IHG and Elegancia entered into the Acquisition Agreement (with the agreement entered into between IHG and the Elegancia Owners dated 9 November 2021 as an annex), whereby IHG will acquire the entire share capital of Elegancia, pursuant to the applicable laws of the State of Qatar and the applicable rules and regulations of the QFMA. IHG will increase its capital (the "**New IHG Shares**") by the fair value of Elegancia – with the Elegancia Owners receiving the New IHG Shares in consideration for selling their shares in Elegancia to IHG.

Following completion of the Acquisition Agreement, the Elegancia Owners will receive New IHG Shares which will represent 75.61719% of the enlarged share capital of IHG while the current shareholders of IHG will be diluted down accordingly.

While each respective evaluator focused on a discounted cashflow (DCF) approach as a primary method to derive their valuation, with a cross check to comparable transaction and listed company multiples, each evaluator took a different approach in assessing the outlook for the market, expectations around the Qatar Economy, and willingness to extrapolate historic performance during the last 3 years. While IHG's evaluators sought to look at financial performance prior to the 2020 Covid-19 outbreak as a baseline of performance for many of the subsidiaries, the evaluators for Elegancia were more willing to give credit for recent growth and expected growth, including of businesses in their relative infancy. This meant that the two evaluators applied different discount rates to the valuations of the respective businesses and resulted in valuations that were not directly comparable. This difference in approach was noted and understood by both respective boards of Directors and management teams. In addition, the valuation concluded by CH was notably lower than the public market valuation of IHG's shares, a factor that the IHG Board believed was important in recommending an offer to its shareholders.

As part of its work in providing an independent fairness opinion, QNB Capital carried out a further review of the two evaluators reports, and having spent time with each evaluator, to understand their approaches, sought to neutralise some of the differences that impacted the respective valuations, including growth forecasts and the weighted average cost of capital, and also to take into account the public market share price of IHG, both at the time of negotiations and prior to a potential transaction being announced. QNB Capital concluded that the valuations of the two respective businesses would result in IHG representing 22% of the combined business. Therefore an exchange ratio which resulted in an offer of up to 3.5 new shares to be issued to Elegancia for every existing IHG share in issue (i.e. a 3.5:1 ratio) would be fair.

Commercial discussions between the two boards then proceeded and recognised a number of other intangible factors. The boards agreed on a ratio of 3.10125:1, whereby IHG represents 24% of the combined business, and Elegancia 76%. While the respective proportions of the business owned by each party post completion was the predominant driver, taking a value of QAR 860,000,000 for IHG at the agreed ratio implies that the value of Elegancia is QAR 2,667,000,000.

In recent years, IHG has committed itself in its various businesses to a well-established strategy of working in the core construction and contracting segments within the State of Qatar. It is, however, able to absorb more potential acquisitions which can help improve its revenue streams and profitability, and improve returns for its shareholders.

The Transaction provides the opportunity for IHG to increase its revenue streams, by increasing the services it currently provides, and expanding into complementary industry sectors such as healthcare, catering, external coordination, strategic projects, and service businesses which have high profit margins. IHG intends to take advantage of the existing relationships, networks, and resources related to its current business as well as that of Elegancia, which will allow to study new investment plans.

IHG believes that the acquisition of Elegancia creates a business of scale that will provide access to a larger and more diversified client base within the State of Qatar and also potential opportunities for regional and international expansion in the future. The enlarged businesses will also be more resilient in responding to potential macro-economic challenges and will thereby assist in safeguarding future value creation for IHG's shareholders.

IHG Board also believes that the expanded entity will combine the core strengths of IHG and Elegancia in all sectors in which the two companies operate to form an economic and commercial platform that provides integrated, comprehensive and specialized technical, engineering and industrial solutions in the contracting, construction, health, services and trade sectors.

Our future is the future of this young country, which development we have accompanied as a group for many years, and we are proud that we have added value to the current renaissance as a true partner in achieving sustainable development. The group is moving at a steady pace in its performance and activities and we trust that this Transaction will pave the way for more success and achievements.

The Transaction has the support and recommendation of the IHG Board. We invite you to attend the Extraordinary General Assembly of IHG (as described in Section 2 of this document) and recommend to vote in favour of the resolutions proposed at this meeting.

Khalid Ghanim Sultan Al Hodaifi Al Kuwari

Chairman of IHG

2. General Information

2.1 Introduction

In April 2021, IHG and the Elegancia Owners commenced discussions regarding the possibility of the acquisition by IHG of the entire share capital of Elegancia from the Elegancia Owners by way of capital increase. Each party formed a working group made up of senior executive management to review the commercial potential along with any legal and structural aspects of the Transaction.

On 13 October 2021, IHG announced that the IHG Board had recommended to proceed with the transaction of acquiring Elegancia.

2.2 Terms of the Transaction

Subject to the satisfaction of the conditions to the Transaction set out in Section 9 of this document, upon the Effective Date, the Elegancia Owners will be receiving New IHG Shares which represent 75.61719% of the enlarged share capital of IHG while the current shareholders of IHG will be diluted down accordingly. Given the existing shareholding held by the Elegancia Owners and their related parties prior to Completion, the Elegancia Owners, together with their related parties, will own, immediately following Completion, 81% of the new share capital of IHG, which shareholding will be reduced to less than 75%, within 3 months from Completion.

Article 34 of the QFMA M&A Rules provides that every person who owns or wishes to own, alone or in concert with others, more than 75% of the capital of the relevant company must notify the QFMA and submit a compulsory offer to purchase all the outstanding shares of the capital of the company. Since the Elegancia Owners will own more than the 75% threshold, this matter is to be submitted to the Extraordinary General Assembly for decision and exemption from submitting a compulsory offer.

If effected, the Transaction will result in the increase of capital of IHG by the fair value of Elegancia – with the Elegancia Owners receiving the New IHG Shares in consideration for selling their shares in Elegancia, on the basis of the following offer ratio ("**Share Swap Ratio**"):

A swap ratio of 3.10125:1 has been agreed, whereby IHG represents 24% of the combined business, and Elegancia 76%. While the respective proportions of the business owned by each party post completion was the predominant driver, taking a value of QAR 860,000,000 for IHG at the agreed ratio implies that the value of Elegancia is QAR 2,667,000,000. Therefore, for every 1 IHG Share in issue, the Elegancia Owners will receive 3.10125 New IHG Shares.

On the Effective Date, the total issued share capital of IHG will increase to QAR 3,404,037,500 comprising 3,404,037,500 IHG Shares.

The terms of the Transaction, including the Share Swap Ratio referred to in this sub-section 2.2, have been duly approved separately by the IHG Board and by the Extraordinary General Assembly of Elegancia in their respective resolutions dated 12 October 2021 and 8 November 2021. In approving the terms of the Transaction, the IHG Board has considered the respective values of both entities.

2.3 Summary of Acquisition Agreement

On 2 March 2022, IHG and Elegancia entered into the Acquisition Agreement pursuant to which IHG will increase its capital in the amount of QAR 2,574,037,500 and issue the increase shares to the Elegancia Owners in return for the Elegancia Owners transferring their shares in Elegancia to IHG.

The Acquisition Agreement, which contains as an annex the agreement entered into between IHG and the Elegancia Owners dated 9 November 2021, sets out the terms and conditions of the Transaction and the obligations of both IHG and the Elegancia Owners regarding its implementation of the Transaction. Completion is subject to the satisfaction of certain conditions precedent as set out in the Acquisition Agreement including notably obtaining the approval of the QFMA and the shareholders of IHG in the

Extraordinary General Assembly approving the Transaction. The agreement also contains (1) customary warranties given by both parties on a reciprocal basis and a contractual process for claiming for breach of warranty, (2) restrictions on the conduct of business pre-completion, (3) restrictions in relation to competition going forward, and (4) a limited number of termination events. Those provisions are customary for agreements of this nature.

2.4 Rationale of Share Swap Ratio Determination

The QNB Capital fairness opinion, as set out in Annex II, confirms that the Share Swap Ratio of 3.10125 new shares in IHG will be received by Elegancia Owners for each issued share in IHG is fair to IHG Shareholders, and takes into account, amongst other factors, the relative fair values as determined by the financial evaluators appointed by IHG and the Elegancia Owners. Accordingly, IHG and the Elegancia Owners have agreed on the Share Swap Ratio.

2.5 Benefits of the Transaction

This subsection 2.5 contains the views of the IHG Board on the benefits that it currently anticipates will result from the Transaction, including information and estimates compiled by the IHG Board.

You should note, in particular, that this subsection 2.5 contains forward-looking statements, which are subject to risks and uncertainties, and that undue reliance should not be placed on such statements.

You should also note that the synergy estimates included in this subsection 2.5 are highly preliminary estimates of the IHG Board, which may be revised following more detailed integration planning. IHG does not intend to update the synergy statements or any other forward-looking statements.

IHG and Elegancia

IHG converted its legal status to a Qatari Public Shareholding Company with its shares publicly traded on the Qatar Stock Exchange since 2017. IHG's subsidiary companies are specialized in: construction and contracting, specialized contracting (mechanical, electrical and plumbing), supply of building materials, safety equipment, wooden products, fire-fighting systems, and other related materials, in addition to minor businesses for food, chemicals, consumable supplies and real estate.

Elegancia and its subsidiaries (the "**Elegancia Group**") are a conglomerate of service companies operating mainly within the State of Qatar. Through current clusters of businesses, the Elegancia Group provides a suite of comprehensive services, including project management, turn-key specialised contracting solutions, marine works, healthcare, joinery, marble & stone, structural steel, manufactured steel, and asset and resource management solutions to a wide range of industries.

Together, IHG and Elegancia serve complementary end-clients and markets and creates the potential to benefit from combining strategies, resources, and relationships.

Strategy

IHG following completion of the Transaction ("**Completion**"), aims to become the prime turn-key solution provider for all fit-out work in Qatar and potentially expand into selected international markets. To build sustainable growth, IHG will seek to add additional value to the services provided to clients in Qatar and abroad. IHG aims to take over the "shell & core" of buildings and complete them with internal fit-outs, including installation of lighting, MEP items, raised floors, suspended ceilings and furniture, fixtures and equipment (FF&E), and commercial kitchens and laundries. IHG will also provide full landscaping services including hard and soft scape, furniture and site civils works. Finally, IHG will provide its clients with security during and after the build, as well as extending relationships through offer of facility management packages for buildings and their surroundings through the asset's life.

There are in the opinion of the IHG Board considerable synergies between IHG and Elegancia which will support the sustainable growth plans of the enlarged entity within Qatar and abroad following Completion.

Specialized Contracting

Following Completion, the enlarged entity will enhance its respective market shares and provide a platform for growth based on enhanced capacity for specialised contracting services for its clients including major Governmental employers.

Elegancia's specialized contracting division which will be supported by Debbas Enterprises – Qatar W.L.L. ("**DEQ**"), an IHG subsidiary operating in the specialized construction space. DEQ and Elegancia MEP, are both certified by KAHRAMAA as a Grade "A" company to execute electrical works up to 500 KW. Like Elegancia Landscape, DEQ is certified by Ashghal for highway and street light maintenance works. Furthermore, DEQ is classified by the Ministry of Finance as "Grade 2" for electro-mechanical works as well as installation and maintenance of MEP equipment and electrical works. IHG has another MEP contracting company, Electrical Mechanical Engineering Company W.L.L. which has been classified as a Grade "A" MEP contractor.

Elegancia Landscape is one of the renowned landscaping companies in Qatar. Combining Elegancia Landscape's offering with Watermaster (Qatar) W.L.L. ("**Watermaster**"), which is an IHG company, would render the enlarged business the market leading company in Qatar as there are considerable synergies between the two companies. Adding to such combination, Construction Development Contracting & Trading W.L.L. ("**CDCT**") is a civil contracting company within IHG Group, providing a full range of construction services to the public and private sectors in Qatar. The combination of the services of the said three companies will strengthen the Group offering and positioning in the relevant markets.

One of the strongest companies within IHG Group is Consolidated Engineering Systems Company W.L.L. ("**CESCO**"). CESCO specializes in firefighting and low current systems associated with commercial and residential complexes, industrial plants, and military establishments. CESCO also specializes in lighting and electrical installation materials for different applications which will support the overall strategy of turnkey fit out strategy. CESCO has an excellent market reputation in Qatar and will support the creation of the "prime turn-key solution provider" vision as mentioned above. Since its establishment, CESCO has successfully carried out many projects and has built up a reputation of quality, reliability and excellent after sales service. CESCO is well recognized by leading consultants, municipal authorities, and government organizations for design, installation, commissioning, and maintenance of firefighting and low current systems associated with all kinds of premises. CESCO is likely to provide a competitive advantage to the enlarged entity.

Trading

Consolidated Supplies Company W.L.L. ("**CSC**") is a multi-divisional company under IHG which caters to the public, private and government sectors in Qatar. The supply, and maintenance of electrical, lighting, sanitary ware and personal protective equipment all support the overall turn-key strategy of the enlarged entity post-completion. This will also apply for other building materials such as safety equipment, power tools, hand tools, plumbing materials, lighting fixtures, binding wires, and other accessories, which are commonly used in construction projects.

Trelco Building Materials Company W.L.L. ("**TBM**"), a company which was put under liquidation but which liquidation has been challenged by IHG, is a small-size company with potential for growth. Trelco Limited Company W.L.L. ("**TLC**") specializes in the trading of industrial materials & chemicals, oil & gas, water treatment, agriculture & health chemicals. Furthermore, TLC is also a supplier of imported foods and beverages, beauty cosmetics and other consumer goods in Qatar. Most of these products can support the service and trading capabilities of the enlarged entity by expanding product and service offerings.

2.6 General Assembly Meetings

The Transaction is conditional upon, amongst other matters as set out in Section 9 of this document, approvals at the Extraordinary General Assembly by the IHG Shareholders. Given that the acquisition of Elegancia will be implemented through the issuance of New IHG Shares, the relevant provisions of the Companies Law for increase of capital of a public joint-stock company apply.

Therefore, for the Transaction, the following process will apply for the Extraordinary General Assembly of IHG: the quorum for the IHG Extraordinary General Assembly is shareholders representing 75% of

IHG's share capital. If this quorum is not achieved, the IHG Extraordinary General Assembly will be called to a second meeting to be held within 30 days from the date of the first meeting. The second meeting shall be considered valid if shareholders representing 75% of IHG's share capital are present. If this quorum is not achieved, the IHG Extraordinary General Assembly will be called to a third meeting to be held after 30 days from the date of the second meeting. The same 75% quorum will be required.

Notice of the Extraordinary General Assembly of IHG is set out in Annex I to this document.

(a) **IHG Extraordinary General Assembly**

The IHG Extraordinary General Assembly has been convened for 11 April 2022 at 9:00pm, to consider and pass the following resolutions:

(i) to approve the proposed Transaction by way of share swap to be effected pursuant to Article 45 of the Offering & Listing of Securities on the Financial Markets Rulebook of the QFMA, Article 195 of the Companies Law, and Article 2 of the QFMA M&A Rules;

(ii) to approve the summary of the Acquisition Agreement (refer to Section 2.3);

(iii) to present the valuation and the different valuation methodologies used by the two evaluators and the process that resulted in the agreed Share Swap Ratio;

(iv) to approve the increase of the issued and paid up share capital of IHG by QAR 2,574,037,500 (from QAR 830,000,000 to QAR 3,404,037,500), subject to the terms and conditions of the Acquisition Agreement and with effect from the Transaction becoming effective;

(v) to approve the issuance of the increase shares in IHG to the Elegancia Owners receiving the New IHG Shares in consideration for their shares in Elegancia on the basis of the following: for every 1 IHG Share currently in issue, the Elegancia Owners will receive 3.10125 New IHG Shares, subject to obtaining all regulatory approvals and satisfying all the conditions set out in the Acquisition Agreement;

(vi) to approve the waiver of subscription rights in connection with the increase of capital;

(vii) to approve the exemption of Elegancia from submitting a compulsory offer to purchase the shares of IHG Shareholders in accordance with the QFMA M&A Rules, and to approve the subsequent sale by the Elegancia Owners of at least 6% of the New IHG Shares over a period of 3 months following completion;

(viii) to approve the amendments to the articles of association of IHG with the aim of updating the articles of association. These amendments shall comprise amending articles 5, 6, 7, 8, 27, 29, 32, 36, 41,43,44, 45, 48, 49,51, 53,57 and 81;

(ix) Amending article 1 of the articles of association to change the company's name to be "Elegancia Holding Qatari Public Shareholding Company (Q.P.S.C.)".

(x) to designate the Chairman of IHG or any person he designates to:

(A) adopt any resolution or take any action as may be necessary to implement any and all of the above resolutions including, without limitation, to apply for a resolution of the MOCI and the QFMA to increase the share capital of IHG, to amend its articles of association, and to attend before the Ministry of Justice, the MOCI and any other competent authority in the State of Qatar and submit and/or sign any necessary documents to effect such amendments;

(B) appoint Russell Bedford as the exchange agent to facilitate the issuance of the New IHG Shares in accordance with the Share Swap Ratio;

(C) submit all required documents and applications to the Qatar Stock Exchange ("**QSE**") for the listing of the New IHG Shares on the QSE; and

(D) sign any documents, agreements and applications in relation to any of the above.

(b) **Elegancia Extraordinary General Assembly**

The Elegancia Extraordinary General Assembly has convened 8 November 2021, to consider and pass the following resolution:

- to approve the proposed Transaction by way of share swap to be effected pursuant to Article 45 of the Offering & Listing of Securities on the Financial Markets Rulebook of the QFMA, Article 195 of the Companies Law, and Article 2 of the QFMA M&A Rules. The Transaction shall be completed through the issuance of the New IHG Shares to the Elegancia Owners in consideration for the Acquisition Agreement, subject to obtaining all regulatory approvals and satisfying all the conditions set out in the Acquisition Agreement.

2.7 Transaction Approvals

The Committee of Competition and Prohibition of Monopolistic Practices at MOCI (the "**Competition Authority**") issued its approval to proceed with the Transaction on 27 January 2022. A copy of the Competition Authority approval is set out in Annex VIII to this document.

The QFMA issued its approval to completing the procedures required to effect the Transaction on 10 March 2022. A copy of the QFMA approval is set out in Annex III to this document.

2.8 Roles of Advisers

Rödl is acting as the evaluator to IHG in connection with the Transaction. CH is acting as the evaluator to Elegancia in connection with the Transaction. IHG has obtained an evaluation report prepared by Rödl on the Elegancia business, and Elegancia has obtained an evaluation report prepared by CH on the IHG business.

Further, the IHG Board has, in line with international best practice, obtained an independent fairness opinion from QNBC acting as Financial Advisor in connection with the Share Swap Ratio and valuation.

The full text of the fairness opinion regarding the Transaction appears at Annex II to this document. QNBC expect to receive fees for their services. IHG has agreed to reimburse certain expenses and indemnify QNBC against certain liabilities arising out of its engagement.

QNBC is authorized and regulated by the Qatar Financial Centre Regulatory Authority and is acting exclusively for IHG and no one else in connection with the Transaction and will not be responsible to any other party nor for providing advice in relation to the Transaction or any other matter referred to in this Circular.

Al Tamimi Law Firm ("**Al Tamimi**") is acting as the legal adviser to IHG in connection with the Transaction. Al Tamimi is licensed by the Qatar Financial Centre and is acting exclusively for IHG and no one else in connection with the Transaction and will not be responsible to any other party nor for providing advice in relation to the Transaction or any other matter referred to in this Circular.

White & Case LLP ("**White & Case**") and Sharq Law firm ("**Sharq**") are acting as the legal advisers to Elegancia in connection with the Transaction.

Each advisor shall be responsible to its respective client and to its applicable regulatory authorities regarding its work submitted in connection with the Transaction.

3. Information in relation to IHG following completion of the Transaction

3.1 Directors and Senior Management

(a) **Board of Directors – New Directors**

Upon the approval of the Transaction at the IHG Extraordinary General Assembly, the Elegancia Owners propose the following potential candidates for election as members of the Board of Directors:

(i) **Mr. Mohamad Moataz Al-Khayyat**

Mr. Moataz Al-Khayyat is a Qatari businessman and entrepreneur. He is the Chairman of Power International Holding WLL, UrbaCon Trading and Contracting WLL (UCC), and Baladna QPSC.

He oversees over forty businesses covering general contracting, agro-food industries, real estate development, lifestyle, and general services.

Mr. Moataz holds a bachelor's degree in Global Business from the University of West Scotland.

(ii) **Mr Ramez Al-Khayyat**

Mr. Ramez Al-Khayyat is a Qatari businessman and entrepreneur. He is the Vice Chairman and Group CEO of Power International Holding WLL, a conglomerate comprising a portfolio of businesses operating across five sectors: general contracting; agriculture, real estate development; lifestyle, and general services.

Mr. Ramez graduated from the University of West Scotland with a bachelor's degree in Global Business.

(iii) **Mr. Eyad Ihsan Mohammad Abdulrahim**

Mr. Eyad has over 28 years of experience in leading Finance departments in the region. He has led major publicly listed companies and family business finance departments and has also assumed board and top management positions within. He was also a member of major boards of directors of regional and international entites. He has worked with some of the major institutions in the Middle East and GCC including Power International Holding, Emaar, The Economic City, Al Futtaim Group Real Estate, Dubai Properties Group, Arabtec Holding, DEPA LTD, Standard Chartered Bank, and Arab Bank.

Mr. Eyad holds an MBA degree from UOWD and is an accounting and finance degree graduate.

(iv) **Mr. Abdullah Darwish Al Darwish**

Mr. Abdulla is a prominent Qatari Business Professional and Executive. He serves as the Chairman of Energy City Qatar and the deputy chairman of Al Bidda Group in Qatar operating over diversified industries including: Manufacturing, Real Estate, Hospitality, Healthcare and Services. He also served on many boards within Qatar.

His education spans into project management and public relations certification from international institutions.

(b) **Senior Management**

Upon completion of the Transaction, the senior management of IHG will be:

(i) Group Chief Executive Officer: Henrik Halager Christiansen - Group CEO

Mr. Henrik H. Christiansen is a seasoned executive with substantial experience at the C-level in Europe and, over the last 15 years, in large Middle Eastern corporations. Mr. Christiansen formerly served as CEO and President of Al Rajhi Industries in KSA and as Executive Director for Industries and Trading at Al Jaber Group.

Mr. Christiansen earned an Executive Master of Business Administration (EMBA) from Henley Management College in the United Kingdom and specialized during his DBA studies in

Transformational Change for Arab Family Businesses. Mr. Christiansen is also a graduate of the University of Liverpool with a Master of Academic Research degree.

(ii) Chief Financial Officer: Gerard Patrick Hutchinson

Mr. Gerard Patrick Hutchinson is a professionally qualified chartered accountant (FCA) with 25 years of experience in finance operations, commercial and risk management, capital raising, structured finance, and strategic and transformation management initiatives. Prior to Elegancia, Mr Hutchinson was the CFO of Al-Futtaim Contracting division in Dubai. Prior to that he was CFO of two (2) publicly listed companies: Galfar Engineering & Contracting SAOG in Oman and AusGroup Limited in Singapore. Mr Hutchinson has held a number of other senior finance roles in Australasia, North and Southeast Asia, and the GCC.

Mr Hutchinson holds degrees in Business Administration, Business Law and Economics. Mr. Hutchinson is a Fellow of the Australian Institute of Company Directors and a Member of their Middle East Advisory Committee.

(iii) Cluster CEO, Trading and Services: Abd-Almunem Al-Sakka

Mr. Abd-Almunem Al-Sakka is a senior executive with extensive experience at Power International Holding. Mr. Al-Sakka, who has a background in business management, provides hands-on leadership and management to guarantee that the Company's mission and core principles are implemented.

(iv) Cluster CEO, Healthcare: Bassam El –Sayad

Dr. Bassam El-Sayad is a board-certified healthcare executive with over 25 years of international experience in the healthcare field, including medical operations, healthcare strategic planning, and managing investment across markets. Prior to that, Dr. Sayad served as the first General Manager and member of the board of Clemenceau Medical Center in Dubai (CMC- Dubai), a part of the Johns Hopkins affiliated Clemenceau Medicine International (CMI) network of hospitals in Beirut, Riyad and Dubai. Prior to joining CMC – Dubai, Dr. Sayad was the Chief Operating Officer and member of the executive committee of the board of Cambridge Medical and Rehabilitation Center in Dubai.

Prior to relocating to the region, his tenure with Johns Hopkins Medical System in the USA and Johns Hopkins Medicine International extended over 20 years with leadership roles including Managing Director of Global Services.

Dr. Sayad is a board-certified Fellow of the American College of Healthcare Executives and President of the organization’s Middle East North Africa group.

(v) Cluster CEO. Industries & Contracting : Richard Chammas

Mr. Chammas is a chief executive with +31-years of experience and exposure amassed from working on construction and infrastructure projects in the United States, Lebanon, India, Qatar, U.A.E. and Saudi Arabia, to board level roles in the U.A.E. and Saudi Arabia; coupled with a strong educational background from Columbia University (BS 1986 and MSRED 1991), Cornell University (MEng 1987) and The American University of Beirut (1981-1983) , as well as executive education programs, latest completed, Insead Business School, International Directors’ Programme Certificate in Corporate Governance (Sept 2019).

3.2 IHG Strategic Priorities

The strategic priorities of IHG following the Transaction will include:

(a) **Build upon existing strong foundation**

Developing on its existing customer-centric approach, IHG will review the capabilities within the IHG Group to utilize the synergies between the different business units. This will focus on offering specialised and integrated services that create comparative advantage from the scope and scale of services that the company can deliver.

(b) **Focus on the creation of sustainable shareholder value**

Focus on adding sustainable value to both new and existing customers of IHG Group through the tailoring of solutions based on knowledge of customer requirements and the skill-sets of the company's businesses.

(c) **Transform into full turn-key solution provider**

IHG's diversified business has in recent years adhered to its proven strategy of operating in its core construction and contracting segments within the State of Qatar. The combination with Elegancia is complementary and can help improve IHG's revenue streams, profitability and returns for shareholders. The Transaction presents the opportunity for IHG to build on its existing business and strengths, and increase its revenue streams, by expanding its current service offerings, reaching into complementary industry segments and delivering higher margin strategic projects and services. IHG intends to leverage on the existing relationships, networks and resources relating to its current businesses as well as those of Elegancia to explore new complementary business opportunities.

IHG believes that the acquisition of Elegancia creates a business of scale that will provide access to a larger and more diversified client base within the State of Qatar and also potential opportunities for regional and international expansion in the future.

The enlarged entity will benefit from IHG's track record of successful cost management, creating scope for cost synergies. Cost synergies are expected to arise through the implementation of IHG's tight management of the cost base, by deploying know-how gained through delivering historic structural costs savings and through the integration and future operations of certain activities on a group-wide basis across the enlarged entity.

The expanded capability will allow IHG to focus on further moving up the value chain from manufacturing and contracting to include design, value engineering, and delivery methodologies, including automation, machine learning, and modular construction, becoming a turn-key provider of solutions for its clients.

(d) **Accelerate growth to allow expansion outside Qatar**

With additional scale, IHG's key businesses will look to targeted expansion into markets outside of Qatar where the IHG Group can compete and diversify its geographic footing.

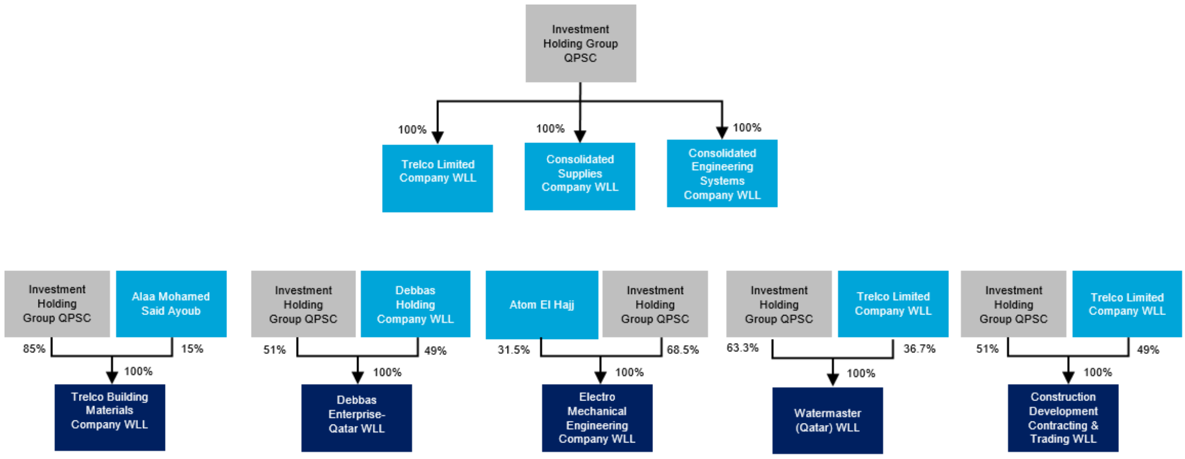
(e) **Build a strong supply chain**

The expanded scale will allow IHG to build a stronger supply chain across all business units, allowing it to integrate suppliers for the benefit of the company's customers.

3.3 IHG Legal Structure

(a) **Investment Holding Group Q. P.S.C Corporate Structure (Pre-Completion of the Transaction)**

A simplified legal structure chart of IHG as at 27 February 2022 (being the last practicable date before the publication of this document) is set out below:



b. Major Shareholders of IHG (pre-Completion of the Transaction)

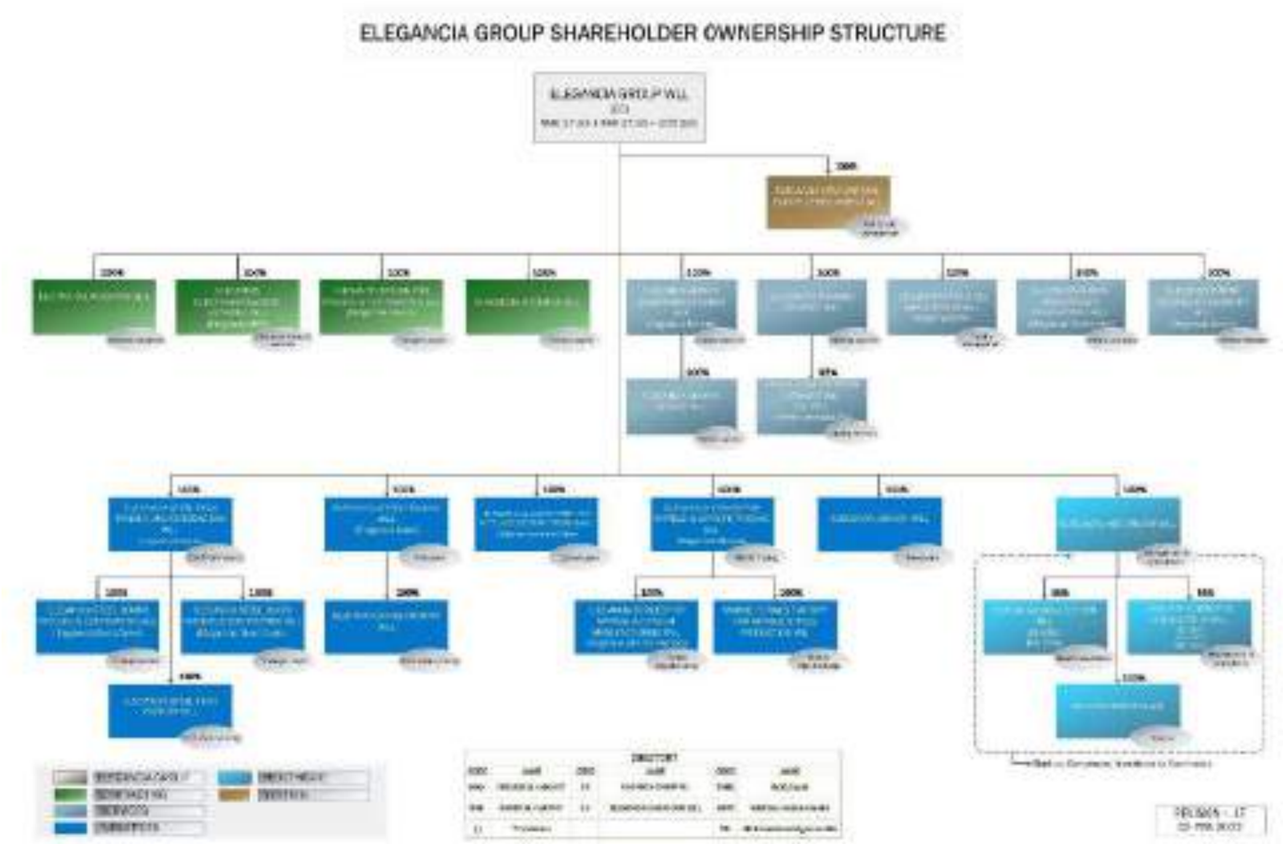
The IHG Shareholder, who own greater than 5% of the existing issued share capital and their respective ownership are as follows:

Names of Shareholders	*Ownership %*	*Number of shares held*
Sultan Ghanim Sultan Al-Hodaifi Al-Kuwari	8.70%	**72,219,519**
Infraroad for Trading and Contracting WLL	6.66%	**55,247,521**
Heirs of H. E. Ghanim Sultan Al Hodaifi Al-Kuwari	5.12%	**42,511,84**

Certain shareholders of the Elegancia Owners and their related parties are existing shareholders in IHG prior to the Transaction and as at the date of the Circular hold 182,916,885 shares (22.038% of the issued share capital of IHG)

c. **Elegancia Group W.L.L. Corporate Structure (Pre-Completion of the Transaction)**

Set out below is the simplified legal structure of Elegancia as at 22 February 2022:



d. **Major Shareholders of IHG (post-Completion of the Transaction)**

The Shareholders of IHG, who will own greater than 5% of the issued share capital post-Completion, and their respective ownership are as follows:

Names of Shareholders	***Number of shares held***	***Ownership %***
Mohamad Moutaz AlKhayyat	986,234,063	29.0%
Ramez Moutaz AlKhayyat	995,781,808	29.3%
Urbacon Trading and Contracting WLL (UCC)	643,509,375	18.9%
Other parties related to the owners of Elegancia	131,429,139	3.9%
Total	2,756,954,385	81.0%

The Elegancia Owners and their related parties will own, following Completion, 2,756,954,385 shares (constituting 81% of the issued share capital of IHG). The Elegancia Owners have committed to IHG that they will reduce their combined shareholding in IHG to less than 75% of the issued share capital of IHG, by one or more of them selling down, within three (3) months from Completion, shares in excess of 75% of the issued share capital of IHG, to comply with the applicable provisions of the QFMA M&A Rules.

4. Information in relation to Elegancia

4.1 Introduction

(a) **Incorporation**

Elegancia Group W.L.L. ("**Elegancia**") incorporated as Elegancia Group Holding W.L.L. is registered in the State of Qatar as a limited liability company under Commercial Registration No. 147966, with a capital of QAR 10,000,000. The company's registered office is located at PO Box No. 201184, Doha, State of Qatar.

The Company changed its name from Elegancia Group Holding W.L.L. to Elegancia Group Administrative Consultancy W.L.L. for business purposes; its latest audited accounts dated 30 June 2021 are issued under the name Elegancia Group Administrative Consultancy W.L.L.

The Company has then for the purposes of the Transaction changed its corporate name to Elegancia Group W.L.L. as of 4 November 2021. Certificates of name changes are issued by MOCI and the name change is on each occasion reflected in the Company's records and documents.

(b) **Major Shareholders**

The Shareholders of the company and their respective ownership are as follows:

Names of Shareholders	***Nationality***	***Ownership %***
Mohamad Moutaz AlKhayyat	Qatari	37.5%
Ramez AlKhayyat	Qatari	37.5%
Urbacon Trading and Contracting W.L.L. (UCC)	Qatari	25%

(c) **Financial Year and Auditors**

The financial year of the company is from 1 January to 31 December. Elegancia have appointed Ernst & Young (Qatar Branch) as its auditors.

4.2 Elegancia Group Structure

Elegancia has twenty-seven directly and indirectly owned subsidiaries grouped into clusters following their respective lines of business.

4.3 Description of Business

Elegancia encompasses a portfolio of companies offering comprehensive services in key economy sectors. Elegancia offers industrial products through its steel, joinery and stones production line; the healthcare cluster is projected to offer state of the art healthcare facilities at the highest international standard services; the contracting cluster companies offers project management, turn-key contracting solutions, for MEP, landscape, fit-out and kitchen works,; whilst the services cluster companies provide facility management, specialised manpower, catering services, marine services, and gabro transport.

Elegancia is presently divided into four (4) different divisions or "clusters" for which the executive review operating performance and are combined as follows:

1. **Elegancia Trading and Services**

   a. **Elegancia Catering Services W.L.L. ("Elegancia Catering")**

   Elegancia Catering and its subsidiary, Yemek Doha Catering Services W.L.L., prepare about 170,000 meals every day in Qatar for accommodations and corporate dining events in over 5,000 square meters of commercial kitchen space. Elegancia Catering provides corporate hospitality, accommodation catering, mobile kitchens and professional consulting services such as menu design, kitchen and food outlet design, concept and brand creation, as well as front desk, management, and staff training.

b. Elegancia Facilities Management W.L.L. ("Elegancia FM")

Elegancia FM is a provider of self-delivered integrated facilities management services covering hard and soft services, as well as consultancy with more than 3,000 experienced employees delivering across multiple sectors. Elegancia FM operates in 250 sites and works with some of the largest entities in Qatar.

c. Elegancia Human Resources and Contracting W.L.L. ("Elegancia Resources")

Elegancia Resources provides logistical and manpower support to large construction projects and industrial clients in Qatar. Its major clients include some of the largest entities in Qatar. The company has facilities and accommodations that offer a safe and comfortable environment for all workers.

d. Elegancia Gabro Trading & Transport W.L.L.

Elegancia Gabro Trading & Transport W.L.L provides delivery transport and logistic solutions for high-grade gabro: providing transportation, marine logistic solutions and services, offshore and onshore for more than 6.24m tons of gabro annually. This material is used to deliver road infrastructure within Qatar.

2. Elegancia Contracting

a. Elegancia Electromechanical Services W.L.L. ("Elegancia MEP")

Elegancia MEP offers mechanical, electrical and plumbing (MEP) solutions to clients in the sectors of engineering, procurement, construction, and the commissioning of MEP building services. Elegancia MEP has worked with many companies and on various projects in Qatar and abroad such as the Hilton Doha, the Al Rayyan Hotel, the Sheraton Grand Hotel, the Waldorf Astoria Maldives, COM 39 and COM 18 office towers in Lusail and various Barwa projects.

b. Elegancia Landscape W.L.L. ("Elegancia Landscape")

Elegancia Landscape provides a wide range of high-end turn-key landscaping services including site infrastructure services, water features, soft and hard landscape design as well as maintenance. The company has completed projects in the United Kingdom, France, Morocco, Syria, Lebanon, Jordan, Oman, The Maldives and Qatar and has over 2,000 specialized employees.

c. Elegancia Design for Trading & Contracting W.L.L. ("Elegancia Fit-out")

Elegancia Fit-out is specialized in the fit out and refurbishment of 3-to-5-star hotels and resorts, cultural, and luxury mixed-use developments in Qatar with the aim to expand in the MENA region. The company provides interior design, project management, engineering, value engineering, design-build, procurement and fit out services.

d. Elegancia Marine Agency W.L.L. ("Elegancia Marine")

Elegancia Marine offers a variety of marine services, including offshore support, marine construction, and shipping for transportation and/or construction purposes. Bulk carriers, tugboats, barges, spud barges, landing crafts, and crew boats are among the company's assets. Additionally, the company provides marine agency services. Among the company's notable projects are Banana Island Qatar, Lusail Reclaimed Islands, and the Waldorf Astoria Maldives.

e. Elegancia Kitchens Equipment Trading and Maintenance W.L.L. ("Elegancia Kitchens")

Elegancia Kitchens has been recently established as a full turnkey provider of commercial kitchen and laundry solutions. The company will design, procure and install industrial kitchens and laundry equipment for hotels, restaurants, schools, universities, camps and so forth. It will also offer Annual

Maintenance Service contracts to customers in above mentioned segments for installed equipment. Its focus will be on sophisticated clients in the hospitality, commercial and government sectors.

3. Elegancia Industries

a. Elegancia Steel Trading W.L.L

Elegancia Steel is comprised of five (5) businesses: Elegancia Galvanised Steel Manufacture Metals and Cables W.L.L., Steel Tech Trading and Contracting W.L.L., Steel Tech Factory W.L.L., Elegancia Steel Doors Trading and Contracting W.L.L., and Elegancia Steel Ducts Trading and Contracting W.L.L. (collectively, "Elegancia Steel"). Elegancia Steel is a steel services company with over 1,000 employees that specializes in steel design, manufacture, and installation. The company has a manufacturing capacity of 38,000m^2. The company works on projects for clients in Qatar. Additionally, the company specializes in the manufacture of doors and ducts, as well as galvanizing. Elegancia Steel's major projects include the Mall of Qatar, the Baladna milk and plastics factory, and the storage facilities in Barwa Al Baraha**.**

b. Elegancia Joinery W.L.L. (“Elegancia Joinery”)

Elegancia Joinery manufactures and executes contracts for high-end furniture, interiors, and turn-key interior fit-out projects in a 10,000m^2 purpose build factory in the Industrial Area of Doha. The company has 1,000 employees working in the factory who have delivered projects such as the Al Najada Hotel & Complex, the Orient Pearl restaurant, Souq Waqif Hotel and the Lekhwiya stadium.

c. Elegancia Stones for Marble & Granite Trading W.L.L. (“Elegancia Stones”)

The company offers complete solutions for a wide range of high-end marble and stonework from a 23,000m^2 plant, including stone slab preparation, distribution, and supply and installation services. The company offers a broad range of stone types and colours, which are purchased from international vendors. The Mall of Qatar, the Hilton Double Tree Hotel, private palaces, Souq Najada, Salea Resort Hotel, and Kidzmondo are just a few of the company's notable projects.

4. Elegancia Healthcare

a. Elegancia Healthcare W.L.L.

Elegancia Healthcare W.L.L. is founded on the principles of global excellence, driven by a commitment to deliver unmatched patient-focused experiences and allowing people to lead better and healthier lives. Elegancia Healthcare facilities are set to include acute care hospitals, specialty ambulatory services, family health centers, telehealth and telemedicine. Elegancia Healthcare with its strategic partnerships with top global players in the healthcare sector, is at the forefront of the industry with two state-of-the-art healthcare facilities, The View Hospital and the Korean Medical Centre.

b. The View Hospital W.L.L.

The View Hospital is a new state-of-the-art, elegant 242 bed hospital in the Al Qutaifiya district of Lusail, which is slated to open in Q4 2022. It is affiliated with Cedars Sinai Medical Center in Los Angeles, USA. Focused on providing high-quality patient and family-centered care, The View will offer a number of trademark specialty services, including Women's Health, Heart Health, Diabetes Care, Executive Health, Wellness (Weight Management & Bariatric Surgery), and Family Health.

c. Korean Medical Centre W.L.L.

The Korean Medical Centre (KMC), which will be housed in a facility of over 30.000 m^2 in the Lusail Boulevard District, is also scheduled to open in 2022. It will be a highly specialized and technologically sophisticated medical center offering specialist Korean medicine. It will focus on integrative medicine for the body, mind, and soul in order to promote health, wellness, and well-being. Plastic Surgery, Aesthetic & Dermatology; Assisted Reproductive Technology;

Spine Treatment, Executive Health Screening; Primary Care Treatments; Vision Center (Opthamology); Dental Center; and Traditional Korean Medicine will be among the services offered by KMC.

Elegancia has recently added a fifth Cluster named Elegancia Ventures, which will operate under its wholly owned subsidiary Elegancia Ventures Real Estate Developments W.L.L. This Cluster will opportunistically pursue concessions with Government-related entities to design, build, fund, operate, and maintain assets, such as the Al Maha Doha Winter Wonderland concession that was awarded by Qatar Tourism and Qatari Diar in November 2021. Elegancia believe that similar opportunities will arise in the future and hence will establish a Cluster to directly procure and deliver.

4.4 Directors of Elegancia

a. Mohamad Moataz Al-Khayyat

See biography under Section 3.1 (a)(i)

b. Mr. Ramez Al-Khayyat

c. See biography under Section 3.1 (a)(ii)

4.5 Executive Management of Elegancia

a. Henrik H. Christiansen - Group CEO, Elegancia Group

See biography under Section 3.1 (b)(i)

b. Gerard Patrick Hutchinson - Chief Financial Officer, Elegancia Group

See biography under Section 3.1 (b)(ii)

c. Riyad Sowaity - Group HR Director

Mr. Riyad Sowaity is a human resources expert with over 18 years of experience in the fields of human resources affairs especially within the contracting and trading business. Mr. Sowaity oversees all human resources related processes and procedures for Elegancia Group.

Mr. Sowaity holds a Master of Business Administration and a Bachelor of Arts degree in law.

d. Abd-Almunem Al-Sakka - Cluster CEO, Elegancia Services

See biography under Section 3.1 (b)(iii)

e. Dr. Bassam El -Sayad - Cluster CEO, Elegancia Healthcare

See biography under Section 3.1 (b)(iv)

5. Management Discussion and Analysis – Enlarged Entity

5.1 Financial, operating performance, and results of operations

On a combined basis, the Pro-forma unaudited statement of profit or loss for the six-month period ended 30 June 2021, represents Total Revenue of QAR 1,680.1m at a net profit margin of 11.7%, as shown below in its component parts.

IHG – Pro-forma – 6 months to 30 June 2021			*(QAR millions)*
	Revenue	**NP**	**NPM**
IHG	160.0	12.5	**8.0%**
Elegancia	1,520.1	183.9	**12.1%**
Total Combined	**1,680.1**	**196.4**	**11.7%**

Similarly, the Pro-forma return on assets and return on equity based on an annualized NPM for the unaudited combined statement of financial position as at 30 June 2021, as below.

IHG – Pro-forma – 6 months to 30 June 2021			*(QAR millions)*
Return on Assets	**NP**	**Total Assets**	**ROA**
IHG	12.5	848.3	**1.47%**
Elegancia	183.9	572.3	**32.13%**
Combined ROA	**196.4**	**3,975.6**	***4.94%***

IHG – Pro-forma - 6 months to 30 June 2021			*(QAR millions)*
Return On Equity	**NP**	**Total Equity**	**ROE**
IHG	12.5	830.0	**3.0%**
Elegancia	183.9	10.0	**3,678%**
Pro-forma Adjustments	-	**2,564.0**	
Combined ROE	**196.4**	**3,404.0**	**11.5%**

As a result, goodwill of QAR 3.2 billion or equivalent to 49% of post-acquisition total assets will be recognized by IHG being the legal acquirer. Total non-current assets excluding goodwill represent 17% of post-acquisition total assets.

Liquidity from post-acquisition current assets will also improve with having cash available for use amounting to QAR 142.2 million. Despite of the increased accounts receivable and other debit balance of approximately QAR 937.5 million, contract assets of QAR 423.3 million and, retention receivables of QAR 174.2 million, management believes there is minimal credit risk involved for potential exposure to non-collectability of amounts due from customers.

However, alongside the increase in IHG's assets, overall exposure to banks arising from combined borrowings will rise by QAR 857.3 million. Obligations to suppliers will also increase by QAR 170.2 million due to absorption of existing liabilities of Elegancia by IHG. Debt to equity ratio post-acquisition is 0.30x versus 0.39x prior to the acquisition.

Statement of profit or loss and other comprehensive income for the six-month period ended June 30, 2021 – Analysis

Following the acquisition, earnings per share will increase from QAR 0.016 per share to QAR 0.057 as a result of the strengthened profitability of IHG after combination. As at June 30, 2021, the pro-forma combined financial statements reported total net income of QAR 196.4 million which is 15.7 times greater than IHG Group's consolidated net income for the six months period ended June 30, 2021 of QAR 12.5 million.

Revenue will grow by 10.5 times resulting to an increase of QAR 1.520 billion generated by the various companies of Elegancia while gross profit rises by approximately QAR 345.0 million.

5.2 The financial, operating performance, and operations results of Elegancia's main lines of business

Elegancia Group operates under four (4) separate divisions: Elegancia Services, Elegancia Industries, Elegancia Contracting, and Elegancia Healthcare.

The operating performance for H1 2021 compared with FY 2020 and FY 2019 in each of these divisions as mentioned is as follows[1].

Elegancia Trading & Services

Elegancia Services are leading providers of facilities management, catering, resources and material supply. The businesses in this division are mature and have been in existence on average for 7 years, experiencing significant growth over that time to now be the largest division within Elegancia Group.

Elegancia Services	**H1 2021 (Audited)**	**FY2020 (Elegancia management account unaudited unreviewed)**	**FY2019 (Elegancia management account unaudited unreviewed)**
Revenue	**805.5**	1,251.8	775.5
Gross Profit	**212.6**	408.7	168.5
Net Profit	**135.5**	173.2	87.1
Net Profit %	***16.8%***	*13.8%*	*11.2%*
Total Assets	**333.4**	236.8	267.18
Net Assets - Owners' Equity	**320.3**	183.7	220.8
Current Liabilities	**548.0**	720.9	526.5
Non-current Liabilities	**395.2**	313.4	202.1
Share Capital	**53.2**	53.2	46.4
Notes: The information shown for the period ending June 30, 2021 has been presented as amended by exclusions related to transactions between related parties. In the management's report for the years 2019 and 2020, related party transactions were not excluded due to the lack of consolidated data as Elegancia was not established at that time. It is aggregate data for subsidiaries			

Financial Performance (2019-2021)

The H1 of 2021 revenue of QAR 805.5 million generated a net profit QAR 135.5 million,driven by the services and trade sector within the Elegancia Group, resulting from COVID-19 movement restrictions and an increasing trend within the Qatari market for outsourcing facilities management and catering services. On an annualized basis, this revenue represents a y-o-y 35% increase from 2020 and 61% increase on 2019 activity levels.

Net profit margins have grown from 13.8% in 2020 to 16.8% in 2021 over the same period as the division has benefitted from a tight labour market for its resources business and increasing scale the gabro, catering and facility management contracts. In parallel to improved gross margins, net margins have also been augmented by increasing economies of scale that does not see real general and administrative expenses rise at the same rate as revenues when adjusted for forecast underlying of inflation of 2.3%.

The Cluster has orders booked of QAR 5,873 million as at 30 June 2021, predominantly from its facility management and catering business when they enter into longer-term contracts with their clients, while gabro and manpower hire tend to be more meeting market demand. This includes a catering contract for Qatar Armed Forces that has a further 12 years to run under its design, build, operate and transfer contract.

[1] Data extracted from Audited Interim Consolidated Financial Statements for H1 2021 and the Pro-Forma Reviewed Consolidated Financial Statements for 2020 and 2019.

Future Outlook

As per the latest data by Planning and Statistics Authority, Qatar's Nominal GDP is forecast to grow by 9.0% in 2022. The Services BUs will benefit from this through its temporary manpower solutions across a number of industries, including construction, event management, facility management, and landscaping to name a few, as well as grow in the facilities management and catering sectors. The activity is expected to peak during the first half of 2022 as FIFA World Cup infrastructure is completed and then will be supplemented by landscaping, event management and FIFA-related activities. Following the FIFA World Cup 2022 at the end of the year, economic growth is expected to return to the longer-term average.

Major clients continue to be Qatar Armed Forces, Msheireb Properties, Ministry of Education and Higher Education, Ministry of Interior, Ministry of Culture and Sport and UCC.

Elegancia Industries

Elegancia Industries is comprised of businesses that provide a comprehensive range of best-in-class steel, joinery and stone works. All steel businesses have been in operation now for over 6 years, while the joinery and stone business for 9 years.

Elegancia Industries	**H1 2021 (Audited)**	**FY2020 (Elegancia management account unaudited unreviewed)**	**FY2019 (Elegancia management account unaudited unreviewed)**
Revenue	**133.8**	318.9	277.7
Gross Profit	**3.03**	53.8	41.7
Net Profit	**9.10**	17.5	10.4
Net Profit %	***6.8%***	*5.5%*	*3.7%*
Total Assets	**198.7**	193.18	228
Net Assets - Owners' Equity	**59.0**	169.1	215.7
Current Liabilities	**197.3**	237.4	182.3
Non-current Liabilities	**83.1**	89.4	61.4
Share Capital	**24.0**	24.0	12.2
Notes: The information shown for the period ending June 30, 2021 has been presented as amended by exclusions related to transactions between related parties. In the management's report for the years 2019 and 2020, related party transactions were not excluded due to the lack of consolidated data as Elegancia was not established at that time. It is aggregate data for subsidiaries			

Financial Performance (2019 -2021)

The H1 revenue of QAR 133.8 million

However, net profit margins have increased to 7.5% from 2020 and 2019 levels of 5.7% and 3.8% respectively. Such incremental improvements are essential to remaining competitive in a fragmented and mature nature of such businesses in Qatar. These profitability gains have resulted from improved productivity and factory efficiencies over 2021 and are expected to continue as operations have been streamlined to reflect forward activity levels.

The value of secured contracts as at 30 June 2021 was QAR 267.3 million, or approximately 12 months of revenue based one H1 revenue run rate.

Future Outlook

As mentioned above, Nominal GDP is forecast to grow by 9.0% in 2022. the Industries cluster will largely benefit from expected investment in commercial and residential market where its joinery and stones businesses are focused. Its steel business will benefit from expected increase capital expenditure is the oil and gas segment, as well as traditional commercial and residential sectors. However, revenue growth is expected to return to historical levels while maintaining improved net margins.

Major clients are UCC, BK Gulf, and Al Jaber.

Elegancia Contracting

Elegancia Contracting consists of a recognized Grade A MEP and landscape contractor, offshore marine, and logistics services. The businesses in this division have been in operation between 6 and 9 years.

Elegancia Contracting	**H1 2021 (Audited)**	**FY2020 (Elegancia management account unaudited unreviewed)**	**FY2019 (Elegancia management account unaudited unreviewed)**
Revenue	**580.8**	885.1	626.1
Gross Profit	**44.8**	91.4	65.1
Net Profit	**39.7**	55.4	25.7
Net Profit %	***6.8%***	*6.3%*	*4.1%*
Total Assets	**258**	220	202
Net Assets - Owners' Equity	**193.0**	191.5	196.8
Current Liabilities	**723.2**	637.8	513.5
Non-current Liabilities	**33.3**	21.2	20.5
Share Capital	**28.5**	28.5	5.2
Notes: The information shown for the period ending June 30, 2021 has been presented as amended by exclusions related to transactions between related parties. In the management's report for the years 2019 and 2020, related party transactions were not excluded due to the lack of consolidated data as Elegancia was not established at that time. It is aggregate data for subsidiaries			

Financial Performance (2019-2021)

The H1 2021 Revenue of QAR 580.8 million generated a . This result was driven by a solid order book of major projects in both the MEP and landscape businesses as Qatar readies itself for the FIFA World Cup 2022. In addition, the marine business performed efficiently in light of a number of ongoing projects.

While revenue on an annualized basis has grown by 86% from FY2019 to H1 2021, net profit margin has also consistently improved from 4.1% to 6.8% and generated a net profit of QAR 39.7 million for H1 2021. Gross margins have slightly fallen YTD due to delays on major projects and outstanding approvals on variations.

Future Outlook

The Contracting Services BUs will benefit from completion of infrastructure and building contracts ahead of FIFA World Cup. As these are completed in H1 2022, a shift is expected to general landscaping maintenance and beautification projects up to and through the tournament. The activity will stabilize into 2023 and return to the more historical level of growth

The value of secured contracts as at 30 June 2021 was QAR 1,392.9 million, or approximately 12 months of revenue based one H1 revenue run rate.
The projected revenue is mainly derived from secured contracts with an amount of QAR 1,393 million, which is 14.4 months based on the 6 months to 30 June 2021 activity levels.

Major clients are UCC, Private Affairs Office, Ashghal, Al Jaber, and Promar Marine Contracting.

<u>Elegancia Healthcare</u>

Elegancia Healthcare is in its establishment phase with the construction and fit-out of two (2) medical facilities and hence does not have any financials to report at this time. Both facilities are expected to be opened in Q4 2022, based on current programmes and begin providing acute care hospital at The View Hospital and ambulatory day services at The Korean Medical Center. In addition, start-up for a public private partnership with a government entity in expected to commence in early 2022.

5.3 Seasonal factors or economic cycles related to the activity which may affect the business and the financial condition

As a conglomerate, Elegancia benefits in differing ways to the old, the new and the emerging sectors.

<u>Elegancia Services</u> has significantly increased its importance over the past few years in a segment that has grown to be the second most important sector in the Qatari economy after the hydrocarbon ecosystem. This division is set to expand its service offerings to meet the challenge of creating resilience in this sector. As the provision of outsourcing services for asset, catering and resource management will become more important as firms across the other sectors focus on core capabilities to remain competitive as competitiveness increases in the traditional markets. This division is further expected to benefit from the FIFA World Cup 2022 activities directly. Further growth can be expected to support margins from economies of scale created and the further integration of services for its clients.

<u>Elegancia Industries</u> has experienced slight negative growth over recent years as global supply chains have developed and shifted production to low-cost countries. Elegancia Group has seen the need to diversify beyond its traditional joinery, stone and building products into galvanizing and structural steel sectors. This will not only increase its opportunities in the dominant hydrocarbon sector in Qatar but will be well-placed for the future investment expected in the water and utilities sectors.

<u>Elegancia Contracting</u> is firmly aligned with the construction sector, which has shown signs of slowing down as the pipeline of projects related to the FIFA World Cup 2022 are completed ahead of the tournament. This will particularly impact its MEP and marine services businesses. However, the landscape business is seeing an increase in opportunities related to the ongoing beautification and maintenance of public realm areas up and during the event. Beyond that, these businesses will see a recovery as construction resumes in the infrastructure and building sectors, while energy and utilities sector will provide the most robust project opportunities.

<u>Elegancia Healthcare</u> is a recent strategic move into a new market, diversifying the group away from its traditional construction and industrial roots. The premier healthcare initiatives are The View Hospital, a state-of-the-art 242 bed hospital in the prestigious Al Qutaifiya area, in the heart of the new Doha: Lusail, Katara and The Pearl. The second development is an international integrated medical facility providing world-class facilities and clinicians to serve the Government, the local community and medical tourism. Both initiatives are aimed achieving Qatar's goal of enhancing medical services by creating better quality medical services and institutions. The facilities are expected to be opened in Q4 2022.

5.4 Information about any governmental, economic, financial, monetary, or political policies or any other factors that have materially affected or could materially affect, directly or indirectly, the operations

The abovementioned results are based on the fact that Elegancia currently operates across diverse sectors of the Qatari economy, from contracting to services to industries. As such, Elegancia can deliver a mix of services best able to meet its client's requirements by integrating solutions across these services.

Importantly, Elegancia is well-positioned to benefit from positive growth as Qatar and the globe emerge from behind the closed borders necessitated by COVID-19 as vaccination rates increase across GCC and its trading partners.[2] This will be particularly important in the post-COVID economy and as Qatar and its GCC partners diversify their economies to build resilience and lower dependency on hydrocarbons and post-FIFA World Cup 2022 activity.

5.5 The funding structure

Despite the current economic conditions, Elegancia Group has a solid balance sheet with QAR 572m in shareholders equity (including NCI).

In addition, Elegancia Group has a mixture of trade finance and loan facilities to meet its capital requirements with interest bearing loans and borrowings of QAR 738m. Of these, QAR 386m are due for repayment / renewal in the 12 months from 30 June 2021. The debt to equity ratio on a consolidated basis is 1.3 times.

The Group's trading terms are generally consistent with the industries in which we operate, with back-to-back terms with its supply chain to manage working capital requirements.

5.6 Particulars of any alternations in the company's capital, or material alternations in the capital of its subsidiaries (if any), within the last two financial years immediately preceding the date of the application for the offering/ listing. Such particulars must state the price and terms of any issues by the company or its subsidiaries

By order of the respective Board of Directors, the following companies increased their authorised and paid-up capital and statutory reserves when their retained earnings were reclassified effective 1 March 2020:

Subsidiary	Authorised & Paid-up Capital	Statutory Reserve	Total
Elegancia Facilities Management W.L.L. (Formerly Elegancia Hospitality and Facility Management Services W.L.L.)	5,000,000	2,500,000	7,500,000
Elegancia Gabro Trading and Transport W.L.L. (Formerly Gabromix Trading and Transport W.L.L.)	3,000,000	1,500,000	4,500,000
Elegancia Marine Offshore Services W.L.L. (Formerly Marine Master Offshore Services Company W.L.L.)	7,500,000	3,750,000	11,250,000
Elegancia Stones for Marble & Granite Trading W.L.L. (Formerly Marble Stone for Marble & Granite Trading W.L.L.)	6,500,000	3,250,000	9,750,000
Elegancia Landscape W.L.L. (Formerly Palmera Landscape W.L.L.)	6,000,000	3,000,000	9,000,000
Elegancia Electromechanical Services W.L.L (formerly Radiant Engineering Enterprises WLL)	15,000,000	7,500,000	22,500,000

[2] IMF expects global growth of 6% in 2021, following a negative 3.3% in 2020, and further growth of 3.6% in 2022.

Elegancia Joinery W.L.L. (Formerly Zebrano Wood Works W.L.L.)	7,500,000	3,750,000	11,250,000
Elegancia Steel Trading W.L.L. (Formerly Steel Master Limited for Trading W.L.L.)	4,000,000	2,000,000	6,000,000
Total	**54,500,000**	**27,250,000**	**81,750,000**

5.7 Particulars of any capital of the company or its subsidiaries (if any) that is under option right, including the consideration for which the option was granted, and the price, duration of the option, and the name and address of the grantee, or provide an appropriate negative statement.

No element of Elegancia Group of Companies' capital is subject to any current or contingent options.

6. Historical Financial Information

Part A
Historical Financial Information of IHG

Three years ended 31 December 2018, 31 December 2019 and 31 December 2020

The consolidated financial statements of IHG for the years ended 31 December 2018, 31 December 2019 and 31 December 2020 are available on IHG's website at https://www.ihgqatar.com/en/financial-information/financial-statements and https://www.qe.com.qa/financial-statements and are incorporated into this document by reference. The financial statements have been prepared in accordance with International Financial Reporting Standards. IHG’s auditors, Rödl Middle East LLC have issued an audit report on the financial statements for the years ended 31 December 2018, 31 December 2019 and 31 December 2020 and the financial statements ended for the third quarter of 2021.

Part B
Historical Financial Information of Elegancia

The unaudited and unreviewed consolidated financial statements, consisting of: consolidated financial position, and consolidated statement of profit or loss and other consolidated comprehensive income of Elegancia for the years 2019 and 2020 have been prepared by the management of Elegancia based on the agreed upon procedures performed by Ernst & Young (Qatar Branch). These financial statements were prepared by using the audited financial statements of the respective subsidiaries. The agreed upon procedure report is at Annex IV and incorporated into this document by reference.

Part C
Audited Interim Financial Statements of Elegancia Group for the six-month period ended 30 June 2021

The audited interim financial statements of Elegancia Group for the six-month period ended 30 June 2021 have been prepared in accordance with International Financial Reporting Standards. Elegancia's auditors, Ernst & Young (Qatar Branch), have issued an audit report on the interim financial statements as at 30 June 2021, a copy of which is attached at Annex V, and is incorporated into this document by reference.

The interim financial statements of Elegancia Group for the nine-month period ended 30 September 2021 have been prepared in accordance with International Financial Reporting Standards. Elegancia's auditors, Ernst & Young (Qatar Branch), have reviewed the interim financial statements as at 30 September 2021, a copy of which is attached at Annex VI, and is incorporated into this document by reference.

7. Risk Factors

In deciding whether to vote in favour of the resolutions to be proposed at the IHG Extraordinary General Assembly, IHG Shareholders should carefully read this document and consider the risk factors set out in this Section 7. Additional risks and uncertainties not presently known to IHG, or which IHG currently considers to be immaterial, may also have an adverse effect on IHG.

7.1 Risks relating to the Transaction

a) *There may be difficulties post-completion in integrating some of the existing businesses carried on by IHG and Elegancia*

IHG and Elegancia Group have some businesses which present synergies. There may be potential difficulties post-completion in respect of these businesses, including notably the task of integrating the management and personnel of these businesses, the possibility of losing customers who may not wish to transact with the company post-completion, maintaining and obtaining the necessary licences and approvals from relevant governmental and regulatory authorities and agencies, and other financial, managerial and operational risks which may affect the activities of the relevant companies.

The integration process may affect the value of the brands within one or both of the two Groups. If IHG fails to manage the integration of the relevant businesses of Elegancia effectively, the growth strategy and future profitability of the company could be negatively affected and it may fail to achieve the anticipated benefits of the Transaction, in particular those benefits set out under Sub-section 2.5 of this Circular. In addition, difficulties in integrating the businesses could harm the reputation of IHG, which may result in the loss of customers and key employees.

b) Risks relating to the Share Swap Ratio

The Share Swap Ratio has been calculated on the basis of, amongst other things, certain internal financial information and other data relating to the business and financial prospects of IHG and Elegancia, including estimates and financial forecasts prepared by the management teams, together with certain pro forma effects of the Transaction on IHG's financial statements and certain estimates of synergies prepared by the management of IHG. In calculating the Share Swap Ratio, it has been assumed that such financial forecasts, estimates, pro forma effects and calculations of synergies have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management teams as to the future performance of IHG, such pro-forma effects and such synergies. It has also been assumed that the future financial forecasts and estimates, including synergies, referred to above will be realised in the amounts and time periods contemplated thereby. If all or any of these assumptions prove to be incorrect, this could materially affect the valuations of the two Groups, and the Share Swap Ratio may not accurately reflect the values of the respective companies.

c) If the conditions and terms of the Transaction (set out in Section 9 of this Circular) are not satisfied, the Transaction may not take place of may be delayed.

The Transaction is conditional on a number of conditions as set out in Section 9 of this document and the Acquisition Agreement. If any of these conditions are not satisfied, then there is a risk that the Transaction will not take place. This may have a negative impact on the existing value of the IHG Shares.

d) Concentration risks

A significant proportion of the IHG's revenue post-acquisition will be generated from a limited number of related parties. If such revenues were to cease or reduce materially, or the financial status of a related party weakens, it would have a notable impact on IHG's revenue, cash flow and profitability. IHG Shareholders should consider their risk tolerance with respect to the maximum revenue concentration from one client that would be acceptable for their investment.

7.2 Specific risks arising post acquisition

a) Risks relating to control

On successful completion of the Transaction, the Elegancia Owners will receive shares representing 75.617190% of the total enlarged share capital of IHG, which, together with the existing shares held by the Elegancia Owners and their related parties prior to completion, constitute 81% of the total enlarged share capital of IHG, to be reduced to less than 75% within 3 months from completion as set out in section 3.3(d) of this document Consequently, the Elegancia Owners might maintain control over the IHG Board decisions or at least influence IHG Board decisions (including dividend policy, expansion plans, budget approval, the timing and amount of dividend payments (if any) and other material issues of IHG) and significant control over IHG Shareholder decisions that require a majority votes from the IHG Shareholders. As a result, any change in the business strategy and/or policy of IHG by the Elegancia Owners could result in a non-alignment with the interests of other IHG Shareholders.

b) *Risks related to the Company's dividends distribution policy*

Subject to the constitutional documents of IHG, any decision to pay dividends to IHG Shareholders and the amount of such dividends will be at the discretion and upon the recommendation of the IHG Board. The amount of any dividends may vary from year to year. The distribution of dividends will be dependent upon a number of factors, including the future profit, financial position, capital requirements, legal reserve requirements, distributable profits and reserves, available credit of IHG, general economic conditions and other factors that the IHG Board deem significant from time to time. Also, IHG's ability to declare and pay cash dividends on the IHG Shares may be restricted by, among other things, covenants in any credit facilities that IHG may enter into in the future, the recovery of any accumulated losses in the future and the provisions of Qatari law. Therefore, there can be no assurance that any dividend will ever be distributed, nor can there be an assurance as to the amount, if any, which will be paid in any given year.

7.3 Risks specific to the operations of IHG Group

a) *Risks related to IHG Group's inability to develop new business:*

A primary assumption of management in relation to the future development of the IHG Group Companies is that they will, post-acquisition, be able to develop and grow their respective businesses. However, there inevitably can be no assurance that such development and growth will occur. Since the value of IHG principally derives from the financial results of the IHG Group Companies, the inability of the IHG Group Companies to develop new business is likely to have an effect on the value of the IHG shares and the ability of IHG to pay dividends.

b) *Loss of key customers and/or suppliers' risks:*

The IHG Group Companies have, over several years in operation, built strategic relationships with various customers and suppliers. Should these relationships breakdown, cease to exist or if there is any material modification to the contractual terms under which an IHG Group Company provides or receives products or services which are not favourable to it, this could have a materially adverse effect on IHG Group Company's business, financial condition, results of operations or prospects.

c) Risks related to IHG's management information systems:

IHG's information technology and accounting systems are designed to enable the company to use its resources as efficiently as possible and monitor and control all aspects of the company's operations. Although proper controls are in place to mitigate information technology and accounting system risks, any unlikely failure or breakdown in these systems could interrupt the company's normal business operations and result in a significant slowdown in operational and management efficiency for the duration of such failure or breakdown or thereafter. Further, IHG cannot guarantee that the information technology and accounting systems currently employed by the company and each of the subsidiaries will continue to be adequate or appropriate (in whole or in part) for any future operations, or that they will not need replacement, amendment or upgrading, any of which could have a material adverse effect on IHG's businesses, financial condition and results of operations. Notwithstanding the above, the IHG Directors believe that IHG's financial reporting systems are sufficient to ensure compliance with the requirements of the QFMA and the QSE as a listed company.

d) *Risks that may lead to developments in technology could result in IHG's operations becoming uncompetitive:*

Technologies and processes are being continuously developed in the construction sector worldwide. Significant developments in technology could result in existing technologies and processes utilised by any of the IHG subsidiaries becoming uncompetitive, adversely impacting the competitiveness of the relevant subsidiary, which may have a material adverse effect on that business, financial condition and results of operations or prospects.

7.4 Risks pertaining to the market in which IHG operates

a) *Qatar's economic growth may not continue at the same rate, and remains highly dependent on oil and gas revenues*

The majority of IHG's operation is situated in Qatar and is mainly dependent upon the economic conditions in the country. Hence, any downtrend in the economy could severely impact the growth of IHG as the revenues are solely generated within the premises. As such, IHG mainly operates within the Qatari market which depends on natural gas revenues to facilitate the development of other sectors of the economy and the national infrastructure.

Over the years, Qatar had enjoyed a positive and robust economic growth. However, there is no assurance that such growth will continue in the near future given the constant and volatile changes in the hydrocarbon sector. Any adverse movement in the price of oil and gas, or any restrictions which limit the ability of Qatar to export oil and gas products freely, would reduce revenues flowing to the State could impact negatively its forecasts, budget and growth outlook.

In addition, risks could emerge if the Government decides to implement new fiscal or monetary policy. Lack of geographical diversification could limit IHG's sources of revenue if the domestic market was confronted with negative effect.

b) *Risks related to the changes in prices or supply of natural gas, crude oil and other hydrocarbons:*

Historically, the Qatari economic growth has largely defied the slump in global energy prices, with rapid population and infrastructure growth. Modest economic headwinds are rising; it is expected that the Government will adopt a more conservative fiscal stance in the coming years, and there are signs that some parts of Qatar's vast public investment programme are being scaled down.

c) *Inflation:*

Inflation could increase due to cautious pick up of consumer consumption and the possible spike in demand related to FIFA 2022 and potential VAT implementation. Furthermore, there can be no guarantee that the Government of Qatar or the Qatar Central Bank (the QCB) will always be able to achieve or maintain price stability in the real estate market (major market) or otherwise control inflation.

d) *International economy risks brought about by COVID-19*

The global economy was impacted significantly by COVID-19. With the COVID-19 pandemic continuing to spread, many countries have slowed reopening and some are reinstating partial lockdowns to protect susceptible populations. While recovery in some countries have been faster than expected, the global economy's long ascent back to pre-pandemic levels of activity remains prone to setbacks. Although recent vaccine approvals have raised hopes of a turnaround in the pandemic later this year, renewed waves and new variants of the virus pose concerns for positive economic outlook. If this continues, future cash flow shortfalls and budget deficits might arise and the available money from sovereign wealth funds will start diminishing. Any such intervention by Qatar to assume responsibility for the financial liabilities of both state-owned and non-state-owned enterprises could materially affect the economy and reduce amounts available to fund on-going and future projects.

e) *Political risks over concerns in the broader MENA region*

Given the continuing uncertainties in the broader MENA region, the international economic environment is often heavily dependent on quantifiable economic variables.

A diplomatic rift in 2017 was raised by Qatar's neighbouring countries resulting in closure of airspace, land and marine borders, which impacted the local economic performance, supply chains and financial conditions. Nevertheless, on January 5, 2021, all of the countries involved in the rift signed an agreement to restore full diplomatic ties with each other. It is currently uncertain how long it will take for trade, transport and diplomatic ties to fully return to pre-blockade status.

f) *Tax regulations risks:*

IHG is currently subject to corporate income tax in the State of Qatar. However, there can be no assurance that the State of Qatar will not in the future introduce additional taxes, charges or levies on the company and/or its operations, or that the current tax laws and regulations in Qatar will not be amended. In addition, any future operations of IHG outside Qatar may be subject to taxes.

7.5 Other general risks

a) *Competition risks:*

The business in which IHG engages is competitive and most of the IHG subsidiaries' revenues are derived from projects which are awarded as a result of competitive bidding processes. However, an invitation to bid is often conditional upon prior experience, technical capability and financial strength. Each of the IHG subsidiaries competes with local and regional companies. IHG believes that, at present, it is one of the leading providers of contracting and other services in Qatar. There can be no assurance, however, that IHG will continue to compete successfully with its existing competitors, or with any new competitors. The highly competitive nature of the various industries in which IHG operates requires each IHG subsidiary to charge competitive market rates for its services which result in narrow operating margins. Any degradation in operating margins could have a material adverse impact on the financial condition of the company.

b) *Performance risks:*

While IHG has a robust order book of on-going projects/contracts under execution, the success and profitability of each IHG subsidiary primarily depends on its ability to successfully execute these contracts.

Any shortfall in project execution will adversely impact IHG's financial performance, reputation and future prospects. Failure to complete contractual work within the designated time schedule could potentially lead to monetary penalties or compensation to the client, and could be due to various factors including some over which IHG subsidiaries do not have any control.

Each IHG subsidiary has a track record of completing projects within budget while maintaining quality and best practices relating to its services. It is focused on maintaining and developing its expertise, resources and technical skills to ensure that it is fully equipped to meet all its future commitments. Each IHG subsidiary's project management teams have extensive experience and use sophisticated tools in managing complex projects. Dedicated units ensure efficient mobilization of manpower and technical resources, and the top management of the company is closely involved in project monitoring.

c) *Risks related to the fluctuation of IHG share's market price*

Following admission of the New IHG Shares, the market price of the IHG shares could be subject to significant fluctuations due to a change in sentiment in the stock market regarding the IHG Shares or securities similar to them or in response to various factors and events, including any regulatory changes affecting IHG's operations, variations in its half yearly or yearly operating results and its business developments or those of its competitors, as well as macro-economic and geopolitical events affecting the countries and territories in which IHG operates. The market price of the IHG Shares may also be affected by market rumours and media speculation (even if such rumours and speculation are unfounded or inaccurate).

In addition, the Qatar Exchange has from time-to-time experienced extreme price and volume volatility, which in addition to general economic and political conditions, could adversely affect the market price for the IHG Shares. To optimise returns, investors may need to hold the IHG Shares on a long-term basis and they may not be suitable for short-term investment. The value of the IHG Shares may go down as well as up and the market price of the IHG Shares may not reflect the underlying value of IHG's investments. Investors could lose the whole or a substantial part of their investment.

d) Litigation Risks

Each of IHG and Elegancia, by virtue of their diversified activities, are subject to litigation risks from clients, suppliers and third parties, which may result in costs including attorneys' fees, which may have a negative impact on those companies and their ability to meet their obligations as they fall due.

8. Additional Information

8.1 Responsibility Statements

The directors of IHG, whose names are set out in Section 3.1 of this document, accept responsibility for the information, other than that relating to Elegancia Group, contained in this document. To the best of the knowledge and belief of these directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information

8.2 Articles of Association of IHG

The changes proposed to be made to the articles of association of IHG will relate to an increase in its share capital by QAR 2,574,037,500, from QAR 830,000,000 to QAR 3,404,037,500 divided into 3,404,037,500 shares. The share capital increase will require the approval of the IHG Extraordinary General Assembly.

These proposed amendments to the articles of association of IHG are subject to the approval of the Ministry of Commerce and Industry (MOCI).

8.3 General

QNBC has given and has not withdrawn its written consent to the issue of this document with the inclusion in it of its name in the form and context in which it appears.

Rödl has given and has not withdrawn its written consent to the inclusion in this document of its reports and the references to its name in the form and context in which it appears.

CH has given and has not withdrawn its written consent to the inclusion in this document the references to its name in the form and context in which it appears.

8.4 Documents Available for Inspection

Copies of the following documents are made available for inspection at the head office of IHG during normal business hours on any Business Day prior to the Effective Date:

(a) the draft articles of association of IHG proposed to be adopted at the IHG Extraordinary General Assembly;

(b) the audited financial statements of IHG for the financial years ended 31 December 2018, 31 December 2019 and 31 December 2020;

(c) the proforma financial accounts of Elegancia for the financial years ended 31 December 2019 and 31 December 2020;

(d) the audited interim financial statements of Elegancia for the six-month period ended 30 June 2021; and

(e) The financial statements of Elegancia and IHG for the nine months ending 30 September 2021.

9. Terms and Conditions of the Transaction

The implementation of the Transaction is conditional upon:

(a) each of the resolutions set out in the notice of the IHG Extraordinary General Assembly (set out in Annex I to this document) receiving a vote in favour by holders of the requisite majority of IHG Shares represented at the IHG Extraordinary General Assembly;

(b) the Elegancia Extraordinary General Assembly approving the Transaction by holders of the requisite majority of Elegancia Shares represented at the Elegancia Extraordinary General Assembly;

(c) all consents that have been identified by the IHG Board as necessary to the implementation of the Transaction having been obtained;

(d) all consents that have been identified by the Elegancia Board as necessary to the implementation of the Transaction having been obtained;

(e) all consents that have been identified in the Acquisition Agreement, including obtaining any regulatory approvals, having been obtained; and

(f) any conditions precedent set out in the Acquisition Agreement (other than the above items) having been satisfied, or, if applicable, waived.

Following satisfaction or, if applicable, waiver of all of these conditions, IHG and the Elegancia Owners shall execute a share transfer agreement at the MOCI. The Transaction shall become effective upon the issuance of a new commercial registry extract ("**CR**") reflecting the issuance of the New IHG Shares to the Elegancia Owners on the basis of the Share Swap Ratio.

APPENDIX I
DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

"**Acquisition Agreement**"	means the acquisition agreement entered into between IHG and Elegancia dated 10 March 2022 (including the agreement between IHG and the Elegancia Owners dated 9 November 2021), setting out the terms and conditions of, and the parties' rights and obligations in connection with, the Transaction, as further described at section 2.3 of this document
"**Business Day**"	means any day, other than a Friday, a Saturday or a public holiday in the State of Qatar
"**CH**"	means Consulting Haus LLC
"**Companies Law"**	means the Commercial Companies Law (Law No. 11 of 2015 Promulgating), as amended
"**Completion"**	means completion of the Transaction in accordance with the terms of the Acquisition Agreement
"**Effective Date**"	means the date on which the Transaction becomes effective in accordance with the terms of the Acquisition Agreement
"**Elegancia**"	means Elegancia Group W.L.L
"**Elegancia Board**"	means the acting board of directors of Elegancia as set out in section 5.4 of this document
"**Elegancia Owners**"	means the shareholders of Elegancia: Mohamad Moutaz AlKhayyat (holding 37.5%% of the Elegancia Shares), Ramez AlKhayyat (holding 37.5%% of the Elegancia Shares), and Urbacon Trading and Contracting WLL (UCC) (holding 25% of the Elegancia Shares)
"**Elegancia Shares**"	means shares of a nominal value of QAR 1000 each in the capital of Elegancia
"**Financial Accounting Standards**"	means the principles, standards and procedures that define the basis of financial accounting policies
"**IHG**"	means Investment Holding Group Q.P.S.C.
"**IHG Board**"	means the board of directors of IHG as set out in section 3.1 of this document
"**IHG Extraordinary General Assembly**"	means the extraordinary general assembly meeting of IHG convened for the purpose of, amongst other things, approving the Transaction
"**IHG Shareholders**"	means the shareholders of IHG
"**IHG Shares**"	means shares of a nominal value of QAR 1 each in the capital of IHG
"**MOCI**"	means the Ministry of Commerce and Industry of Qatar
"**New IHG Shares**"	means the new IHG Shares to be issued pursuant to the Transaction
"**QAR**"	means Qatari Riyals
"**QFMA**"	means the Qatar Financial Markets Authority

“**QFMA M&A Rules**”	means QFMA Board Decision Number 2 of 2014 issuing the Merger and Acquisition Rules (as amended)
“**Record Date**”	means 5:00 pm on the last Business Day prior to IHG Extraordinary General Assembly
“**Rödl**”	Means Rödl Middle East LLC
“**Share Swap Ratio**”	Means the share swap ratio set out in section 2.2 of this document
“**Transaction**”	means the acquisition by IHG of 100% of the share capital of Elegancia in consideration for the issuance to the Elegancia Owners of the New IHG shares on the basis of the Share Swap Ratio, in accordance with the terms of the Acquisition Agreement

ANNEX I
IHG NOTICE OF EXTRAORDINARY GENERAL ASSEMBLY MEETING

مجموعة إستثمار القابضة ش.م.ع.ق.
INVESTMENT HOLDING GROUP Q.P.S.C.

Invitation to attend Investment Holding Group Q.P.S.C (IHG) Extraordinary General Assembly meeting

IHG's Board of Directors is pleased to invite you to attend the Company's Extraordinary General Assembly meeting which will be held on Monday, April 11 2022 at 9:00pm

In the event a quorum is not met, a second meeting will be heldon Monday, April 18 2022 at 9:00pm

Agenda of the Extraordinary General Assembly meeting:

(i) The acquisition of Elegancia Group W.L.L ("Elegancia") by way of share swap (the "Transaction") to be effected pursuant to Article 45 of the Offering & Listing of Securities on the Financial Markets Rulebook of the QFMA, Article 195 of the Companies Law, and Article 2 of the QFMA M&A Rules;

(ii) Summary of the acquisition agreement entered into between IHG and Elegancia dated 10 March 2022 (including as an annex the agreement between IHG and the Elegancia (the "Elegancia Owners") dated 9 November 2021) (the "Acquisition Agreement"));

(iii) Presentation of the valuation and the different valuation methodologies used by the two evaluators and the process that resulted in the agreed Share Swap Ration;

(iv) The increase of the issued and paid up share capital of IHG by QAR 2,574,037,500 (from QAR 830,000,000 to QAR 3,404,037,500);

(v) The issuance of new shares in IHG to the Elegancia Owners in consideration for their shares in Elegancia on the basis of the following: for every 1 IHG share currently in issue, the Elegancia Owners will receive 3.10125 New IHG Shares, whereby IHG represents 24% of the combined business, and Elegancia 76%. While the respective proportions of the business owned by each party post completion was the predominant driver, taking a value of QAR 860,000,000 for IHG at the agreed ratio implies that the value of Elegancia is QAR 2,667,000,000, subject to obtaining all regulatory approvals and satisfying all the conditions set out in the Acquisition Agreement;

(vi) Waiver of any applicable subscription rights pertaining to the capital increase of IHG;

(vii) Approval of the exemption of Elegancia from submitting a compulsory offer to purchase the shares of IHG Shareholders in accordance with the QFMA M&A Rules, and to approve the subsequent sale by the Elegancia Owners of at least 6% of the New IHG Shares over a period of 3 months following completion;

(viii) Amending articles 5, 6, 7, 8, 27, 29, 32, 36, 41,43,44, 45, 48, 49,51, 53,57 and 81 of the articles of association of IHG based on the Companies Law as amended;

(ix) Amending article 1 of the articles of association to change the company's name to be "Elegancia Holding Qatari Public Shareholding Company (Q.P.S.C.)".

(x) Designate the Chairman of IHG or any person he designates to:

a. adopt any resolution or take any action as may be necessary to implement any and all of the above resolutions including, without limitation, to apply for a resolution of the MOCI and the

QFMA to increase the share capital of IHG, to amend its articles of association, and to attend before the Ministry of Justice, the MOCI and any other competent authority in the State of Qatar and submit and/or sign any necessary documents to effect such amendments;

b. appoint an exchange agent to facilitate the issuance of the New IHG Shares in accordance with the Share Swap;

c. submit all required documents and applications to the Qatar Stock Exchange ("QSE") for the listing of the New IHG Shares on the QSE; and

d. sign any documents, agreements and applications in relation to any of the above.

Shareholders wishing to attend the meeting in person are kindly requested to be present at least two hours before the appointed time to organize the list of the attendees and the number of shares held by each of them.

To express interest in attending the meeting, the respective shareholders are requested to provide the following information and documents through an email message to the email address: alphaqatar2020@gmail.com

1. Copy of Identification Document
2. Mobile number
3. NIN number
4. Copy of proxy and supporting documents for representatives of individuals and corporate entities
5. Refer to IHG's Ordinary and Extraordinary General Assembly meeting

A link to participate in the meeting virtually through the conference call will be sent electronically to those who expressed their interest in attending the meeting. Attendees are able to discuss the agenda, address questions to the Board of Directors or the External Auditor by sending their questions or comments in the chat box, during the meeting. As for the voting on items on the meeting's agenda, a shareholder who has an objection on an item must raise their hand, at the time of voting on the subject item, to express his/her objection. In the event that the shareholder does not raise his/her hand, this will be considered as an endorsement for the subject item.

Notes:
1. It is not permissible to appoint any person other than the shareholders in the company.
2. Members of the Board of Directors may not be appointed as a proxy in accordance with Article 128 of the Companies Law.
3. The total number of shares owned by proxy must not exceed 5% of the company's capital.
4. Representatives of legal entities shall submit a letter authorizing their appointment as representatives of those legal entities at the meeting.

In case of any inquiries, please contact our Investor Relations Officer at: investor.relations@ihgqatar.com

Investment Holding Group QPSC

ANNEX II
QNB CAPITAL FAIRNESS OPINION

QNB CAPITAL

Ref: 091121 IHG Fairness Opinion Letter
Date: 7 November 2021

المرجع: 091121 IHG Fairness Opinion Letter
التاريخ: 7 نوفمبر 2021

Private and confidential

سري وخـــــاص

Board of Directors
Investment Holding Group Q.P.S.C.
PO Box 3988
Doha, Qatar

السادة مجلس الإدارة المحترمين،
مجموعة استثمار القابضة ش.م.ع.ق
ص.ب 3988
الدوحة قطر

Dear Sirs,

تحية طيبة،،

Fairness opinion for the acquisition of Elegancia Group W.L.L by Investment Holding Group Q.P.S.C.

الرأي العادل حول اســتحواذ مجموعة اســتثمار القابضـــة (ش.م.ع.ق) على مجموعة اليغانسيا (ذ.م.م)

We understand that Investment Holding Group Q.P.S.C., ("IHG" or the "Company"), and the shareholders of Elegancia Group W.L.L ("Elegancia" or the "Target"), propose to enter into a Share Swap Agreement, which provides, for the acquisition of Elegancia by IHG (the "Acquisition") in the form of a Reverse Takeover ("RTO"), and the issuance of new shares in IHG to the shareholders in Elegancia, in exchange for their existing shares in the Target.

اقترحت شــركة مجموعة اســتثمار القابضـــة ش.م.ع.ق ("المجموعة" أو "الشركة")، ومساهمي مجموعة اليغانسيا ذ.م.م ("اليغانسيا" أو " الشركة الهدف") ابرام اتفاقية مبادلة أسهم، يتم بموجبها استحواذ المجموعة على اليغانسيا ("الاستحواذ") على شكل استحواذ عكسي ("استحواذ عكسي")، وعلى أن يتم اصدار أسهم ملكية جديدة في المجموعة لفائدة حملة أسهم اليغانسيا مقابل أسهمهم الحالية في الشركة الهدف.

You have asked for our opinion as to whether the Consideration to be offered by IHG pursuant to the Share Swap Agreement is fair from a financial point of view to such shareholders of the Company.

وقد طلب من كيو إن بي كابيتال ابداء الرأي من الناحية المالية لمســاهمي الشــركة حول القيمة العادلة للعوض المقدم من قبل المجموعة وفقا لاتفاقية مبادلة الأسهم.

For purposes of the opinion set forth herein, we have:

ولغرض تكوين رأي حول القيمة العادلة المبينة هنا فقد قمنا بما يلي:

1) Reviewed publicly available financial statements and other business and financial information in relation to the Company and Target, respectively;
2) Reviewed certain internal financial statements and other financial and operating data concerning the Company and Target, respectively provided to us;

1) مراجعة قوائم مالية معينة متاحة للجمهور وبيانات أخرى حول الأعمال ومعلومات مالية متصلة بالشركة والشركة الهدف على التوالي؛
2) مراجعة القوائم المالية الداخلية وبيانات أخرى حول العمليات والمعلومات المالية المقدمة لنا والمتعلقة بالشركة والشركة الهدف على التوالي؛

QNB Capital LLC
P.O. Box 1000, Doha, Qatar
Tel: (+974) 4496 3888
Fax: (+974) 4496 3885
هاتف: ٤٤٩٦٣٨٨٨ (٩٧٤+)
فاكس: ٤٤٩٦٣٨٨٥ (٩٧٤+)
QNB كابيتال (ش.ذ.م.م)
ص.ب. ١٠٠٠، الدوحة، قطر
qnb.com/qnbcapital

3) Reviewed financial projections prepared by the managements of the Company and Target, respectively;

4) Reviewed information relating to certain strategic, financial and operational benefits anticipated from the Acquisition;

5) Reviewed and discussed the work and report analysing the valuation of the Company and its subsidiaries, provided by Consulting Haus LLC ("Consulting Haus")

6) Reviewed and discussed the work and report analysing the valuation of the Target and its subsidiaries, provided by Rödl & Company ("Rödl")

7) Discussed the past and current operations and financial condition and the prospects of the Company and Target, including information relating to financial projections and certain strategic, financial and operational benefits anticipated from the Acquisition, with senior executives of IHG and Eleganeia and the external Valuators, Rödl and Consulting Haus (together the "Evaluators");

8) Reviewed the pro -forma impact of the Acquisition, based on certain financial projections, on IHG's earnings per share, cash flow, consolidated capitalization and financial ratios;

9) Reviewed the reported prices and trading activity for the Company's shares;

10) Participated in certain discussions and negotiations among representatives of the Company and Target and their legal advisers and Evaluators conducting valuation reports;

11) Reviewed the Share Swap Agreement and certain related documents; and

12) Performed such other analyses, reviewed such other information and considered such other factors as we have deemed appropriate.

We have assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to us by the Company and Target, their respective lawyers and the Evaluators, which formed a substantial basis for this opinion.

With respect to the financial projections, including information relating to certain strategic, financial and operational benefits anticipated from the Acquisition, we have assumed that they have been reasonably prepared on bases

3) مراجعة توقعات مالية معينة معدة من قبل إدارة الشركة والشركة الهدف، على التوالي؛

4) مراجعة معلومات متعلقة بالمزايا الاستراتيجية والمالية والتشغيلية المتوقعة من الاستحواذ؛

5) مراجعة ومناقشة عمل كونسلتنج هاوس ("كونسلتنج هاوس") وتقرير التقييم الذي قدمته حول الشركة والشركات التابعة؛

6) مراجعة ومناقشة عمل رودل وشركاه ("رودل") وتقرير التقييم الذي قدمته حول الشركة الهدف والشركات التابعة لها؛

7) مناقشة العمليات السابقة والحالية والظروف المالية وآفاق الشركة والشركة الهدف، بما في ذلك معلومات متعلقة بالتوقعات المالية وبعض المزايا الاستراتيجية والمالية والتشغيلية المتوقعة من الاستحواذ مع الإدارة العليا للمجموعة والبغفسيا والمقيمين الخارجيين رودل وكونسلتنج هاوس (يشار اليهما معا بـ "المقيمين")؛

8) مراجعة أثر الاستحواذ على بيان المركز المالي المجمع الأولي، بناء على التوقعات المالية، العائد على سهم المجموعة، التدفقات النقدية، الرسملة الموحدة والنسب المالية؛

9) مراجعة سعر سهم الشركة وأنشطة التداول عليه ؛

10) المشاركة في مناقشات ومفاوضات جنبا الى جنب مع ممثلي الشركة والشركة الهدف، مستشاريهم القانونيين والمقيمين المسؤولين عن اعداد تقارير التقييم؛

11) مراجعة اتفاقية مبادلة الأسهم وبعض المستندات المتعلقة بها؛

12) إجراء الاعمال التي رأيناها مناسبة فيما يتعلق بالتحليلات الأخرى المماثلة، ومراجعة المعلومات الأخرى المشابهة والنظر في العوامل الأخرى المماثلة.

لقد افترضنا واعتمدنا، دون التحقق بشكل مستقل، على دقة واكتمال المعلومات المتاحة للجمهور، أو التي زودتنا بها، او بشكل اخر، أتيحت لنا من قبل الشركة والشركة الهدف، وممثليهم القانونيين والمقيمين؛ وقد شكلت هذه المعلومات الأساس الجوهري الذي بني عليه رأينا.

وبالنسبة للتوقعات المالية، بما في ذلك المعلومات المتعلقة ببعض المزايا الاستراتيجية والمالية والتشغيلية المتوقعة من الاستحواذ، فإننا افترضنا أن هذه المعلومات قد تم اعدادها على نحو معقول يعكس أفضل التقديرات الحالية لإدارة الشركة والشركة الهدف

QNB Capital LLC
P.O. Box 1000, Doha, Qatar
Tel: (+974) 4496 3888
Fax: (+974) 4496 3885
هاتف: ٤٤٩٦٣٨٨٨ (+٩٧٤)
فاكس: ٤٤٩٦٣٨٨٥ (+٩٧٤)
QNB كابيتال (ش.ذ.م.م)
ص.ب. ١٠٠٠، الدوحة، قطر
qnb.com/qnbcapital

reflecting the best currently available estimates and judgments of the respective managements of the Company and Target of the future financial performance of the Company and Target. We make no representation around the ability of the Company or Target in achieving their respective financial projections, nor the financial or share price performance of the combined entity. In addition, we have assumed that the Acquisition will be consummated in accordance with the terms set forth in the Share Swap Agreement without any waiver, amendment or delay of any terms or conditions, including, among other things, that neither the Company nor the Target are required to obtain any financing in relation to the Acquisition.

وتوقعاتهما للأداء المالي المستقبلي للشركتين. ونحن هنا لا نقدم أي إقرار حول قدرة الشـــركة والشـــركة الهدف على تحقيق توقعاتهما المالية، ولا حول الأداء المالي للكيان المشترك أو سعر السهم لديه. إضافة الى ذلك، فقد افترضنا اتمام عملية الاستحواذ وفق الشروط المبينة في اتفاقية مبادلة الأسـهم ودون أي تنازل، او تعديل أو تأخير في تنفيذ اي من شــروط وأحكام الاتفاقية، بما في ذلك، إضافة الى أشياء أخرى، عدم حاجة الشركة ولا الشركة الهدف الى الحصول على تمويل يرتبط بالاستحواذ.

We have assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents required for the proposed Acquisition, no delays, limitations, conditions or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived from the proposed Acquisition.

وفيما يتعلق بالحصــــول على كل الموافقات من الجهات الرقابية والحكوميــة والموافقــات الأخرى الضــــروريــة لإتمــام عمليــة الاســتحواذ ، فقد افترضــنا عدم حدوث أي تأخير، أو وجود اي قيود أو ظروف قد تكون لها اثار ســلبية على المزايا المتوقع تحقيقها من الاستحواذ .

We are not legal, accounting or tax advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of the Company and Target's respective legal, accounting or tax advisors with respect to legal, accounting and tax matters.

نحن لســنا اســتشــاريين قانونيين أو اســتشــاريين في المحاســبة والضــريبة. نحن اســتشــاريون ماليون فقط، وقد اعتمدنا، دون مراجعة مســتقلة، في تقييمنا الشــركة والشــركة الهدف على مستشاري الشركتين للشؤون القانونية والمحاسبة والضرائب، فيما يتعلق بالشؤون القانونية والمحاسبة والضرائب.

Our Opinion:

رأي كيو ان بي كابيتال

Pursuant to the Acquisition, having considered the respective size and valuations of both the Company and the Target, based on information provided by the Company and Target and their respective legal advisors and Evaluators, it is the opinion of QNB Capital that an the issuance of less than, or equal to, 3.5 new shares in IHG for every existing share in the Company (the "Consideration"), would represent a fair offer ratio for the shareholders of the Company.

وفقا لعملية الاســتحواذ، وبعد النظر في حجم الشــركة والشــركة الهدف والتقييمات الخاصة بكليهما، وبناءً على المعلومات المقدمة من الشركة والشركة الهدف والمستشــارين القانونيين والمقيمين لديهما، يرى كيو ان بي كابيتال أن إصــــدار مجموعة اســـتثمار القابضــة عدداً أقل من أو يساوي 3.5 أسهم جديدة لكل سهم في الشركة ("العوض") يمثل معدل عرض عادل لمساهمي الشركة.

Our opinion is necessarily based on and the information made available to us, as described above, financial, economic, market and other conditions as of the date hereof. Events occurring after the date hereof may affect this opinion and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this opinion.

وكما ذكر أعلاه، فإن رأينا مبني على المعلومات التي أتيحت لنا، ســواء معلومات مالية أو اقتصــادية أو كانت متعلقة بالســوق أو ظروف أخرى حتى تاريخ تحرير هذه الوثيقة. وعليه فإن ما يقع من أحداث بعد هذا التاريخ من شـــأنه أن يؤثر على رأينا وعلى التصــورات التي بني عليها، ونحن لســنا تحت أي التزام لتحديث أو مراجعة أو إعادة تأكيد النتائج التي خلص إليها رأينا.

In arriving at our opinion, we were not authorized to solicit, and did not solicit, interest from any party with respect to an acquisition, business combination or other extraordinary transaction involving the Company, nor did we negotiate with any party in relation to the Acquisition.

وللوصول الى هذا الرأي، لم يصرح لنا بالتسويق ولم نقم به لأي طرف فيما يتعلق بالاســتحواذ، الاندماج أو أي معاملة أخرى غير عادية كانت الشــركة طرفا فيها، كما لم نتفاوض مع أي طرف بخصوص عملية الاستحواذ.

QNB Capital LLC
P.O. Box 1000, Doha, Qatar
Tel: (+974) 4496 3888
Fax: (+974) 4496 3885
هاتف: ٤٤٩٦٣٨٨٨ (+٩٧٤)
فاكس: ٤٤٩٦٣٨٨٥ (+٩٧٤)
QNB كابيتال (ش.ذ.م.م)
ص.ب. ١٠٠٠، الدوحة، قطر
qnb.com/qnbcapital

We have acted as financial advisor to the Board of Directors of the Company in connection with this Acquisition and will receive a fee for our services, a substantial portion of which is contingent upon the closing of the Acquisition. As of the date of this letter, QNB Capital, in the two years prior, has not (i) provided investment banking or financial advisory services to the Company, nor (ii) provided investment banking or financial advisory services to the Target and have not received fees in connection with such services. QNB Capital may seek to provide such services to the Company in the future and would expect to receive fees for the rendering of these services.

لقد عملنا بصــفتنا اســتشــاريين لمجلس إدارة الشــركة فيما يتعلق بالاســتحواذ، وســوف نتقاضــى اتعابا على هذه الخدمات، والتي يتوقف جزء كبير منهـا على نجـاح العمليـة واتمـامهـا. وخلال العامين الســـابقين لتاريخ تحرير هذه الوثيقة لم يقم كيو ان بي كابيتال بـــــ (1) الخدمات المصـــرفية الاســـتشارية أو خدمات الاســـتشـــارة المالية للشـــركة، أو (2) تقديم الخدمات المصـــرفية الاستشارية أو خدمات الاســتشــارة المالية للشــركة الهدف، ولم يتلق أية رسوم أو اتعاب نظير هذه الخدمات. ويجوز لكيو ان بي كابيتال أن يســـعى الى تقديم هذه الخدمات الى الشـــركة في المستقبل، ويتوقع تلقي رسوم واتعاب على تلك الخدمات.

This opinion is for the information of the Board of Directors of the Company and may not be used for any other purpose without our prior written consent, except that a copy of this opinion may be included in its entirety in any filing the Company is required to make with the Qatar Financial Markets Authority in connection with this Acquisition, if such inclusion is required by applicable law. In addition, this opinion does not in any manner address the prices at which the Company's shares will trade following consummation of the Acquisition and QNB Capital expresses no opinion or recommendation as to how the shareholders the Company should vote at the shareholders' meetings to be held in connection with Acquisition.

هذا الرأي موجه للاطلاع عليه من قبل مجلس إدارة الشــركة ولا يجوز اســتخدامه لأي غرض اخر دون الحصـــول على موافقتنا الخطية المسبقة، ويستثنى من ذلك جواز ارفاق نسخة كاملة منه مع أي ملف قد تطلبه هيئة قطر للأسواق المالية من الشركة فيما يتعلق بهذا الاستحواذ، وكان ذلك مطلوب بموجب القوانين النافذة. إضافة الى ذلك، فهذا الرأي لا يتطرق باي شكل من الأشكال الى الأســعار التي ســوف يتم تداول أســهم الشـــركة بها بعد إتمام الاســـتحواذ؛ وكيو ان بي كابيتال لا يقدم بموجبه أي رأي أو توصية حول الطريقة التي يجب بها على المساهمين في الشركة التصويت خلال اجتماعات المساهمين التي تعقد فيما يتعلق بعملية الاستحواذ.

We would like to thank you for engaging us and look forward to working with you on this important assignment.

وختاما، نشـــكركم على تعيين كيو ان بي كابيتال، ونتطلع الى العمل معا لانجاز هذه المهمة.

QNB Capital

Yours sincerely,

وتفضلوا بقبول فائق الاحترام والتقدير

For and on behalf of QNB Capital LLC

باسم ونيابة عن كيو ان بي كابيتال

QNB Capital LLC
P.O. Box 1000, Doha, Qatar
Tel: (+974) 4496 3888
Fax: (+974) 4496 3885
هاتف: (٩٧٤+) ٤٤٩٦٣٨٨٨
فاكس: (٩٧٤+) ٤٤٩٦٣٨٨٥
QNB كابيتال (ش.ذ.م.م)
ص.ب. ١٠٠٠، الدوحة، قطر
qnb.com/qnbcapital

ANNEX III
QATAR FINANCIAL MARKETS AUTHORITY APPROVAL

هيئة قطر للأسواق المالية
2022101531
صادر م-11-2022
15/03/2022

السادة/ شركة كيوان بي كابيتال المحترمين

الدوحة

السلام عليكم ورحمة الله وبركاته،،،

الموضوع: عملية استحواذ شركة مجموعة استثمار القابضة على شركة اليغانسيا جروب

الحاقاً بكتاب هيئة قطر للأسواق المالية رقم صادر -و. م-7-2022 بتاريخ 22 فبراير 2022، بشأن الموضوع أعلاه.

يرجى التفضل بالإيعاز لمن يلزم بالعمل على استكمال إجراءات استحواذ شركة مجموعة استثمار القابضة على شركة مجموعة الغانسيا جروب وذلك بحسب معدل المبادلة الوارد بمسودة مستند العرض، وبعد الحصول على موافقة الجمعية العامة غير العادية لشركة مجموعة استثمار القابضة يتم العمل على إجراءات اصدار وإدراج أسهم زيادة راس المال بعد التنسيق مع الجهات ذات الصلة، مع الأخذ بعين الاعتبار كافة التشريعات والقوانين والأنظمة والتعليمات الصادرة عن هيئة قطر للأسواق المالية والتشريعات ذات الصلة.

وتفضلوا بقبول فائق الاحترام والتقدير،،،

إدارة الأوراق المالية وشؤون الطرح والإدراج

نسخة:

- مكتب السيد/الرئيس التنفيذي-الهيئة.

ANNEX IV
ELEGANCIA PRO FORMA ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 AND 31 DECEMBER 2020

Building a better working world

Ernst & Young - (Qatar Branch)
P.O. Box 164
Burj Al Gassar, 24th floor
Majlis Al Taawon Street, Onaiza
West Bay
Doha, State of Qatar

Tel: +974 4457 4111
Fax: +974 4441 4649
doha@qa.ey.com
ey.com/mena

Licensed by the Ministry of Economy and Commerce:
International Accounting Offices License No. 4
Licensed by Qatar Financial Markets Authority (QFMA):
External Auditors License No. 120154

Mr. Eyad Abdulrahim
Group Chief Financial Officer
Elegancia Group W.L.L.
P.O. Box 201183,
Doha
State of Qatar

30 September 2021

Dear Sir,

Report on the factual findings on agreed-upon-procedures on the schedule of consolidated statement of financial position as at 31 December 2019 and 31 December 2020 (Schedule 1A and 2A) and consolidated statement of comprehensive income for the years ended 31 December 2019 and 31 December 2020 (Schedule 1B and 2B).

We have performed the procedures agreed upon with you and enumerated below with respect to the schedule of consolidated statement of financial position as at 31 December 2019 and 31 December 2020 (Schedule 1A and 2A) and consolidated statement of comprehensive income for the year ended 31 December 2019 and 31 December 2020 (Schedule 1B and 2B) (Collectively referred as the Schedule) of Elegancia Group W.L.L. (the "Company"). The Schedule has been prepared by the management of the Company to be submitted to the shareholders of the Company.

The preparation of the Schedule is the responsibility of the management of the Company.

Our engagement was undertaken in accordance with the International Standard on Related Services *(ISRS) 4400: Engagements to Perform Agreed-Upon Procedures Regarding Financial Information.*

The procedures were performed solely for your submission purpose to the Board of Directors and are summarised as follows:

1. We obtained the schedule of consolidated statement of financial position as at 31 December 2019 and 31 December 2020 (Schedule 1A and 2A) and consolidated statement of comprehensive income for the year ended 31 December 2019 and 31 December 2020 (Schedule 1B and 2B) prepared by the management comprising of statement of financial position and statement of comprehensive income from the audited financial statement of respective subsidiary entities (Annexure 1), the management accounts of the Company and the consolidation adjustments.

2. We agreed the statement of financial position as at 31 December 2020 and 31 December 2019 and statement of comprehensive income for the year ended 31 December 2020 and 31 December 2019 with the audited financial statements of respective subsidiary entities for the entities as per Annexure 1 and the management accounts of the Company.

EY

Building a better working world

3. We agreed the following consolidation adjustments in Schedule 1A and 2A and Schedule 1B and 2B to the audited financial statements of respective entities and / or consolidated working file (Schedule 3) shared by the management:

    i. Elimination of share capital

    ii. Elimination of related party balances and other transactions

4. We checked the arithmetical accuracy of Schedule 1A and 2A and Schedule 1B and 2B

We report our findings below:

a) With respect to item 1, no exceptions were noted.
b) With respect to item 2, no exceptions were noted.
c) With respect to item 3, no exceptions were noted.
d) With respect to item 4, no exceptions were noted.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the Schedule referred to in the first paragraph of this report.

Had we performed additional procedures, or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and is only for the information of the Company. This report should not be used for any other purpose or be distributed to any other parties. This report relates only to the consolidated statement of financial position as at 31 December 2019 and 31 December 2020 (Schedule 1A and 2A) and consolidated statement of comprehensive income for the year ended 31 December 2019 and 31 December 2020 (Schedule 1B and 2B) and does not extend to any other financial information of the Company taken as a whole or to any other reports of the Company.

Yours faithfully,
Ernst & Young

Ernst & Young

EY ERNST & YOUNG
P.O. BOX: 164, DOHA - QATAR
EY إرنست و يونغ
ص.ب : ١٦٤، الدوحة - قطر

Building a better working world

Annexure 1

CONSOLIDATED SUBSIDIARY ENTITIES

1. Steel Tech Trading and Contracting W.L.L. (Consolidated)
2. Elegancia Gabro Trading & Transport WLL (Gabromix Trading and Transport W.L.L.)
3. Yemek Doha Catering Services
4. Elegancia Marine Offshore Services WLL (Marine Master Offshore Services W.L.L.) - (Consolidated)
5. Elegancia Galvanization Steel Manufacture Metals and Cables W.L.L. (Formerly Galva Steel for Manufacture Metals and Cables W.L.L.)
6. Elegancia Joinery WLL (Zebrano Wood Works W.L.L.)
7. Elegancia Lanscape WLL (Palmera Landscape W.L.L.)
8. Elegancia Electromechanical Services WLL (Radiant Engineering Enterprises W.L.L.)
9. Elegancia Steel Trading WLL (Steel Master Limited for Trading W.L.L)
10. Elegancia Stones for Marble and Granite Trading WLL (Marble Stone for Marble & Granite Trading W.L.L.)
11. Elegancia Human Resources & Contracting WLL (Challenger Trading and Contracting W.L.L.)
12. Eleganica Facilities Management WLL (Elegancia Hospitality & Facility Management Services W.L.L.) -(Consolidated)

ELEGANCIA GROUP HOLDING W.L.L

Schedule 3

Statement of financial position -Investment in Subsidiaries at Elegancia Holding Group Level - 2019

Name of the entity	Relationship	Investments As of 31 Dec 2019	Share Capitals As of 31 Dec 2019	NCI As at 31 Dec 2019
Elegancia Lanscape WLL	Subsidiary	3,000,000	3,000,000	-
Elegancia Electromechanical Services WLL	Subsidiary	2,000,000	2,000,000	-
Elegancia Joinery WLL	Subsidiary	3,000,000	3,000,000	-
Elegancia Galvanized Steel for Cable Manufacturing W.L.L.	Subsidiary	3,000,000	3,000,000	-
Elegancia Steel Trading WLL	Subsidiary	200,000	200,000	-
Elegancia Stones for Marble and Granite Trading WLL	Subsidiary	3,000,000	3,000,000	-
Steel Tech Trading and Contrating WLL	Subsidiary	3,000,000	3,000,000	-
Elegancia Human Resources & Contracting WLL	Subsidiary	45,000,000	45,000,000	-
Elegancia Gabro Trading & Transport WLL	Subsidiary	200,000	200,000	-
Eleganica Facilities Management WLL	Subsidiary	1,000,000	1,000,000	-
Yemek Doha Catering Services	Subsidiary	102,000	200,000	(98,000)
Elegancia Marine Offshore Services WLL	Subsidiary	200,000	200,000	-
		63,702,000	**63,800,000**	**(98,000)**

Company	FSLI	Dr. (QAR)	Cr. (QAR)
All the EGH subsidiaries	Share capital	63,702,000	
EGH Standalone	Investment in subsidiary		63,702,000
		63,702,000	**63,702,000**

ERNST & YOUNG
Doha - Qatar
30 SEP 2021
Stamped for Identification Purposes Only

إليغانسيا جروب القابضة ذ.م.م
ELEGANCIA Group Holding
C.R. NO.: 147968
DOHA-QATAR
ELEGANCIA GROUP HOLDING W.L.L

ELEGANCIA GROUP HOLDING W.L.L.
Schedule 3
Statement of financial position - RP (Due to and Due From) Elimination - 2019

Due From	Elegancia Landscape W.L.L.	Elegancia Electromechanical Services W.L.L.	Elegancia Joinery W.L.L.	Elegancia Galvanized Steel for Cable Manufacturing W.L.L.	Elegancia Steel Trading W.L.L.	Elegancia Stones for Marble and Granite Trading W.L.L.	Steel Tech Trading and Contracting W.L.L.	Elegancia Human Resources & Contracting W.L.L.	Elegancia Gabro Trading & Transport W.L.L.	Elegancia Facilities Management W.L.L.	Yemek Doha Catering Services	Elegancia Marine Offshore Services W.L.L.
Elegancia Landscape W.L.L.		54,250.00			818,426.00			5,908,251.00				
Elegancia Electromechanical Services W.L.L.							1,439,250.00					
Elegancia Joinery W.L.L.	2,959.00	438,567.00			209,127.00	193,738.00		318,615.00		146,492.00		
Elegancia Galvanized Steel for Cable Manufacturing W.L.L.												
Elegancia Steel Trading W.L.L.						36,095.00						
Elegancia Stones for Marble and Granite Trading W.L.L.	91,304.00									10,046.00		
Steel Tech Trading and Contracting W.L.L.	107,556.00											
Elegancia Human Resources & Contracting W.L.L.	5,623.00											
Elegancia Gabro Trading & Transport W.L.L.	30,895.00							3,044,673.00				4,016,325.00
Elegancia Facilities Management W.L.L.	3,125,078.00	322,515.00						411,744.00				
Yemek Doha Catering Services								223,420.00		109,467.00		
Elegancia Marine Offshore Services W.L.L.										209,470.00		
	3,363,415.00	815,332.00	-	-	1,027,553.00	229,833.00	1,439,250.00	9,906,703.00	-	475,475.00	-	4,016,325.00

Due To	Elegancia Landscape W.L.L.	Elegancia Electromechanical Services W.L.L.	Elegancia Joinery W.L.L.	Elegancia Galvanized Steel for Cable Manufacturing W.L.L.	Elegancia Steel Trading W.L.L.	Elegancia Stones for Marble and Granite Trading W.L.L.	Steel Tech Trading and Contracting W.L.L.	Elegancia Human Resources & Contracting W.L.L.	Elegancia Gabro Trading & Transport W.L.L.	Elegancia Facilities Management W.L.L.	Yemek Doha Catering Services	Elegancia Marine Offshore Services W.L.L.
Elegancia Landscape W.L.L.		54,250.00			818,426.00			5,908,251.00				
Elegancia Electromechanical Services W.L.L.							325,081.00					
Elegancia Joinery W.L.L.	2,959.00	1,096,417.00			209,127.00	193,737.00		318,615.00		183,778.00		
Elegancia Galvanized Steel for Cable Manufacturing W.L.L.										5,000.00		
Elegancia Steel Trading W.L.L.						36,095.00						
Elegancia Stones for Marble and Granite Trading W.L.L.	91,304.00									10,046.00		
Steel Tech Trading and Contracting W.L.L.	107,555.00											
Elegancia Human Resources & Contracting W.L.L.												
Elegancia Gabro Trading & Transport W.L.L.	30,895.00							3,044,673.00				4,016,325.00
Elegancia Facilities Management W.L.L.	3,125,078.00	322,515.00			1,750.00			385,911.00				
Yemek Doha Catering Services		15,844.00						223,420.00		109,467.00		
Elegancia Marine Offshore Services W.L.L.										209,470.00		
	3,357,791.00	1,489,026.00	-	-	1,029,303.00	229,832.00	325,081.00	9,880,870.00	-	517,761.00	-	4,016,325.00

Net	Elegancia Landscape W.L.L.	Elegancia Electromechanical Services W.L.L.	Elegancia Joinery W.L.L.	Elegancia Galvanized Steel for Cable Manufacturing W.L.L.	Elegancia Steel Trading W.L.L.	Elegancia Stones for Marble and Granite Trading W.L.L.	Steel Tech Trading and Contracting W.L.L.	Elegancia Human Resources & Contracting W.L.L.	Elegancia Gabro Trading & Transport W.L.L.	Elegancia Facilities Management W.L.L.	Yemek Doha Catering Services	Elegancia Marine Offshore Services W.L.L.
Elegancia Landscape W.L.L.	-	-	-	-	-	-	-	-	-	-	-	-
Elegancia Electromechanical Services W.L.L.	-	-	-	-	-	-	1,114,169	-	-	-	-	-
Elegancia Joinery W.L.L.	-	(657,850)	-	-	-	1	-	-	-	(37,286)	-	-
Elegancia Galvanized Steel for Cable Manufacturing W.L.L.	-	-	-	-	-	-	-	-	-	(5,000)	-	-
Elegancia Steel Trading W.L.L.	-	-	-	-	-	-	-	-	-	-	-	-
Elegancia Stones for Marble and Granite Trading W.L.L.	-	-	-	-	-	-	-	-	-	-	-	-
Steel Tech Trading and Contracting W.L.L.	1	-	-	-	-	-	-	-	-	-	-	-
Elegancia Human Resources & Contracting W.L.L.	5,623	-	-	-	-	-	-	-	-	-	-	-
Elegancia Gabro Trading & Transport W.L.L.	-	-	-	-	-	-	-	-	-	-	-	-
Elegancia Facilities Management W.L.L.	-	-	-	-	(1,750)	-	-	25,833	-	-	-	-
Yemek Doha Catering Services	-	(15,844)	-	-	-	-	-	-	-	-	-	-
Elegancia Marine Offshore Services W.L.L.	-	-	-	-	-	-	-	-	-	-	-	-
	5,624.00	(673,694.00)	-	-	(1,750.00)	1.00	1,114,169.00	25,833.00	-	(42,286.00)	-	-

	Dr. (QAR)	Cr. (QAR)
Due to RP	21,066,967	
Due from RP		21,495,964
Other accruals	428,997	
	21,495,964	21,495,964

ELEGANCIA Group Holding C.R. NO.: 147986 DOHA-QATAR ELEGANCIA GROUP HOLDING W.L.L. اليغانسيا جروب القابضة ذ.م.م

ERNST & YOUNG
Doha - Qatar
30 SEP 2021
Stamped for Identification Purposes Only

ELEGANCIA GROUP HOLDING W.L.L
Schedule 3
Income statement - Related party elimination 2019

Entry for the Inter company revenue elimination	
Revenue	33,468,682
Direct cost	33,468,682
(Eliminating the RP Balance)	

Company wise summary

Company Name	Revenue	Direct cost
Elegancia Electromechanical Services WLL	1,150,162	3,491,926
Elegancia Human Resources & Contracting W	7,335,808	32,656
Elegancia Lanscape WLL	4,964,519	7,437,658
Elegancia Joinery WLL	225,513	1,789,383
Elegancia Steel Trading WLL	1,730,359	366,519
Elegancia Stones for Marble and Granite Trad	883,707	1,568,117
Steel Tech Trading and Contrating WLL	3,342,073	-
Elegancia Gabro Trading & Transport WLL	238,998	12,235,292
Eleganica Facilities Management WLL	260,713	5,879,253
Elegancia Marine Offshore Services WLL	13,336,830	215,275
Yemek Doha Catering Services	-	452,603
	33,468,682	33,468,682
		-

ERNST & YOUNG
Doha - Qatar
30 SEP 2021
Stamped for Identification
Purposes Only

البغانسيا جروب القابضة ذ.م.م
ELEGANCIA
Group Holding
C.R. NO.: 147966
DOHA-QATAR
ELEGANCIA GROUP HOLDING W.L.L

ELEGANCIA GROUP HOLDING W.L.L

Schedule 3

Statement of financial position -NCI adjustment - Yemek - 2019

JE	Company	FSLI	Dr. (QAR)	Cr. (QAR)
1	Consolidation Level	Retained Earnings - Parent	222,905	
	Consolidation Level	Share capital - Parent	98,000	
	Consolidation Level	Share capital - NCI		98,000
	Consolidation Level	Retained Earnings - NCI		222,905
			320,905	**320,905**

ELEGANCIA GROUP HOLDING W.L.L
ELEGANCIA
Group Holding
C.R. NO. : 147066
DOHA-QATAR

ERNST & YOUNG
Doha - Qatar
30 SEP 2021
Stamped for Identification
Purposes Only

ELEGANCIA GROUP HOLDING W.L.L

Schedule 1A

AS AT 31 DECEMBER 2019

elegancia

STATEMENT OF FINANCIAL POSITION

2019	Elegancia Group Holding	Elegancia HR	Elegancia Landscape	Elegancia Electromechanical	Elegancia Joinery	Elegancia Galvo Steel	Elegancia Steel Trading	Elegancia Stone for Marbles	Elegancia Gabro Trading	Yemdi Doha Coating	Elegancia Marine Offshore	Elegancia FM	Steel Tech Trading and contracting	Total before elimination	RF Elimination	Inv. and share capital elimination	NCI Adjustments	Consolidated
Non-Current assets																		
Property and equipment		16,067,312	10,906,302	2,694,366	43,518,208	48,244,453	35,440,859	34,727,292	2,073,668	20,931,170	116,661,260	8,553,902	24,100,080	365,918,873				365,918,873
Intangible asset	-	22,062	-	-	251,173	-	-	-	-	-	-	-	891,860	1,165,095				1,165,095
Right of use assets	-	4,093,671	3,590,757	1,643,187	1,119,970	4,399,790	2,205,483	2,697,107	106,513	-	1,320,186	71,537,227	2,691,186	95,405,077				95,405,077
Finance lease receivable		7,006,693												7,006,693				7,006,693
Retentions receivables	-	-	18,053,399	7,740,629	-	-	-	-	-	-	-	-	-	25,794,028				25,794,028
Investment in subsidiaries	63,702,000													63,702,000		(63,702,000)		-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-				-
Investment properties	-	143,808,732	-	-	-	-	-	-	-	-	-	-	-	143,808,732				143,808,732
	63,702,000	**164,991,470**	**40,550,459**	**12,078,182**	**44,889,351**	**52,644,243**	**37,646,342**	**37,424,399**	**2,180,181**	**20,931,170**	**117,981,446**	**80,091,129**	**27,683,126**	**702,800,498**				**639,098,498**
Current assets																		
Inventories	-	2,757,221	26,679,301	26,129,697	5,151,255	10,230,977	11,698,075	24,950,307	91,114	1,247,141	-	3,972,157	5,498,591	118,405,836				118,405,836
Trade and other receivables	10,000,000	467,551,156	55,926,432	155,471,436	42,563,247	5,375,165	33,585,362	33,701,730	72,956,149	69,594,970	23,036,485	70,080,676	14,099,099	1,044,886,897	(21,493,964)			1,023,392,933
Finance lease receivable		7,294,610												7,294,610				7,294,610
Contract assets	-	2,061,088	195,719,737	61,477,778	16,897,792	-	16,401,716	21,976,049	-	-	4,015,000	2,118,398	3,300,459	323,975,017				323,975,017
Retention receivable	-	15,685,574	1,609,378	9,141,311	715,351	-	5,473,710	9,463,047	-	-	-	-	3,305,453	45,394,344				45,394,344
Cash and bank balances	-	2,801,143	8,190,661	6,187,498	3,554,863	776,892	28,930	180,605	99,902	11,698,424	877,575	17,179,536	4,440,510	56,016,539				56,016,539
	10,000,000	**498,162,792**	**288,126,009**	**258,407,740**	**68,882,508**	**16,383,034**	**67,187,793**	**90,271,738**	**73,147,165**	**73,540,535**	**27,929,060**	**93,350,767**	**30,584,112**	**1,595,973,243**				**1,574,479,279**
TOTAL ASSETS	**73,702,000**	**663,161,262**	**328,676,468**	**270,485,922**	**113,771,859**	**69,027,277**	**104,834,135**	**127,696,127**	**75,327,346**	**94,471,705**	**145,910,506**	**173,441,896**	**58,267,238**	**2,298,773,741**				**2,213,577,777**
EQUITY AND LIABILITIES																		
Equity																		
Capital	10,000,000	45,000,000	3,000,000	2,000,000	3,000,000	3,000,000	200,000	3,000,000	200,000	200,000	200,000	1,000,000	3,000,000	73,800,000		(63,702,000)	(98,000)	10,000,000
Legal reserve		17,930,454	1,500,000	1,000,000	1,500,000		100,000	1,500,000	100,000	100,000	100,000	500,000	100,000	24,430,454				24,430,454
Share holder current account			21,255,600		12,682,222	25,337,639	44,360,955	40,217,385	11,437,430		41,417,677		53,027,568	252,736,476				252,736,476
Other reserve														-				-
Retained earnings		140,439,213	33,330,992	32,962,598	35,447,009	(9,416,140)	16,548,743	4,352,128	26,417,136	2,129,046	65,208,762	21,725,803	(13,063,690)	356,081,600			-	356,081,600
Non-controlling interest												(47)	86,365	86,318			98,000	184,318
Total equity	**10,000,000**	**203,369,667**	**59,086,592**	**35,962,598**	**52,629,231**	**21,921,499**	**61,209,698**	**49,069,513**	**38,154,566**	**2,429,046**	**106,926,439**	**23,225,756**	**43,150,243**	**707,134,848**				**643,432,848**
Non-current liabilities																		
Employees' end of service benefits		17,059,430	7,308,804	8,228,163	3,233,613	101,468	1,583,701	2,427,147	226,883	68,075	455,347	4,798,793	746,994	46,238,418				46,238,418
Loan From A related party														-				-
Interest bearing loans and borrowings	-	136,983,085	-	-	8,374,231	26,020,814	-	9,166,536	-	-	-	8,825,676	-	189,370,342				189,370,342
Lease liabilities	-	10,907,030	2,389,265	1,076,492	1,106,900	1,534,745	2,094,084	2,431,524	-	-	993,419	23,287,815	2,649,647	48,470,921				48,470,921
	-	**164,949,545**	**9,698,069**	**9,304,655**	**12,714,744**	**27,657,027**	**3,677,785**	**14,025,207**	**226,883**	**68,075**	**1,448,766**	**36,912,284**	**3,396,641**	**284,079,681**				**284,079,681**
Current liabilities																		
Trade payables and accruals	63,702,000	62,405,784	170,306,221	186,030,163	29,133,224	14,375,134	10,798,958	39,101,189	26,922,222	91,974,584	8,602,118	52,829,399	11,315,459	767,496,455	(21,493,964)			746,002,491
Interest bearing loans and borrowings	-	143,402,447	82,298,709	25,479,251	16,670,863	3,304,303	19,582,326	21,278,010	5,121,474	-	6,811,433	10,699,437	-	334,648,253				334,648,253
Contract liability	-	-	-	6,942,818	-	-	-	-	-	-	-	-	-	6,942,818				6,942,818
Income tax payables													307,238	307,238				307,238
Lease liabilities	-	7,576,160	1,145,607	638,543	35,954	47,580	321,038	257,000	99,393	-	383,110	49,775,020	97,657	60,577,062				60,577,062
Retention payable		7,853,422	1,808,228	6,127,894		1,721,734	203,448	1,447,771						19,162,497				19,162,497
Bank overdraft	-	73,604,237	4,133,042	-	2,587,843	-	9,040,882	2,517,437	4,802,808	-	21,738,640	-	-	118,424,889				118,424,889
	63,702,000	**294,842,050**	**259,891,807**	**225,218,669**	**48,427,884**	**19,448,751**	**39,946,652**	**64,601,407**	**36,945,897**	**91,974,584**	**37,535,301**	**113,303,856**	**11,720,354**	**1,307,559,212**				**1,286,065,248**
Total liabilities	**63,702,000**	**459,791,595**	**269,589,876**	**234,523,324**	**61,142,628**	**47,105,778**	**43,624,437**	**78,626,614**	**37,172,780**	**92,042,659**	**38,984,067**	**150,216,140**	**15,116,995**	**1,591,638,893**				**1,570,144,929**
TOTAL EQUITY AND LIABILITIES	**73,702,000**	**663,161,262**	**328,676,468**	**270,485,922**	**113,771,859**	**69,027,277**	**104,834,135**	**127,696,127**	**75,327,346**	**94,471,705**	**145,910,506**	**173,441,896**	**58,267,238**	**2,298,773,741**				**2,213,577,777**

ERNST & YOUNG
Doha - Qatar
30 SEP 2021
Stamped for Identification
Purposes Only

ELEGANCIA Group Holding
C.R. NO.: 147966
DOHA-QATAR
ELEGANCIA GROUP HOLDING W.L.L
إليجانسيا جروب القابضة ذ.م.م

ELEGANCIA GROUP HOLDING W.L.L
Schedule 1B
AS AT 31 DECEMBER 2019

elegancia

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

2019	Elegancia Group Holding	Elegancia HR	Elegancia Landscape	Elegancia Electromechanical	Elegancia Joinery	Elegancia Galva Steel	Elegancia Steel Trading	Elegancia Stone for Marbles	Elegancia Gabro Trading	Yemek Doha Catering	Elegancia Marine Offshore	Elegancia FM	Steel Tech Trading and contracting	Total before elimination	RP Transaction Elimination	NCI adjustment	Consolidated
Revenue	-	376,786,050	298,638,725	282,523,798	79,061,213	2,922,516	70,070,266	86,069,438	161,767,856	18,060,248	44,937,359	218,857,276	39,583,270	1,679,278,015	(33,468,682)		1,645,809,333
Direct costs	-	(266,247,001)	(274,126,760)	(238,154,576)	(69,419,227)	(3,462,427)	(58,244,445)	(74,857,475)	(146,125,186)	(5,507,621)	(48,699,921)	(189,136,609)	(30,038,392)	(1,404,019,640)	33,468,682		(1,370,550,958)
Gross profit	-	110,539,049	24,511,965	44,369,222	9,641,986	(539,911)	11,825,821	11,211,963	15,642,670	12,552,627	(3,762,562)	29,720,667	9,544,878	275,258,375			275,258,375
Other income	-	58,871,962	16,557	622,275	-	806,698	92,587	583,944	40,000	1,440	1,185,846	4,095,743	75,753	66,392,805			66,392,805
General and administrative expenses	-	(23,413,788)	(15,986,306)	(12,928,102)	(5,241,450)	(3,381,802)	(5,304,715)	(6,676,242)	(4,560,347)	(1,082,242)	(3,840,396)	(10,245,685)	(6,288,006)	(98,951,081)			(98,951,081)
Other operating expenses	-	(64,285,388)	-	-	6,500	-	-	-	-	(9,004,887)	(2,498,943)	-	-	(75,782,718)			(75,782,718)
Finance costs	-	(24,923,387)	(2,876,750)	(1,742,303)	(1,171,773)	(2,001,769)	(1,628,219)	(820,822)	(1,269,552)	(237,892)	(1,411,018)	(5,323,828)	(66,777)	(43,474,080)			(43,474,090)
Profit from continued operation	-	56,788,448	5,663,466	30,321,092	3,235,263	(5,116,784)	4,985,474	4,298,843	9,852,771	2,229,046	(10,327,073)	18,246,897	3,265,848	123,443,291			123,443,291
Discontinued Operation																	
Loss for the year from discontinued operation												(19,953)		(19,953)			(19,953)
Loss on liquidation of subsidiary												(14,908)		(14,908)			(14,908)
Profit before income tax	-	56,788,448	5,663,466	30,321,092	3,235,263	(5,116,784)	4,985,474	4,298,843	9,852,771	2,229,046	(10,327,073)	18,212,036	3,265,848	123,408,430			123,408,430
Income tax expense	-	-	-	-	-	-	-	-	-	-	-	-	(307,238)	(307,238)			(307,238)
Profit(Loss) including non-controlling interests	-	56,788,448	5,663,466	30,321,092	3,235,263	(5,116,784)	4,985,474	4,298,843	9,852,771	2,229,046	(10,327,073)	18,212,036	2,958,610	123,101,192			123,101,192
Profit (Loss) Attributable to:																	
Owners of the Parent	-	56,788,448	5,663,466	30,321,092	3,235,263	(5,116,784)	4,985,474	4,298,843	9,852,771	2,229,046	(10,327,073)	18,212,441	2,967,845	123,110,832		(222,905)	122,887,927
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(405)	(9,235)	(9,640)		222,905	213,265
Total Profit (Loss)	-	56,788,448	5,663,466	30,321,092	3,235,263	(5,116,784)	4,985,474	4,298,843	9,852,771	2,229,046	(10,327,073)	18,212,036	2,958,610	123,101,192		-	123,101,192
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-
Total Comprehensive income for the year	-	56,788,448	5,663,466	30,321,092	3,235,263	(5,116,784)	4,985,474	4,298,843	9,852,771	2,229,046	(10,327,073)	18,212,036	2,958,610	123,101,192			123,101,192
Attributable to:																	
Owners of the Parent	-	56,788,448	5,663,466	30,321,092	3,235,263	(5,116,784)	4,985,474	4,298,843	9,852,771	2,229,046	(10,327,073)	18,212,441	2,967,845	123,110,832			123,110,832
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(405)	(9,235)	(9,640)			(9,640)
	-	56,788,448	5,663,466	30,321,092	3,235,263	(5,116,784)	4,985,474	4,298,843	9,852,771	2,229,046	(10,327,073)	18,212,036	2,958,610	123,101,192			123,101,192

ERNST & YOUNG
Doha - Qatar
30 SEP 2021
Stamped for Identification
Purposes Only

ELEGANCIA Group Holding
C.R. NO.: 147966
DOHA-QATAR
ELEGANCIA GROUP HOLDING W.L.L
إليغانسيا جروب القابضة ذ.م.م

ELEGANCIA GROUP HOLDING W.L.L

Schedule 3

Statement of financial position -Investment in Subsidiaries at Elegancia Holding Group Level - 2020

Name of the entity	Relationship	Investments As of 31 Dec 2020	Share Capitals As of 31 Dec 2020	Difference / NCI
Elegancia Lanscape WLL	Subsidiary	6,000,000	6,000,000	-
Elegancia Electromechanical Services WLL	Subsidiary	15,000,000	15,000,000	-
Elegancia Joinery WLL	Subsidiary	7,500,000	7,500,000	-
Elegancia Galvanized Steel for Cable Manufacturing W.L.L	Subsidiary	3,000,000	3,000,000	-
Elegancia Steel Trading WLL	Subsidiary	4,000,000	4,000,000	-
Elegancia Stones for Marble and Granite Trading WLL	Subsidiary	6,500,000	6,500,000	-
Steel Tech Trading and Contrating WLL	Subsidiary	3,000,000	3,000,000	-
Elegancia Human Resources & Contracting WLL	Subsidiary	45,000,000	45,000,000	-
Elegancia Gabro Trading & Transport WLL	Subsidiary	3,000,000	3,000,000	-
Eleganica Facilities Management WLL	Subsidiary	5,000,000	5,000,000	-
Yemek Doha Catering Services	Subsidiary	102,000	200,000	(98,000)
Elegancia Marine Offshore Services WLL	Subsidiary	7,500,000	7,500,000	-
		105,602,000	**105,700,000**	**(98,000)**

Company	FSLI	Dr. (QAR)	Cr. (QAR)
EGH Standalone	Investment in subsidiary		105,602,000
All the EGH subsidiaries	Share capital	105,602,000	
		105,602,000	**105,602,000**

ELEGANCIA Group Holding C.R. NO.: 147906 DOHA-QATAR ELEGANCIA GROUP HOLDING W.L.L إليغانسيا جروب القابضة ذ.م.م

ERNST & YOUNG
Doha - Qatar
30 SEP 2021
Stamped for Identification Purposes Only

ELEGANCIA GROUP HOLDING W.L.L.
Schedule 7
Statement of financial position - RP (Due to and Due From) Elimination - 2020

Due From	Elegancia Landscape W.L.L	Elegancia Electromechanical Services W.L.L	Elegancia Joinery W.L.L	Elegancia Galvanized Steel for Cable Manufacturing W.L.L.	Elegancia Steel Trading W.L.L	Elegancia Stones for Marble and Granite Trading W.L.L	Steel Tech Trading and Contracting W.L.L	Elegancia Human Resources & Contracting W.L.L	Elegancia Gabro Trading & Transport W.L.L	Elegancia Facilities Management W.L.L	Yemek Doha Catering Services	Elegancia Marine Offshore Services W.L.L
Elegancia Landscape W.L.L						451,098.00		5,427,288.00	908,297.00			
Elegancia Electromechanical Services W.L.L					56,036.10		983,792.10	4,418,815.00				
Elegancia Joinery W.L.L	168,102.00	120,000.00					8,717.00			14,705.00		
Elegancia Galvanized Steel for Cable Manufacturing W.L.L.												
Elegancia Steel Trading W.L.L			422,673.00									
Elegancia Stones for Marble and Granite Trading W.L.L			73,209.00		20,394.10							
Steel Tech Trading and Contracting W.L.L	259,584.00		50,393.00									
Elegancia Human Resources & Contracting W.L.L												
Elegancia Gabro Trading & Transport W.L.L								1,079,099.00				1,134,718.00
Elegancia Facilities Management W.L.L	760,281.00					397,413.00		313,775.00				
Yemek Doha Catering Services								290,247.00		35,292,417.00		
Elegancia Marine Offshore Services W.L.L	500.00									41,444.00		
	1,188,467.00	120,000.00	546,643.00	-	76,430.10	848,511.00	992,509.10	11,488,219.00	908,297.00	35,348,566.00	-	1,134,718.00

Due To	Elegancia Landscape W.L.L	Elegancia Electromechanical Services W.L.L	Elegancia Joinery W.L.L	Elegancia Galvanized Steel for Cable Manufacturing W.L.L.	Elegancia Steel Trading W.L.L	Elegancia Stones for Marble and Granite Trading W.L.L	Steel Tech Trading and Contracting W.L.L	Elegancia Human Resources & Contracting W.L.L	Elegancia Gabro Trading & Transport W.L.L	Elegancia Facilities Management W.L.L	Yemek Doha Catering Services	Elegancia Marine Offshore Services W.L.L
Elegancia Landscape W.L.L						450,907.00		5,427,283.00	908,297.00			
Elegancia Electromechanical Services W.L.L					56,036.00		983,791.00	4,934,745.00		1,759.00		
Elegancia Joinery W.L.L	168,102.00	120,000.00					8,717.00			14,705.00		
Elegancia Galvanized Steel for Cable Manufacturing W.L.L.												
Elegancia Steel Trading W.L.L			422,973.00									
Elegancia Stones for Marble and Granite Trading W.L.L			19,660.00		20,394.00							
Steel Tech Trading and Contracting W.L.L	259,584.00		33,393.00									
Elegancia Human Resources & Contracting W.L.L												
Elegancia Gabro Trading & Transport W.L.L								3,079,099.00				1,134,718.00
Elegancia Facilities Management W.L.L	760,281.00					397,412.00		319,773.00				
Yemek Doha Catering Services								290,250.00		35,292,417.00		
Elegancia Marine Offshore Services W.L.L	500.00									41,344.00		
	1,188,467.00	120,000.00	523,593.00	-	76,430.00	848,319.00	992,508.00	14,959,152.00	908,297.00	35,350,155.00	-	1,134,718.00

Net	Elegancia Landscape W.L.L	Elegancia Electromechanical Services W.L.L	Elegancia Joinery W.L.L	Elegancia Galvanized Steel for Cable Manufacturing W.L.L.	Elegancia Steel Trading W.L.L	Elegancia Stones for Marble and Granite Trading W.L.L	Steel Tech Trading and Contracting W.L.L	Elegancia Human Resources & Contracting W.L.L	Elegancia Gabro Trading & Transport W.L.L	Elegancia Facilities Management W.L.L	Yemek Doha Catering Services	Elegancia Marine Offshore Services W.L.L
Elegancia Landscape W.L.L	-	-	-	-	-	191.00	-	-	-	-	-	-
Elegancia Electromechanical Services W.L.L	-	-	-	-	-	-	1.00	3,471,068.00	-	(1,589.00)	-	-
Elegancia Joinery W.L.L	-	-	-	-	-	-	-	-	-	-	-	-
Elegancia Galvanized Steel for Cable Manufacturing W.L.L.	-	-	-	-	-	-	-	-	-	-	-	-
Elegancia Steel Trading W.L.L	-	-	-	-	-	-	-	-	-	-	-	-
Elegancia Stones for Marble and Granite Trading W.L.L	-	-	23,649.00	-	-	-	-	-	-	-	-	-
Steel Tech Trading and Contracting W.L.L	-	-	-	-	-	-	-	-	-	-	-	-
Elegancia Human Resources & Contracting W.L.L	-	-	-	-	-	-	-	-	-	-	-	-
Elegancia Gabro Trading & Transport W.L.L	-	-	-	-	-	-	-	-	-	-	-	-
Elegancia Facilities Management W.L.L	-	-	-	-	-	1.00	-	(2.00)	-	-	-	-
Yemek Doha Catering Services	-	-	-	-	-	-	-	(3.00)	-	-	-	-
Elegancia Marine Offshore Services W.L.L	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	23,649.00	-	-	192.00	1.00	3,471,067.00	-	(1,589.00)	-	-

	Dr. (QAR)	Cr. (QAR)
Due to RP	56,711,556	
Due from RP		59,824,676
Other accruals	3,113,120	
	59,824,676	59,824,676

ERNST & YOUNG
Doha - Qatar
30 SEP 2021
Stamped for Identification Purposes Only

ELEGANCIA Group Holding C.R. NO.: 147066 DOHA-QATAR ELEGANCIA GROUP HOLDING W.L.L.
إليغانسيا جروب القابضة ذ.م.م

ELEGANCIA GROUP HOLDING W.L.L.
Schedule 5
Income statement - Related party elimination 2020

Amount to be Eliminated	Elegancia Landscape W.L.L.	Elegancia Electromechanical Services W.L.L.	Elegancia Joinery W.L.L.	Elegancia Galvanized Steel for Cable Manufacturing W.L.L.	Elegancia Steel Trading W.L.L.	Elegancia Stones for Marble and Granite Trading W.L.L.	Steel Tech Trading and Contracting W.L.L.	Elegancia Human Resources & Contracting W.L.L.	Elegancia Gabro Trading & Transport W.L.L.	Elegancia Facilities Management W.L.L.	Yemak Doha Catering Services	Elegancia Marine Offshore Services W.L.L.
Elegancia Landscape W.L.L.	-	114,923.00	31,700.00	-	10,993,228.00	1,404,794.00	-	13,082,735.00	1,819,191.00	131,178.00	-	-
Elegancia Electromechanical Services W.L.L.	-	-	-	-	133,686.00	-	8,118,030.00	10,366,480.00	-	3,310.00	-	-
Elegancia Joinery W.L.L.	196,643.00	121,000.00	-	-	112,745.00	2,196,662.00	8,909.00	-	-	84,735.00	-	-
Elegancia Galvanized Steel for Cable Manufacturing W.L.L.	-	-	-	-	844,485.00	-	-	-	-	-	-	-
Elegancia Steel Trading W.L.L.	-	-	1,035,375.00	-	-	-	-	-	-	-	-	-
Elegancia Stones for Marble and Granite Trading W.L.L.	7,150.00	54,310.00	1,078,247.00	-	20,394.00	-	-	-	-	1,128,184.00	-	-
Steel Tech Trading and Contracting W.L.L.	-	-	-	-	-	-	-	-	-	-	-	-
Elegancia Human Resources & Contracting W.L.L.	12,000.00	-	-	-	887.00	-	-	-	23,048.00	38,370.00	-	-
Elegancia Gabro Trading & Transport W.L.L.	-	-	-	-	-	-	-	-	-	-	-	10,664,708.00
Elegancia Facilities Management W.L.L.	3,325,323.00	143,145.00	-	-	-	1,131,714.00	-	396,330.00	-	-	-	-
Yemak Doha Catering Services	-	123,117.00	-	-	-	-	-	1,819,390.00	-	40,135,182.00	-	-
Elegancia Marine Offshore Services W.L.L.	6,000.00	-	-	-	-	-	-	-	-	29,334.00	-	-
	3,547,116.00	557,495.00	2,145,322.00	-	12,105,425.00	4,733,170.00	8,126,939.00	25,664,935.00	1,842,239.00	41,550,343.00	-	10,664,708.00

Revenue	110,137,752.00
Direct Cost	(110,137,752.00)
(The RP transaction elimination)	

ELEGANCIA Group Holding C.R. NO.: 147965 DOHA-QATAR ELEGANCIA GROUP HOLDING W.L.L. ★ اليغانسيا جروب القابضة ذ.م.م ★

ERNST & YOUNG
Doha - Qatar
30 SEP 2021
Stamped for Identification Purposes Only

ELEGANCIA GROUP HOLDING W.L.L
Schedule 3
Statement of financial position -NCI adjustment - Yemek - 2020

JE	Company	FSLI	Dr. (QAR)	Cr. (QAR)
1	Consolidation Level	Retained Earnings - Parent	4,728,984	
	Consolidation Level	Share capital - Parent	98,000	
	Consolidation Level	Share capital - NCI		98,000
	Consolidation Level	Retained Earnings - NCI		4,728,984
			4,826,984	**4,826,984**

2019 RETAINED EARNINGS ADJUSTMENTS ON YEMEK

JE	Company	FSLI	Dr. (QAR)	Cr. (QAR)
1	Consolidation Level	Retained Earnings - Parent	222,905	
	Consolidation Level	Retained Earnings - NCI		222,905
			222,905	**222,905**

ELEGANCIA GROUP HOLDING W.L.L ★ الينانسيا جروب القابضة ذمم ★
ELEGANCIA Group Holding
C.R. NO.: 147966
DOHA-QATAR

ERNST & YOUNG
Doha - Qatar
30 SEP 2021
Stamped for Identification Purposes Only

ELEGANCIA GROUP HOLDING W.L.L.
Schedule 2A
AS AT 31 DECEMBER 2020

elegancia

STATEMENT OF FINANCIAL POSITION

2020	Elegancia Group Holding	Elegancia HR	Elegancia Landscape	Elegancia Electromechanical	Elegancia Joinery	Elegancia Galva Steel	Elegancia Steel Trading	Elegancia Stone for Marbles	Elegancia Cobro Trading	Yemek Doha Catering	Elegancia Marine Offshore	Elegancia FM	Steel Tech Trading and contracting	Total before elimination	RP balance elimination	NCI Adjustments	Inv and share capital elimination	Consolidated
Non-Current assets																		
Property and equipment		2,035,113	18,168,375	3,553,881	42,786,635	46,168,135	32,872,102	16,983,416	716,595	352,032,766	110,199,740	5,388,690	21,346,149	652,052,917				652,052,917
Intangible asset		-	-	-	167,786	45,300	-	-	-	425,324	-	-	806,787	1,445,206				1,445,206
Right of use assets		10,804	2,217,400	983,750	1,062,688	4,172,310	2,106,000	9,857,707	-	-	913,975	48,658,498	2,541,655	72,524,777				72,524,777
Investment in subsidiary	105,602,000													105,602,000			(105,602,000)	-
Retentions receivables		-	29,942,234	38,966,907	-	-	-	-	-	-	-	-	-	68,909,221				68,909,221
Deferred tax assets		-			-	-	-	-	-	-	-	-	22,408	22,408				22,408
Investment properties	-	110,108,732			-			19,437,549	-	-	-	-	-	129,546,281				129,546,281
	105,602,000	112,154,649	50,328,119	43,504,598	44,017,109	50,386,654	34,978,102	46,278,672	716,595	352,458,090	111,113,715	54,047,188	24,517,089	1,030,102,980				924,500,980
Current assets																		
Inventories	-	2,869,421	49,250,950	54,102,195	9,259,857	7,782,756	11,274,402	30,220,426	8,383,543	5,858,294	-	4,080,595	5,317,692	189,979,561				189,979,561
Trade and other receivables	10,000,000	338,635,299	105,792,269	147,838,526	30,855,661	10,832,856	21,348,992	43,858,295	81,904,486	192,299,009	32,441,391	104,260,044	13,620,975	1,136,569,783	(59,824,676)			1,076,745,107
Advance given to related party										19,040,542				19,040,542				19,040,542
Finance lease receivable		7,006,691												7,006,691				7,006,691
Contract assets	-	-	103,368,029	149,502,340	19,104,042	-	57,468,289	35,203,699	-	-	-	5,536,673	9,982,517	380,165,591				380,165,591
Retention receivable	-	6,342,055	10,714,001	6,972,515	1,559,147	-	5,184,515	2,062,482	-	-	2,007,500	-	3,125,032	37,947,277				37,947,277
Cash and bank balances	-	7,047,417	6,913,805	5,974,133	2,604,446	852,987	140,859	218,897	389,241	2,489,307	669,080	15,649,422	1,376,842	44,616,436				44,616,436
	10,000,000	361,900,883	279,039,054	364,389,709	63,433,153	19,468,599	95,417,087	111,568,799	91,077,650	228,687,152	35,117,971	129,532,736	33,693,108	1,815,325,881				1,755,501,205
TOTAL ASSETS	115,602,000	474,055,512	329,367,173	407,894,307	107,450,262	69,855,253	130,395,189	157,847,471	91,794,645	573,145,242	146,231,686	183,579,924	58,210,197	2,845,428,861				2,680,002,185
EQUITY AND LIABILITIES																		
Equity																		
Capital	10,000,000	45,000,000	6,000,000	15,000,000	7,500,000	5,000,000	4,000,000	6,500,000	3,000,000	200,000	7,500,000	5,000,000	5,000,000	115,700,000		(98,000)	(115,602,000)	14,000,000
Legal reserve		22,500,000	3,000,000	7,500,000	3,750,000	66,395	2,000,000	3,250,000	1,500,000	100,000	3,750,000	2,500,000	-	49,916,395				49,916,395
Share holder current account			13,618,626	-	-		28,335,646	37,717,783	(95,879)		27,630,066		53,855,299	161,261,741				161,261,741
Other reserve						3,923,960								3,923,960				3,923,960
Retained earnings		14,481,789	34,608,734	30,974,298	30,943,285	597,532	9,045,222	8,198,489	34,149,645	49,418,882	70,441,049	59,043,637	(12,836,040)	329,066,519		(4,951,888)		324,114,631
Non-controlling interest												(454)	60,365	59,911		5,049,888		5,109,799
Total equity	10,000,000	81,981,789	57,227,360	53,474,298	42,193,285	7,587,885	43,380,868	55,665,874	38,553,766	49,718,882	109,321,713	66,543,183	44,079,624	659,928,524				554,326,524
Non-current liabilities																		
Employees' end of service benefits	-	21,362,172	8,838,640	10,043,246	3,654,317	208,202	1,807,655	3,058,742	312,850	1,018,177	465,537	6,825,459	940,735	58,532,432				58,532,432
Loan from A related party	-	-	-	-	-	29,366,599	-	-	-	-	-	-	-	29,366,599				29,366,599
Interest bearing loans and borrowings	-	137,112,959	-	-	8,154,465	25,458,117	-	6,740,066	-	121,570,323	-	-	-	299,036,930				299,036,930
Lease liabilities	-	-	915,084	374,460	1,069,149	1,617,600	2,129,327	2,737,860	-	-	374,858	25,177,699	2,423,087	37,019,124				37,019,124
	-	158,475,131	9,753,724	10,417,706	12,878,131	56,648,538	3,936,982	12,536,668	312,850	122,588,500	1,040,395	32,003,158	3,363,822	423,955,105				423,955,105
Current liabilities																		
Trade payables and accruals	105,602,000	71,060,357	180,277,430	313,248,101	30,469,372	2,443,254	42,588,967	66,451,535	43,194,780	239,670,381	11,914,694	59,558,761	10,437,226	1,167,917,148	(59,824,676)			1,108,092,472
Interest bearing loans and borrowings	-	115,504,993	70,344,432	10,223,957	18,743,341	3,027,858	10,215,235	19,980,334	7,076,653	101,775,034	5,138,408	-	-	381,626,745				381,626,745
Contract liability	-	-	735,273	13,770,114	-	97,454	-	-	-	-	-	-	-	14,602,841				14,602,841
Income tax payables										2,965,207			102,965	3,068,172				3,068,172
Lease liabilities	-	7,060,926	1,474,881	600,428	37,751	50,264	61,330	144,267	-	-	418,561	25,474,822	236,560	35,648,090				35,648,090
Retention payable		2,785,940	3,735,123	6,080,706			203,448	1,032,594	291,650					14,029,701				14,029,701
Bank overdraft	-	37,256,376	5,819,460	-	3,128,082	-	9,808,359	2,443,699	2,387,306	65,429,211	18,397,835	-	-	144,682,535				144,682,535
	105,602,000	233,598,592	262,386,089	344,002,306	52,378,546	5,618,830	82,877,339	89,644,929	52,928,829	408,837,868	35,869,578	85,033,583	10,766,751	1,761,545,232				1,701,720,556
Total liabilities	105,602,000	392,073,723	272,139,813	354,420,012	65,256,977	62,267,368	86,814,321	102,181,597	53,140,879	531,426,368	36,909,973	117,036,741	14,130,573	2,185,500,337				2,125,675,661
TOTAL EQUITY AND LIABILITIES	115,602,000	474,055,512	329,367,173	407,894,307	107,450,262	69,855,253	130,395,189	157,847,471	91,794,645	573,145,242	146,231,686	183,579,924	58,210,197	2,845,428,861				2,680,002,185

ERNST & YOUNG
Doha - Qatar
30 SEP 2021
Stamped for Identification Purposes Only

ELEGANCIA GROUP HOLDING W.L.L. C.R. NO.: 147966 DOHA-QATAR elegancia

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

2020	Elegancia Group Holding	Elegancia HR	Elegancia Landscape	Elegancia Electromechanical	Elegancia Joinery	Elegancia Galva Steel	Elegancia Steel Trading	Elegancia Stone for Marbles	Elegancia Gabro Trading	Yemek Doha Catering	Elegancia Marine Offshore	Elegancia FM	Steel Tech Trading and contracting	Total before elimination	Inter-com balance elimination	NCI Adjustment	Consolidated
Revenue	-	409,089,400	276,136,994	491,234,711	64,303,940	25,572,185	86,301,153	106,174,965	232,569,503	318,676,773	117,746,128	291,466,603	36,526,670	2,455,799,025	(110,137,752)		2,345,661,273
Direct costs	-	(276,011,995)	(254,298,097)	(435,204,221)	(45,995,839)	(18,099,042)	(79,691,384)	(90,668,567)	(203,639,245)	(145,703,434)	(104,226,089)	(217,759,432)	(30,589,022)	(1,901,886,367)	110,137,752		(1,791,748,615)
Gross profit	-	133,077,405	21,838,897	56,030,490	18,308,101	7,473,143	6,609,769	15,506,398	28,930,258	172,973,339	13,520,039	73,707,171	5,937,648	553,912,658			553,912,658
Other income	-	35,096,476	199,317	299,307	-	919,067	435,700	1,863,366	-	63,960	445,936	29,265	29,972	39,282,766			39,282,766
General and administrative expenses	-	(33,901,289)	(13,694,156)	(14,984,885)	(10,452,923)	(5,717,391)	(3,737,696)	(7,797,408)	(16,547,347)	(13,770,026)	(3,912,876)	(14,226,470)	(5,785,803)	(144,528,078)			(144,528,078)
Management fee										(5,000,000)				(5,000,000)			(5,000,000)
Other operating expenses	-	(60,808,935)	(116,217)	-	-	-	-	-	-	(102,245,542)	-	-	-	(163,170,694)			(163,170,694)
Finance costs	-	(14,801,435)	(2,450,099)	(512,259)	(1,672,860)	(2,010,894)	(1,836,236)	(475,997)	(450,402)	(1,766,688)	(1,170,812)	(4,192,539)	-	(31,340,221)			(31,340,221)
Profit before tax	-	58,612,122	5,777,742	40,783,053	6,182,308	663,925	1,471,537	9,096,361	11,932,509	50,255,043	8,882,287	55,317,427	182,117	249,156,431			249,156,431
Income tax expense	-	-	-	-	-	-	-	-	-	(2,965,207)	-	-	(80,467)	(3,045,674)			(3,045,674)
Profit/(Loss) including non-controlling interes	-	58,612,122	5,777,742	40,783,053	6,182,308	663,925	1,471,537	9,096,361	11,932,509	47,289,836	8,882,287	55,317,427	101,650	246,110,757			246,110,757
Profit (Loss) Attributable to:																	
Owners of the Parent	-	58,612,122	5,777,742	40,783,053	6,182,308	663,925	1,471,537	9,096,361	11,932,509	47,289,836	8,882,287	55,317,834	127,650	246,137,164		(4,728,984)	241,408,180
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(407)	(26,000)	(26,407)		4,728,984	4,702,577
Total Profit (Loss)	-	58,612,122	5,777,742	40,783,053	6,182,308	663,925	1,471,537	9,096,361	11,932,509	47,289,836	8,882,287	55,317,427	101,650	246,110,757			246,110,757
Other comprehensive income																	
Total Comprehensive income for the year	-	58,612,122	5,777,742	40,783,053	6,182,308	663,925	1,471,537	9,096,361	11,932,509	47,289,836	8,882,287	55,317,427	101,650	246,110,757			246,110,757
Attributable to:																	
Owners of the Parent	-	58,612,122	5,777,742	40,783,053	6,182,308	663,925	1,471,537	9,096,361	11,932,509	47,289,836	8,882,287	55,317,020	75,650	246,084,350		(4,728,984)	241,355,366
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(407)	(26,000)	(26,407)		4,728,984	4,702,577

ERNST & YOUNG
Doha - Qatar
30 SEP 2021
Stamped for Identification Purposes Only

ELEGANCIA GROUP HOLDING W.L.L.
C.R. NO.: 147960
DOHA-QATAR
مجموعة اليجانسيا القابضة ذ.م.م

ANNEX V
ELEGANCIA AUDITED INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2021

Elegancia Group Administrative Consultancy W.L.L.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED
30 JUNE 2021

Ernst & Young - (Qatar Branch)
P.O. Box 164
Burj Al Gassar, 24th floor
Majlis Al Taawon Street, Onaiza
West Bay
Doha, State of Qatar

Tel: +974 4457 4111
Fax: +974 4441 4649
doha@qa.ey.com
ey.com/mena

Licensed by the Ministry of Economy and Commerce: International Accounting Offices (License No. 4)
Licensed by Qatar Financial Markets Authority (QFMA): External Auditors (License No. 120154)

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF ELEGANCIA GROUP ADMINSTRATIVE CONSULTANCY W.L.L. (FORMERLY ELEGANCIA GROUP HOLDING W.L.L.)

Report on the audit of the consolidated financial statements

Opinion
We have audited the consolidated financial statements of Elegancia Group Administrative Consultancy W.L.L. (Formerly Elegancia Group Holding W.L.L.) (the "Company") and its subsidiaries (together the "Group"), as at 30 June 2021, which comprise the consolidated statement of financial position as at 30 June 2021 and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows from 1 January 2021 to 30 June 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 30 June 2021 and its financial performance and its cash flows from 1 January 2021 to 30 June 2021 in accordance with International Financial Reporting Standards (IFRSs).

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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the *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 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.

Responsibilities of management and those charged with governance for the consolidated financial statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF ELEGANCIA GROUP ADMINSTRATIVE CONSULTANCY W.L.L. (FORMERLY ELEGANCIA GROUP HOLDING W.L.L.) (CONTINUED)

Report on the audit of the consolidated financial statements (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

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

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

Report on legal and other regulatory requirements
Furthermore, in our opinion, proper books of account have been kept by the Company, an inventory count has been conducted in accordance with established principles, and the consolidated financial statements comply with the Qatar Commercial Companies' Law No. 11 of 2015 and the Company's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year, which might have had a material adverse effect on the Company's financial position or performance.

Ahmed Sayed
Ahmed Sayed
of Ernst & Young
Auditor's Registration No: 326

EY ERNST & YOUNG
P.O. BOX: 164, DOHA - QATAR
7
٧
EY إرنست و يونغ
ص.ب : ١٦٤، الدوحة - قطر

Date: 28 October 2021
Doha

Elegancia Group Administrative Consultancy W.L.L.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the period from 1 January 2021 to 30 June 2021

	Notes	*30 June 2021 QR*
ASSETS		
Non-current assets		
Property, plant and equipment	4	729,646,148
Investment properties	5	93,258,732
Intangible assets	6	2,650,329
Right-of-use-assets	7	82,321,813
Retentions receivable	8	115,394,778
Deferred tax assets		22,498
		1,023,294,298
Current assets		
Inventories	9	282,170,366
Trade and other receivables	11	950,599,896
Contract assets	10	423,298,661
Retentions receivable	8	28,897,767
Bank balances and cash	12	100,463,115
		1,785,429,805
TOTAL ASSETS		2,808,724,103
EQUITY AND LIABILITIES		
Equity		
Capital	13	10,000,000
Legal reserve	14	50,147,918
Other reserve	13	3,923,960
Retained earnings		506,574,294
Equity attributable to equity holders of the parent		570,646,172
Non-controlling interest		1,707,044
Total equity		572,353,216
Liabilities		
Non-current liabilities		
Employees' end of service benefits	15	71,884,332
Loan from a related party	27	28,164,091
Interest bearing loans and borrowings	16	352,735,861
Lease liabilities	7	59,643,018
		512,427,302
Current liabilities		
Trade and other payables	17	1,162,441,732
Contract liabilities	10	37,657,139
Lease liabilities	7	19,362,217
Interest bearing loans and borrowings	16	385,335,782
Bank overdraft	12	119,146,715
		1,723,943,585
Total liabilities		2,236,370,887
TOTAL EQUITY AND LIABILITIES		2,808,724,103

ERNST & YOUNG
Doha - Qatar
28 OCT 2021
Stamped for Identification Purposes Only

Ramez MHD Rushdi Al Chayat
Vice Chairman

Henrik Halager Christiansen
Group Chief Executive Officer

Gerard Patrick Hutchinson
Group Chief Financial Officer

HD

The attached notes 1 to 34 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period from 1 January 2021 to 30 June 2021

	Notes	*Period 1 January 2021 to 30 June 2021* *QR*
Revenue	18	1,520,133,236
Direct costs	19	(1,175,223,511)
GROSS PROFIT		344,909,725
Other income	20	9,261,301
General and administrative expenses	21	(57,331,083)
Management fee		(2,500,000)
Other operating expenses	22	(97,446,157)
Finance costs	23	(15,230,451)
PROFIT FROM CONTINUING OPERATIONS		181,663,335
Profit on discontinuing operations	25	2,351,539
PROFIT BEFORE INCOME TAX		184,014,874
Income tax expense	26	(159,114)
PROFIT FOR THE PERIOD		183,855,760
Other comprehensive income		-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		183,855,760
Profit attributable to:		
Equity holders of the Parent		182,449,769
Non-controlling interest		1,405,991
		183,855,760
Total comprehensive income attributable to:		
Equity holders of the Parent		182,449,769
Non-controlling interest		1,405,991
		183,855,760
Total comprehensive income attributable to equity holders of the Parent arises from:		
Continuing operations		180,098,230
Discontinued operations		2,351,539
		182,449,769

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period from 1 January 2021 to 30 June 2021

	Equity attributable to equity holders of the parent						
	Capital QR	*Legal reserve QR*	*Other reserve QR*	*Retained earnings QR*	*Total QR*	*Non-controlling interest QR*	*Total equity QR*
Capital introduced	10,000,000	-	-	-	10,000,000	-	10,000,000
Transfers as a result of business combination under the common control (Note 3)	-	49,916,393	3,923,960	324,114,631	377,954,984	5,109,799	383,064,783
Profit for the period	-	-	-	182,449,769	182,449,769	1,405,991	183,855,760
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	182,449,769	182,449,769	1,405,991	183,855,760
Transfer to legal reserve	-	231,525	-	(231,525)	-	-	-
Changes in ownership interest in subsidiaries (Note 24)	-	-	-	241,419	241,419	(429,419)	(188,000)
Elimination of non-controlling interest at disposal of subsidiaries (Note 25)	-	-	-	-	-	454	454
Dividend paid	-	-	-	-	-	(4,379,781)	(4,379,781)
As at 30 June 2021 (Reviewed)	**10,000,000**	**50,147,918**	**3,923,960**	**506,574,294**	**570,646,172**	**1,707,044**	**572,353,216**

The attached notes 1 to 34 form part of these consolidated financial statements.

ERNST & YOUNG
Doha - Qatar
28 OCT 2021
Stamped for Identification
Purposes Only

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period from 1 January 2021 to 30 June 2021

	Notes	*Period 1 January 2021 to 30 June 2021 QR*
OPERATING ACTIVITIES		
Profit for the period		184,014,874
Adjustments for:		
Depreciation of property, plant and equipment	4	19,733,204
Depreciation of investment properties	5	16,850,000
Depreciation of right-of-use of assets	7	7,896,936
Amortization of intangible assets	6	408,290
Reversal of provision for foreseeable losses	19	(811,466)
Gain on disposal of subsidiaries	25	(2,351,539)
Gain on early termination of lease contract		(308,260)
Provision for slow moving inventories	21	89,451
Gain on disposal of property plant and equipment	20	(99,035)
Reversal of expected credit loss on receivables		(606,215)
Interest expense on lease liabilities	23	1,866,121
Interest expense on loan from related parties	23	554,943
Interest expense on loans and borrowings	23	12,546,543
Provision for employees' end of service benefits	15	16,373,090
Operating profit before working capital changes		256,156,937
Working capital changes:		
Inventories		(92,280,256)
Trade and other receivables		142,818,828
Contract assets		(43,133,070)
Retention receivables		(37,436,047)
Contract liabilities		23,054,298
Trade and other payables		(17,695,303)
Cash flows from operations		231,485,387
Employees end of services benefits paid	15	(3,021,190)
Interest paid		(14,967,607)
Net cash flows from operating activities		213,496,590
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	4	(77,952,776)
Net movement in bank balances blocked as collateral	12	(232,528)
Purchase of intangible assets	6	(1,613,413)
Net cash flow on business combination under common control	3	(205,838,099)
Net consideration received from disposal of a subsidiary	25	2,471,125
Consideration paid for the acquisition of non-controlling interest	24	(188,000)
Proceeds from disposal of property, plant and equipment		163,005
Net cash flows used in investing activities		(283,190,686)
FINANCING ACTIVITIES		
Net movement in interest bearing loans and borrowings		57,407,948
Introduction of share capital		10,000,000
Payment of principle portion of the loan received from related party		(1,202,508)
Payment of dividend		(4,379,781)
Payment of principal portion of lease liabilities		(11,047,691)
Net cash flows from financing activities		50,777,968
NET DECREASE IN CASH AND CASH EQUIVALENTS		(18,916,128)
Cash and cash equivalents as at 1 January		-
CASH AND CASH EQUIVALENTS AT 30 JUNE	12	(18,916,128)

The attached notes 1 to 34 form part of these consolidated financial statements.

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Elegancia Group Administrative Consultancy W.L.L. (the "Company") is registered in the State of Qatar as a limited liability company under Commercial Registration No.147966. The Company's registered office is located at PO Box No. 201184, Doha, State of Qatar.

On 22 September 2021, the management changed the Company's name from Elegancia Group Holding W.L.L. to Elegancia Group Administrative Consultancy W.L.L., which has been amended in the Commercial Registration.

The Company together with its subsidiaries (the "Group") is engaged in provision of contracting services related to facilities management, catering, manpower and gabro, MEP, landscape and marine logistics, fabrication of steel works technology, joinery, Stone work and management consulting. These consolidated financial statements include the activities and operations of the Group.

The Shareholders of the Company and their respective ownership are as follows.

Names of Shareholders	*Nationality*	*Ownership %*	*30 June 2021 QR*
Ramez MHD Ruslan AlKhayyat	Qatari	50%	**5,000,000**
MohamedMoataz MHD Ruslan AlKhayyat	Qatari	50%	**5,000,000**
			10,000,000

The Company was registered on 3 November 2020, however, the Company commenced its commercial operations from 1 January 2021. These are the first set of consolidated financial statements of the Group since the registration and there were no transactions from 3 November 2020 to 31 December 2020.

The consolidated financial statements of the Group were approved and authorized for issue by the management on 28 October 2021.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") and the applicable requirements of the Qatar Commercial Companies Law No 11 of 2015.

The accompanying consolidated financial statements have been prepared on the historical cost convention.

The consolidated financial statements are presented in Qatari Riyal ("QR"), which is the Group's functional and presentation currency.

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are disclosed in Note 31.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of Elegancia Group Administrative Consultancy W.L.L. and its subsidiaries (together referred to as the "Group"). Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

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

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

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the period are included in the consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interest, even if this results in the non-controlling interests having a deficit balance. These consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

The formation of the Company is a result of the management's reorganisation plan wherein the Company will act as a holding company for all the entities which were previously owned by Power International Holding W.L.L. and its subsidiaries (together referred as "PIH Group"), a limited liability Company incorporated in the State of Qatar effective from 1 January 2021.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation (continued)

Details of the Group's operational subsidiaries as of the reporting date are as follows:

Name of the Company	*Country of incorporation*	*Principal activities*	*Ultimate Holding as at 30 June 2021*
Elegancia Facilities Management W.L.L. (Formerly Elegancia Hospitality and Facility Management Services W.L.L.) (i)	State of Qatar	Provision of facility management and hospitality services, trading and installation of video and audio equipment and planning and organising public concerts.	100%
Elegancia Landscape W.L.L. (Formerly Palmera Landscape W.L.L.)	State of Qatar	Investment and management of agricultural projects, agricultural consulting, parks management, landscaping, agricultural equipment and material trading, trading of plants and trading of irrigation equipment.	100%
Elegancia Human Resources and Contracting W.L.L. (Formerly known as Challenger Trading and Contracting W.L.L.)	State of Qatar	General contracting, trading in building materials, building maintenance, electrical contracting, electronic works and manpower supply.	100%
Elegancia Electromechanical Services W.L.L. (Formerly Radiant Engineering Enterprises W.L.L.)	State of Qatar	Electrical and sanitary contracting, installation of electromechanical equipment, installation, maintenance and repair of elevators, fire warning devices, air conditioning and refrigeration system.	100%
Elegancia Joinery W.L.L. (Formerly Zebrano Wood Works W.L.L.)	State of Qatar	Trading of wood and manufacture and trading of wood related products, executing interior and exterior projects including producing ceilings, walls decorations, timber decorations and producing various wooden furniture.	100%
Elegancia Galvanization Steel Manufacture Metals and Cables W.L.L. (Formerly Qalva Steel Manufacture Metals and Cables W.L.L.)	State of Qatar	Production and formation of metals, production of steel sections and production of cable carriers and accessories.	100%
Elegancia Steel Trading W.L.L. (Formerly known as Steel Master Limited for Trading W.L.L.)	State of Qatar	Fabrication, erection and trading of steel bars which include services for the alteration in the size and shape of the steel bars.	100%
Elegancia Stones for Marble & Granite Trading W.L.L. (Formerly Marble Stone for Marble & Granite Trading W.L.L)	State of Qatar	Installation and trading of granite and marble stone, granite sand, machinery and equipment related to granite, industrial and natural stone, ceramic and porcelain stone and building materials.	100%
Elegancia Gabro Trading and Transport W.L.L. (Formerly known as Gabromix Trading and Transport W.L.L.)	State of Qatar	Trading Gabbro materials and transport services.	100%
Elegancia Catering Services W.L.L.	State of Qatar	Providing catering services and ready meals supply and catering for large events and gatherings	100%

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation (continued)

Name of the Company	*Country of incorporation*	*Principal activities*	*Ultimate Holding as at 30 June 2021*
Elegancia Marine Offshore Services W.L.L. (Formerly Marine Master Offshore Services Company W.L.L.)	State of Qatar	Supply of services across a range of marine industries such as offshore services, marine construction, shipping and acting as a shipping agent.	100%
Steel Tech Trading and Contracting W.L.L.	State of Qatar	Manufacturing, trading and installation of fabricated doors, conditioning ducts, windows and cabinets.	100%
Steel Tech Factory W.L.L.	State of Qatar	Manufacturing, trading and installation of fabricated doors, windows, cabinets, and air-conditioning ducts.	100%
Elegancia Steel Doors Trading and Contracting W.L.L. (Techno Doors Trading and Contracting W.L.L.)	State of Qatar	Manufacturing and installation of fabricated doors.	100%
Elegancia Steel Ducts Trading and Contracting W.L.L. (Techno Ducts Trading and Contracting W.L.L.)	State of Qatar	Manufacturing, trading and installation of air-conditioning ducts.	100%
Elegancia Marine Agency W.L.L. (Giants Marine Services W.L.L.)	State of Qatar	Providing agency services to vessel owners and marine mediator services.	100%
Elegancia Health Care W.L.L.	State of Qatar	Providing management consulting services, facility management services, management and operating of professional labour.	100%
Yemek Doha Catering Services W.L.L.	State of Qatar	Providing catering services and ready meals supply and catering for large events and gatherings.	95%

Note i:
On 1 January 2021, Elegancia Facilities Management W.L.L. has transferred out its interests in the subsidiaries Elegancia International L.L.C. (Formerly Elegancia Hospitality Services and Facility Management L.L.C.) and Elegancia Maintenance Service and Trading W.L.L for the cost price of OMR 245,000 (QR 2,319,170) and QR 200,000 respectively.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combination under common control

Accounting for business combinations involving entities or businesses under common control is outside the scope of IFRS 3 "Business Combinations". In the case of an absence of specific guidance in IFRS, the management use their judgement in developing and applying an accounting policy that is relevant and reliable. In making that judgement the management may also consider the most recent pronouncements of other standard-setting bodies that use a similar conceptual framework to develop accounting standards, to the extent that these do not conflict with the IFRS.

The management have adopted the pooling of interest method to account for the business combinations of entities under common control. This method involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No goodwill is recognised as a result of combination. The only goodwill that is recognised is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid/transferred and the equity acquired it is reflected within equity.
- The consolidated income statement reflects the results of the combining entities from the date of the transfer.

Interest in joint arrangements

Joint operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

A joint operator shall recognize in relation to its interest in a joint operation:

(a) its assets, including its share of any assets held jointly;
(b) its liabilities, including its share of any liabilities incurred jointly;
(c) its revenue from the sale of its share of the output arising from the joint operation;
(d) its share of the revenue from the sale of the output by the joint operation; and
(e) its expenses, including its share of any expenses incurred jointly

A joint operator shall account for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

Adjustments are made in the financial statements to eliminate the Company's share of intergroup balances, income and expenses and unrealized gains and losses on transactions between the Company and its jointly controlled operations.

2.3 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Standards and Interpretations	***Effective date***
• Amendments to IFRS 3: Reference to the Conceptual Framework	1 January 2022
• Amendments to IAS 16: Property and equipment: Proceeds before Intended Use	1 January 2022
• Amendments to IAS 37: Onerous Contracts – Costs of Fulfilling a Contract	1 January 2022
• IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter	1 January 2022
• IFRS 9 Financial Instruments: Fees in the '10 per cent' test for derecognition of financial liabilities	1 January 2022
• IAS 41 Agriculture: Taxation in fair value measurements	1 January 2022
• IFRS 17: Insurance contracts	1 January 2023
• Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023

The Group did not early adopt any standards, interpretations or amendments that have been issued but are not yet effective

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of significant accounting policies

Revenue from contracts with customers

Contract revenue
The majority of our revenues are from long-term contracts. The Group determines if revenue will be recognised over time or at a point in time for its identified performance obligations. The Group frequently enters into contracts with customers which contain fixed contract term. Where revenue is recognised over time, the Group applies the relevant revenue recognition method for measuring progress that faithfully depicts the Group's performance in transferring control of the goods and services to the customer.

The Group uses the input method to measure progress of landscaping projects and revenue are recognised in direct proportion to costs incurred where the transfer of control is most closely aligned to the Group's efforts in delivering the service. For contracts with multiple components to be delivered to customers such as in integrated facilities development contracts, the Group applies judgement to consider whether those promised goods and services are:

- Distinct and accounted for as separate performance obligations;
- Combined with other promised goods or services until a bundle is identified that is distinct; or
- Part of a series of distinct goods and services that are substantially the same and have the same pattern of transfer over time i.e. where the customer is deemed to have simultaneously received and consumed the benefits of the goods or services over the life of the contract.

The Group considers contracts to have a single performance obligation on the basis that the Group provides a significant service of integration in creating a combined output. As such, management has concluded that the goods and services are not distinct within the context of the contract.

At contract inception, the total transaction price is determined, being the amount to which the Group expects to be entitled and has rights under the current contract. This includes the fixed price stated in the contract and an assessment of any variable consideration, up or down, resulting from e.g. service penalties/liquidated damages.

Variable consideration is typically estimated based on the expected value method and is only recognised to the extent it is highly probable that a subsequent change in its estimate would not result in a significant revenue reversal. The Group's transaction price is mostly exposed to variability due to possible liquidated damages, however, estimates are constrained as there are no historical information available for paid claims or liquidated damages.

Where a third party (such as a subcontractor) is involved in the supply of a distinct good or service, the Group determines whether it obtains control of that good or service before it is transferred to the client. Where control is obtained before transfer to the client, the Group recognises as revenue the gross amount to which it expects to be entitled in exchange. Where control is not obtained, the Group takes the view that it is not the principal in the transaction and only recognises as revenue the amount corresponding to its remuneration as intermediary. For the short-term contracts, revenue is recognised in the amount to which the Group has a right to invoice and consideration is payable when invoiced.

Principal versus agent considerations
The Group enters into agreement with subcontractors to enable it to deliver the projects. Currently, the Group considers it as the principal and therefore, the contract revenue is recognised at gross.

Contract assets and liabilities
The contract assets consist of unbilled amounts typically resulting from sales under long-term contracts when the cost-to-cost method of revenue recognition is utilized, and revenue recognized exceeds the amount billed to the customer. The contract liabilities consist of advance payments and billings in excess of costs incurred and deferred revenue. The non-current portion of deferred revenue is included in other long-term liabilities in the consolidated statement of financial position.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of significant accounting policies (continued)

Revenue from contracts with customers (continued)

Loss making contracts
The requirements in IAS 37 for onerous contracts apply to all contracts in the scope of IFRS 15. The onerous contract are the contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The present obligation under the onerous contract shall be recognised and measured as a provision.

Manpower hire revenue
Revenue from rendering of manpower service is recognised when the outcome of the transactions can be estimated reliably, and service are rendered.

Sale of goods
Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer (if any).

Agency and marine mediator services
The Group is acting as an agent where it does not have exposure to the significant risk and rewards associated with the sale of goods or the rendering of services. The amount the Group earns is predetermined as fee per transaction.

The amounts collected on behalf of the principal are not revenue. Instead, revenue is the amount of commission or fixed fee, which is predetermined. The gross inflows of economic benefits include amounts collected on behalf of the principal and which does not result in increase in equity for the Group. Therefore, the Group is presenting the net amount of revenue in its consolidated financial statements.

Revenue from facility management and hospitality and engineering, procurement and construction services
Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

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

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

The Group recognizes revenue from rendering of services over a period of time as the customer simultaneously consumes benefit of the service while it's being rendered using the output method, reflecting the amount of consideration to which the Group has a right to invoice.

The Group's contracts with customers for the services generally include single performance obligation. The Group considers its service contracts to have a single performance obligation on the basis that the Group provides a significant service of integration in creating a combined output.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of significant accounting policies (continued)

Revenue from contracts with customers (continued)

Revenue from facility management and hospitality and engineering, procurement and construction services (continued)
The stage of completion for determining the amount of revenue to recognise is assessed based on the work performed. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated based on their relative stand-alone selling prices. The stand-alone selling price is determined based on the list of prices at which the Group sells the services in separate transactions.

If the contract includes an hourly fee/daily fee/area fee/fee based on head counts, revenue is recognised in the amount to which the Group has a right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Revenue from the rendering of maintenance services are recognized when the services have been rendered or over the contract term when the work is being carried out. For maintenance services the performance obligation is satisfied over time because the customer simultaneously receives and consumes the benefits provided as the Group performs the services. In maintenance services contracts customers generally pay based on fixed payment schedules.

Contract amendments (relating to the price and/or scope of the contract) are recognised when approved by the client. Where amendments relate to new goods or services regarded as distinct under IFRS 15, and where the contract price increases by an amount reflecting "stand-alone selling prices" of the additional goods or services, those amendments are recognised as a distinct contract.

Galvanizing revenue
The Galvanizing revenue is recognised in the amount to which the Group has a right to invoice. Customers are invoiced on delivery and consideration is payable when invoiced.

Revenue from transportation services
Revenue is recognised over time as the services are provided.

Vessel chartering with material supply
The Vessel chartering and material supply are bundled together as the Group purchase materials based on the customer requirements. The Group does not supply materials without vessel chartering. The Group considers its contract to have a single performance obligation on the basis that the Group provides a significant service of integration in creating a combined output. As such, management has concluded that the goods and services are not distinct within the context of the contract.

The revenue is recognised when control of the goods or services are transferred to the customer. Therefore, the performance obligation is met once the cargo has been delivered to the discharge port.

Vessel chartering
In a vessel charter contract, the charterer hires the vessel to transport a specific agreed-upon cargo for a single voyage which may contain multiple load ports and discharge ports. The consideration in such a contract is determined on the basis of a freight rate per metric ton of cargo carried. The charter party generally has a minimum amount of cargo. The charterer is responsible for any short loading of cargo or "dead" freight.

The Group determined that its voyage charter contracts consist of a single performance obligation of transporting the cargo. Therefore, the performance obligation is met once the cargo has been delivered to the discharge port.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of significant accounting policies (continued)

Contract cost
Contract cost comprise direct contract costs and other costs relating to contracting activities in general and which can be allocated to contracts. In addition, contract costs include other costs that are specifically chargeable to customer under the terms of the contracts. Costs that cannot be related to contract activities or cannot be allocated to a contract are excluded from the costs of the construction contracts and are included in other operating expenses or general and administrative expenses.

Income tax
In the State of Qatar, income tax is provided for and charged to the consolidated statement of comprehensive income at rates stipulated by the Qatar Income Tax Law No. 24 of the year 2018.

Income tax expense comprises only current tax and deferred tax. Income tax expense is recognised 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.

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

Property, plant and equipment
Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Land and capital work-in-progress is not depreciated. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets are as follows:

Buildings	5 - 20 years
Furniture and fixtures	3 - 5 years
Machines	3 - 7 years
Office equipment	3 - 5 years
Tools	2 - 3 years
Motor vehicles	3 - 5 years
Scaffolding	2 - 5 years
Fleet crafts	10 - 25 years
Crafts small boats	5 - 7 years
Computer equipment	2 - 4 years
Vessel equipment	3 - 5 years
Dry docking	2 - 3 years
Plant	3 - 5 years
Tents and shades	5 years
Electric equipment	3 - 5 years
IT equipment	3 – 5 years

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

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated statement of comprehensive income as the expense is incurred.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of significant accounting policies (continued)

Property, plant and equipment (continued)
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognized in the consolidated statement of comprehensive income in the year the asset is derecognized.

The asset's residual values, useful lives and method of depreciation are reviewed at each reporting date and adjusted prospectively if appropriate.

Capital work in progress
Assets in the course of construction are carried at cost as capital work in progress and transferred to property and equipment when available for use. All costs directly attributable to bringing the asset to the location and condition necessary for it to be used in the manner intended by management are included in the construction cost. No depreciation is charged on such assets until they are available for use.

Investment property
Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business.

Investment property is measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties other than freehold land, which is determined to have an indefinite life, are carried at cost less accumulated depreciation.

Investment property is derecognised when either they have been disposed-off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of comprehensive income in the year of retirement or disposal.

Intangible assets
Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortization and impairment losses. Intangible assets are recognised if it is probable that future economic benefits will flow to the Group and the costs of the intangible assets can be reliably measured.

Subsequent expenditure on existing assets are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the consolidated statement of comprehensive income as incurred.

Amortization is recognised in the consolidated statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives for intangible assets are three to ten years. Intangible assets comprise of computer software and are not revalued.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of comprehensive income when the asset is derecognised.

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of significant accounting policies (continued)

Leases (continued)

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the period of the lease term as follows;

Land	17 years to 25 years
Buildings (Camps, commercial, apartments and offices)	2 years to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies for impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

iii) Short-term leases and leases of low-value assets

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below USD 5,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Inventories

Inventories are stated at the lower of cost or net realisable value. Cost of the inventory is determined by the weighted average cost methods and includes invoiced cost and other expenditures incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses and cost of completion.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of significant accounting policies (continued)

Impairment of non-financial assets (continued)
In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of comprehensive income unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Financial instruments

Financial assets
Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Trade receivable, retention receivables, other receivables and amount due from related parties that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies for Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The Group' financial assets includes the trade receivables, note receivables, finance lease receivables, deposits, staff receivables, retention receivables, contract assets, bank balances and amount due from related parties.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Financial assets at amortised cost (trade receivables, note receivables, finance lease receivables, deposits, staff receivables, retention receivables, contract assets and amount due from related parties)
This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes trade receivables, trade receivables, note receivables, finance lease receivables, deposits, staff receivables, retention receivables, contract assets and amount due from related parties.

Cash and bank balances
Cash and bank balances in the consolidated statement of financial position comprise of banks and cash in hand. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash in hand and bank balances net off outstanding bank overdrafts, if any.

Contract assets
The contract assets are subject to an impairment assessment in accordance with IFRS 9. In addition, if upon initial measurement, there is a difference between the measurement of the receivable under IFRS 9 and the corresponding amount of revenue, that difference will be presented as an expense (e.g., as an impairment loss). Impairment losses resulting from contracts with customers are presented separately from losses on other contracts.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

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

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

Impairment of financial assets
The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)
ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, note receivables, finance lease receivables, deposits, staff receivables, retention receivables, retention receivables, contract assets and due from related parties, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group evaluates a financial asset for lifetime expected credit losses when contractual payments are 360 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Measurement of ECLs
i) Trade and other receivables
For Trade and other receivables, the Group applies the simplified approach to providing for expected credit losses, which requires the use of the lifetime expected loss provision for all receivables. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Lifetime ECLs are the expected credit losses that result from all possible default events over the expected life of a financial instrument. This means that the Group needs to estimate the risk of a default occurring on the financial instrument during its expected life. The 12-month ECL is defined as a portion of the lifetime ECL that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade payables, note payables, other payables, subcontractor payables, staff payables, retention payables, due to related parties, bank overdrafts, interest bearing loans and borrowings and lease liabilities.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost (trade payables, subcontractor payable, staff payables, other payables, retention payables, notes payable, due to related parties, bank overdrafts, interest bearing loans and borrowings and lease liabilities)
These are recognised for amounts to be paid in the future for goods and services received, whether or not billed by the supplier. Subsequent to initial recognition, trade and other payables and due to related parties are measured at amortised cost using the effective interest method.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities (continued)

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and 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 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.

Onerous contracts
Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Warranties
Provisions for the expected cost of warranty obligations are recognised at the date of sale of the relevant products, to settle the Group's obligation based on past experience of the Group.

Employees' end of service benefits
The Group provides end of service benefits to its employees in accordance with employment contract and Qatar Labour Law. 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.

Capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction from the proceeds.

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

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of significant accounting policies (continued)

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. All foreign exchange gains and losses are presented in the consolidated statement of comprehensive income.

Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under control with the reporting entity, or between and/or among the reporting entity and its key management personnel, directors or its stockholders. Transactions between related parties are accounted for at arm's-length prices or on terms similar to those offered to non-related entities in an economically comparable market.

Fair values

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief executive officer. The chief executive officer is the person or group that allocates resources to and assesses the performance of the operating segments of an entity.

Income and expenses directly associated with each segment are included in determining operating segment performance.

Current versus non-current classification

The Group presents assets and liabilities based on current/non-current classification.

An asset as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

3 BUSINESS COMBINATION UNDER COMMON CONTROL

The formation of the Company is a result of the management's reorganisation plan wherein the Company will act as a holding company for all the entities which were previously owned by Power International Holding W.L.L. and its subsidiaries (together referred as "PIH Group"), a limited liability companies incorporated in the State of Qatar. The shareholders of the Company and PIH Group are both the same. The shareholders resolved to transfer the below mentioned investments in subsidiaries to the Company at its net carrying amount as of 1 January 2021. The commercial registration of each entities were either completed or in the process of completion to take effect the changes in shareholder from PIH Group to Elegancia Group Administrative Consultancy W.L.L. (Formerly Elegancia Group Holding W.L.L.) as at 30 June 2021.

The entities which were transferred to the Company are as follows:

Name of entities	*Ultimate ownership interest as at 30 June 2021*
Elegancia Facilities Management W.L.L. (Formerly Elegancia Hospitality and Facility Management Services W.L.L.)	100%
Elegancia Landscape W.L.L. (Formerly Palmera Landscape W.L.L.)	100%
Elegancia Human Resources and Contracting W.L.L. (Formerly Challenger Trading and Contracting W.L.L.)	100%
Elegancia Electromechanical Services W.L.L. (Formerly Radiant Engineering Enterprises W.L.L.)	100%
Elegancia Joinery W.L.L. (Formerly Zebrano Wood Works W.L.L.)	100%
Elegancia Galvanization Steel Manufacture Metals and Cables W.L.L. (Formerly Galva Steel Manufacture Metals and Cables W.L.L.)	100%
Elegancia Steel Trading W.L.L. (Formerly Steel Master Limited for Trading W.L.L.)	100%
Elegancia Stones for Marble & Granite Trading W.L.L. (Formerly Marble Stone for Marble & Granite Trading W.L.L.)	100%
Elegancia Gabro Trading and Transport W.L.L. (Formerly Gabromix Trading and Transport W.L.L.)	100%
Elegancia Catering Services W.L.L.	100%
Elegancia Marine Offshore Services W.L.L. (Formerly Marine Master Offshore Services Company W.L.L.)	100%
Steel Tech Trading and Contracting W.L.L.	100%
Steel Tech Factory W.L.L.	100%
Elegancia Steel Doors Trading and Contracting W.L.L. (Formerly Techno Doors Trading and Contracting W.L.L.)	100%
Elegancia Steel Ducts Trading and Contracting W.L.L. (Formerly Techno Ducts Trading and Contracting W.L.L.)	100%
Elegancia Marine Agency W.L.L. (Formerly Giants Marine Services W.L.L.)	100%
Yemak Doha Catering Services W.L.L.	95%
Elegancia Health Care W.L.L.	100%

The transfer has been accounted for in these consolidated financial statements from 1 January 2021. The transfer was made at the consideration equal to the share capital of each subsidiary.

3 BUSINESS COMBINATION UNDER COMMON CONTROL (CONTINUED)

The carrying values of the assets and liabilities of these entities as of the date of transfer were as follows:

	Notes	*Carrying values on business combination QR*
Assets		
Property, plant and equipment	4	671,490,546
Investment properties	5	110,108,732
Intangible assets	6	1,445,286
Right of use assets	7	72,524,777
Deferred tax assets		22,498
Inventories		189,979,561
Retention receivables		106,856,498
Trade and other receivables		1,092,991,340
Contract assets		380,165,591
Bank balances and cash		44,616,436
Total assets		2,670,202,185
Liabilities		
Interest bearing loans and borrowing		680,063,695
Loan from a related party	27	29,366,599
Lease liabilities	7	72,667,214
Employees' end of service benefits	15	58,532,432
Trade payables and accruals		1,180,850,086
Contract liabilities		14,602,841
Bank overdrafts		144,652,535
Total liabilities		2,181,335,402
Net assets		488,866,783
Less: Consideration for transfers		(105,802,000)
		383,064,783

The net assets transferred to the Company is accounted in the equity portion of the consolidated statement of financial position as follows:

	Amount QR
Legal reserve*	49,916,393
Other reserve	3,923,960
Retained earnings	324,114,631
Non-controlling interest	5,109,799
	383,064,783

*The amount consists of the legal reserves of the individual subsidiaries.

Analysis of cash flows on acquisition:	*Amount QR*
Cost of the acquisition	105,802,000
Net cash acquired with the subsidiaries	100,036,099
Net cash flow on business combination under common control	205,838,099

4 PROPERTY, PLANT AND EQUIPMENT

	Buildings QR	Furniture and fixtures QR	Machines QR	Office equipment QR	Tools QR	Motor vehicles QR	Scaffolding QR	Flat crafts QR	Crafts small boats QR
Cost									
Transfers resulting from business combination (Note 3)	180,384,405	18,390,346	91,659,097	5,096,876	3,681,682	97,828,590	393,249	165,577,483	2,115,108
Additions	-	3,863,040	717,880	11,148	14,500	778,649	-	-	-
Transfers	802,604	212,345	1,900,356	-	-	-	-	-	-
Disposal/write off	-	(77,780)	(7,900)	-	-	(287,000)	-	-	(1,740,108)
At 30 June 2021	181,187,009	22,387,951	94,269,433	5,108,024	3,696,182	98,320,239	393,249	165,577,483	375,000
Accumulated depreciation:									
Transfers resulting from business combination (Note 3)	29,074,125	14,471,673	56,444,539	4,190,188	3,413,584	90,594,536	386,727	61,061,013	2,115,108
Charge for the period	4,689,361	922,822	5,701,272	144,534	95,444	1,383,457	6,472	2,864,940	-
Related to disposal	-	(77,780)	(7,900)	-	-	(223,000)	-	-	(1,740,108)
At 30 June 2021	33,763,486	15,316,715	62,140,711	4,334,722	3,509,028	91,754,993	393,199	63,925,953	375,000
Net carrying amount									
At 30 June 2021 (Reviewed)	147,423,523	7,071,036	34,129,721	773,302	187,154	6,565,246	50	101,651,530	-

	Computer equipment QR	Vessel equipment QR	Dry docking QR	Plant QR	Tents and shades QR	IT equipment QR	Electric equipment QR	Capital work in progress QR	Total QR
Cost									
Transfers resulting from business combination (Note 3)	5,930,613	501,052	15,469,482	27,372,480	4,809,203	3,921,840	550,462	347,846,616	973,674,324
Additions	349,549	-	-	174,424	-	751,539	9,600	71,297,447	77,912,776
Transfers	-	-	-	-	-	-	-	(3,924,305)	-
Disposal/write off	-	(13,600)	-	-	-	-	-	-	(2,126,388)
At 30 June 2021	6,280,162	487,452	15,469,482	27,546,904	4,809,203	4,673,379	560,062	415,219,758	1,049,460,712
Accumulated depreciation:									
Transfers resulting from business combination (Note 3)	4,578,961	493,314	9,804,452	19,321,404	3,268,469	2,909,802	57,683	-	342,183,778
Charge for the period	398,922	3,902	2,070,947	996,030	179,563	216,434	55,304	-	19,733,204
Related to disposal	-	(13,600)	-	-	-	-	-	-	(2,062,388)
At 30 June 2021	4,977,883	483,616	11,875,399	20,317,434	3,448,032	3,126,236	112,987	-	419,854,564
Net carrying amount									
At 30 June 2021 (Reviewed)	1,302,279	3,836	3,594,083	7,229,470	1,361,171	1,547,143	447,075	415,219,758	729,646,148

The depreciation charge has been allocated in the consolidated statement of comprehensive income as follows:

	Period 1 January 2021 to 30 June 2021 QR
Direct costs (Note 19)	13,194,620
General and administrative expenses (Note 21)	3,392,343
Other operating expenses (Note 22)	3,146,241
	19,733,204

4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Notes:

(i) Fleet crafts include landing craft, tugboats, barges and spud barges held in the name of Triton Marine Services INC, incorporated under the laws of the Republic of Marshall Island for and on behalf of the Group. These financial statements have been prepared on the basis that the beneficial interest of these fleet crafts resides with the Group.

(ii) The buildings are constructed on leased land from The Ministry of Energy and Industry, State of Qatar for a period of 25 years and from Ministry of Commerce and Industry, State of Qatar for a period of 23 years commencing from 20 January 2019. The lease expires on 19 March 2042.

(iii) Capital work in progress relates to the construction done by an affiliate, Urbacon Trading and Contracting W.L.L.- UCC

The amount of borrowing costs capitalised was QR 3,226,675. The weighted average rate used to determine the amount of borrowing cost eligible for capitalization was 3.75% per annum, which is the effective interest rate of the specific borrowings.

5 INVESTMENT PROPERTIES

	30 June 2021 QR
Cost	
Transfers resulting from business combination (Note 3)	256,142,065
At 30 June	256,142,065
Depreciation:	
Transfers resulting from business combination (Note 3)	146,033,333
Charge for the year (Note 22)	16,850,000
At 30 June	162,883,333
Net carrying amounts:	
At 30 June	93,258,732

Notes:

(i) Investment properties represent lands in Fox Hills district and a building in Shahania district that are held for capital appreciation and earnings rental income respectively.

(ii) Investment properties is stated at cost; management of the Group assessed that the fair value is not significantly different from the carrying value as at 30 June 2021.

(iii) Investment properties representing lands were appraised by an accredited independent valuer. The fair value represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction at the date of valuation.

(iv) Investment property representing building was tested for impairment using the income approach (an acceptable method recommended by the International Valuation Standards Committee) and the value-in-use of the investment property is higher than the carrying value as at 30 June 2021.

(v) The Group earned rental income amounting to QR 5,664,480 for the six months period ended 30 June 2021 and this has been reflected in the statement of comprehensive income. Direct operating expenses incurred for the investment properties amounting to QR 31,885,091 have been reflected under operating expenses.

6 INTANGIBLE ASSETS

	30 June 2021 QR
Cost:	
Transfers resulting from business combination (Note 3)	2,757,268
Additions	1,613,413
At 30 June	4,370,681
Amortisation:	
Transfers resulting from business combination (Note 3)	1,312,062
Charge for the year	408,290
At 30 June	1,720,352
Net carrying amounts:	
At 30 June	**2,650,329**

Below are the amounts recognised in the consolidated statement of comprehensive income for the period ended 31 June 2021:

	Period 1 January 2021 to 30 June 2021 QR
Direct cost (Note 19)	18,109
General and administrative expenses (Note 21)	390,181
	408,290

7 LEASES

Group as a lessee

The Group has lease contracts for lands and buildings used in its operations. Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

Right-of-use assets	*Lands QR*	*Buildings QR*	*Total QR*
Transfers resulting from business combination (Note 3)	17,148,762	55,376,015	72,524,777
Additions	-	13,101,196	13,101,196
Impact from modification of leases (Note i)	-	7,906,128	7,906,128
Depreciation on right-of-use assets	(348,414)	(7,548,522)	(7,896,936)
Derecognition due to early termination of the lease contract	-	(3,313,352)	(3,313,352)
At 30 June 2021	**16,800,348**	**65,521,465**	**82,321,813**

7 LEASES (CONTINUED)

Lease liabilities	*30 June 2021 QR*
Transfers resulting from business combination (Note 3)	72,667,214
Additions	13,101,196
Impact from modification of leases (Note i)	7,906,128
Accretion of interest	1,866,121
Derecognition due to early termination of the lease contract	(3,621,612)
Payments made during the period	(12,913,812)
At 30 June	79,005,235

Note i:
For one of the commercial building leases, the Group and the lessor agreed to amend the lease consideration and the lease term with effect from 1 January 2020, the lease term was extended for another 3 years until 31 December 2025 for the lease. At the effective date of the modification, the Group remeasured the lease liability based on the remaining lease term, reduced lease rates, and the Group incremental borrowing rate. On 1 January 2021, the Group recognised the difference between the carrying amount of the modified lease liability (QR 56,022,859) and the lease liability immediately before the modification (QR 48,116,731) of QR 7,906,128 as an adjustment to the right-of-use assets and lease liabilities.

Presented in the consolidated statement of financial position is as follows:

	30 June 2021 QR
Non-current portion	59,643,018
Current portion	19,362,217
	79,005,235

Group as a lessor
The Group subleased a labour camp to Urbacon Trading and Contracting W.L.L. which was leased from Al Jeryan Trading and Contracting W.L.L. The Group has classified the sublease as a finance lease, because the sublease is for the whole of the remaining term of the head lease.

The following table set out a maturity analysis of lease receivables, showing the undiscounted lease receivables to be received after the reporting date:

	30 June 2021 QR
Less than one year	3,250,000
Total undiscounted lease payments receivable	3,250,000
Unearned finance income	(23,706)
Finance lease receivable	3,226,294

7 LEASES (CONTINUED)

Below are the carrying amounts of finance lease receivable recognised and the movement during the period:

	30 June 2021 QR
Cost at present value	7,006,691
Finance income on finance lease (Note 20)	119,603
Receipts during the year	(3,900,000)
At 30 June 2021	**3,226,294**

Below is the current and non-current portion of finance lease receivable presented in the consolidated statement of financial position as at 30 June 2021:

	30 June 2021 QR
Non-current	-
Current	3,226,294
	3,226,294

Below are the amounts recognised in the consolidated statement of comprehensive income for the period ended 30 June 2021:

	Period 1 January 2021 to 30 June 2021 QR
Depreciation on right-of-use assets	
Direct cost (Note 19)	6,149,956
General and administrative expenses (Note 21)	1,746,980
	7,896,936
Finance income on finance lease (Note 20)	119,603
Interest expense on lease liabilities (Note 23)	1,866,121
	9,882,660

The Group recognised rent expense from short-term leases of QR 12,325,839 for the six months period ended 30 June 2021.

8 RETENTIONS RECEIVABLE

Retentions receivable are segregated between current and non-current maturity periods as follows

	30 June 2021 QR
Retention receivable	144,900,510
Less: loss allowance *(Note i)*	(607,965)
	144,292,545
Current portion	28,897,767
Non-current portion	115,394,778
	144,292,545

Retentions receivable represent amounts withheld by the customers in accordance with contract terms and conditions. These amounts are to be released upon fulfilment of contractual obligations.

Note i: Movement in the expected credit losses on retention receivables is as follows.

	30 June 2021 QR
Transfers resulting from business combination (Note 3)	607,965
Reversal of provision for the period	-
Provided during the year	-
At 30 June	607,965

9 INVENTORIES

	30 June 2021 QR
Raw materials	138,343,942
Electrical and electronic materials	83,069,669
Plumbing materials	34,220,590
Supply and consumables	10,820,774
Steel bars	7,073,873
Air conditioning equipment	5,749,149
Steel parts	2,668,158
Spare parts	1,688,824
Other materials	4,132,450
	287,767,431
Less: Provision for slow moving inventories *(Note i)*	(12,749,899)
	275,017,532
Goods in transit	7,152,834
	282,170,366

9 INVENTORIES (CONTINUED)

Note i: Movements in the provision for slow-moving inventories are as follows:

	30 June 2021 QR
Transfers resulting from business combination (Note 3)	12,155,706
Reversal of provision for the period	(89,451)
Provided for the period	683,644
At 30 June	12,749,899

10 CONTRACT ASSETS AND LIABILITIES

	30 June 2021 QR
Contracts valued at cost plus attributable profit	919,062,194
Less: Amounts received and receivables	(533,055,207)
	386,006,987
Less: Allowance for expected credit losses *(Note i)*	(365,465)
	385,641,522

The amounts have been presented in the consolidated statement of financial position as follows:

	30 June 2021 QR
Contract assets	423,298,661
Contract liabilities	(37,657,139)
	385,641,522

Note i: Movement in the expected credit losses on contract assets is as follows:

	30 June 2021 QR
Transfers resulting from business combination (Note 3)	228,514
Reversal of provision for the period	-
Provision for the period	136,951
At 30 June	365,465

11 TRADE AND OTHER RECEIVABLES

	30 June 2021 QR
Trade receivables	488,325,419
Notes receivable	70,276,845
	558,602,264
Less: Allowance for expected credit losses (Note i)	(114,710,497)
	443,891,767
Due from related parties (Note 27)	304,122,924
Advances	169,988,409
Prepayments	19,120,924
Finance lease receivable (Note 7)	3,226,294
Deposits	1,614,343
Staff receivables	1,097,120
Other receivables	7,538,115
	950,599,896

Note i: Movement in the expected credit losses on trade receivables is as follows:

	30 June 2021 QR
Transfers resulting from business combination (Note 3)	115,599,240
Reversal of provision for the period	(888,743)
At 30 June	114,710,497

12 BANK BALANCES AND CASH AND BANK OVERDRAFT

	30 June 2021 QR
Cash in hand	6,022,814
Bank balances	94,440,301
Bank balances and cash	100,463,115
Bank balances and cash	100,463,115
Less: Bank balances blocked as collateral	(232,528)
Less: Bank overdraft	(119,146,715)
Cash and cash equivalents	(18,916,128)

13 CAPITAL AND OTHER RESERVE

i. Capital

	30 June 2021 QR
Fully paid-up capital	10,000,000

ii. Other reserve

Other reserves include the equity component of the interest-free loan received from a related party. The loan was measured at fair value at the initial recognition. The difference between the loan proceeds and the liability's fair value is assigned to the equity component. The present value of the liability component was calculated using a discount rate of 3.75%, the market interest rate for similar loans having no conversion rights.

	30 June 2021 QR
Present value of the principal payable at the end of 5 years	29,092,999
Fair value of the loan	29,092,999
Loan proceed	(33,016,959)
Capital contribution/other reserves	3,923,960

14 LEGAL RESERVE

In accordance with Qatar Commercial Companies' Law No. 11 of 2015 and the Company's Articles of Association, a minimum of 10% of the profit before income tax should be transferred to a legal reserve until such time the reserve is equivalent to a minimum 50% of the Group's capital. The reserve is not normally available for distribution, except in the circumstances stipulated in the above-mentioned law.

15 EMPLOYEES' END OF SERVICE BENEFITS

The movements in the employees' end of service benefits recognized in consolidated statement of financial position are as follows:

	30 June 2021 QR
Transfers resulting from business combination (Note 3)	58,532,432
Charge for the year (Note i)	16,373,090
Paid during the year	(3,021,190)
At 30 June	71,884,332

15 EMPLOYEES' END OF SERVICE BENEFITS (CONTINUED)

Note i:

The charge for the year has been allocated as follows:

	Period 1 January 2021 to 30 June 2021 QR
Direct costs (Note 19)	14,252,789
General and administrative expenses (Note 21)	1,401,341
Other operating expenses (Note 22)	718,960
	16,373,090

Management has classified the obligation within non-current liabilities in the consolidated statement of financial position as it does not expect that there will be significant payments towards its employees' end of service benefit obligation within 12 months from the reporting date.

16 INTEREST BEARING LOANS AND BORROWINGS

Reconciliation of movements of interest- bearing loans and borrowings are as follows:

	30 June 2021 QR
Transfers resulting from business combination (Note 3)	680,663,695
Net movement in borrowings	57,407,948
Finance cost paid	(12,546,543)
Finance costs	12,546,543
	738,071,643

	Notes	*30 June 2021 QR*
Loan term loan facility (i)	(i)	197,246,554
Loan term loan facility (ii)	(ii)	104,775,113
Short term loan facility (iii)	(iii)	95,766,023
Loan term loan facility (iv)	(iv)	42,795,814
Loan term loan facility (v)	(v)	37,091,635
Short term loan facility (vi)	(vi)	26,769,786
Long term loan facility (vii)	(vii)	26,486,100
Short term loan facility (viii)	(viii)	19,414,166
Short term loan facility (ix)	(ix)	16,620,041
Long term loan facility (x)	(x)	13,085,292
Islamic financing facility (xi)	(xi)	12,766,701
Short term loan facility (xii)	(xii)	8,936,361
Long term loan facility (xiii)	(xiii)	8,456,671
Short term loan facility (xiv)	(xiv)	8,402,188
Islamic financing facility (xv)	(xv)	7,017,165
Short term loan facility (xvi)	(xvi)	6,744,103
Short term loan facility (xvii)	(xvii)	2,788,944
Islamic financing facility (xviii)	(xviii)	1,889,281
Short term loan facility (xix)	(xix)	988,065
Long term loan facility (xx)	(xx)	132,000
		738,071,643

16 INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

The outstanding balances as at the reporting date are presented in the consolidated statement of financial position as follows:

	30 June 2021 *QR*
Current	385,335,782
Non-current	352,735,861
	738,071,643

Notes:

(i) The loan agreement is between a local bank and Yemek Doha Catering Services W.L.L. The limit of the term loan is QR 315,500,000 and it carries an interest rate of 3.75% p.a. The tenure of the loan is 7 years and repayable in 84 monthly installments starting from 30 January 2021. The purpose of the term loan of QR 280,190,000 is for construction of central kitchen and infrastructure of the project and QR 35,310,000 to finance the operation, vehicle, tools and equipment.

(ii) The limit of the term loan is QR 104,051,000 and it carries an interest rate at market rates. The original tenure of the loan was 7.2 years and repayable in 84 monthly instalments of QR 1,500,000 per month from January 2017 until December 2019 and QR 2,262,300 per month from January 2020 until December 2023. It carries an interest rate of 4.50%. During the year ended 31 December 2020, management have availed the relaxation provided by the Qatar Central Bank vide Circular No. 5/2020 dated 22 May 2020. The revised maturity date of the loan is August 2025 with monthly instalments of QR 2,262,261. The loan is secured by personal guarantees of Mr Mohammad Moataz Mohammad Raslan Al Khayyat, Mr Rameez Raslan Al Khayyat and Mr Abdullah Khalifa M R Al Mohannadi; corporate guarantee of Al Khayyat Trading and Contracting and Power International Holding.

(iii) The Group has entered into a credit facility agreement with a local bank. Under the facility, the Group will be able to discount its invoices for a maximum of 150 days by transferring the approved customer's invoice payments to local bank at an interest rate of 4.50%. Maximum loan amount will be 90% of the invoice value. The bills discounted are against personal guarantee of the shareholders, corporate guarantee of Power International Holding Company W.L.L. Further, the credit facilities are also secured by certain guarantee cheques, letters of assignment and tripartite agreements.

(iv) During the year 2016, the Group entered into an Islamic finance facility agreement with a commercial bank in State of Qatar secured against the personal guarantees of the shareholders of the Group, in order to finance the normal operations of the Group. The agreement carries profit rates ranging from 3.75% - 4.25% and is repayable in six months. The Islamic financing facility has commenced in 2016. Total facility amounted to QR 90Mn and the Group utilised QR 42,795,514 as of 30 June 2021.

(v) The limit of the term loan is QR 38,902,000, and it carries an interest rate of 4.50% accrued daily and compounded monthly. The tenure of the loan is 15 years and repayable in 144 equal monthly instalments of QR 378,000 starting from 30 June 2018. During the year ended 31 December 2020, management have availed the relaxation provided by the Qatar Central Bank vide Circular No. 5/2020 dated 22 May 2020. The revised maturity date of the loan is April 2031. The loan is secured by personal guarantees of Mr Mohammad Moataz Mohammad Raslan Al Khayyat, Mr Rameez Raslan Al Khayyat and Mr Abdullah Khalifa M R Al Mohannadi; corporate guarantee of AlKhayyat Trading and Contracting and Power International Holding.

(vi) During 2021, the Group entered into various short-term trade finance facilities with local commercial banks in order to finance purchases of the Group. These agreements carry interest ranging from 4.5% to 6%. These short-term loans are repayable within 180 days. The aforementioned loan facilities are secured by Owner's personal guarantees.

16 INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

Notes:

(vii) The Group has obtained a loan of QR 30,074,347 from QNB Bank, on 23 September 2017, for the purpose of financing 65% of the factory construction cost. The loan carries an interest rate of 5.5% per annum and loan term is 7 years, in which the loan is repayable in equal monthly instalments over a period of 6 years and with 1 year grace period and bank has not charged an interest until end of the grace period, i.e. 23 September 2019. The Group received grace period of 6 months for loan instalment payment from March 2020 to September 2020 as a concession for Covid-19. The loan facility is secured by a personal guarantee from Mr. Mohamed M. Raslan AlKhayyat and solidarity guarantee of Loyalty Business Development Investment Holding W.L.L. and mortgage of all the machineries, equipment, motor vehicles and building and fixtures of the Group.

(viii) The Group entered into various other short-term financing facility agreements secured against the personal guarantees of the shareholders of the Group and corporate guarantee from Urbacon Trading and Contracting W.L.L., in order to finance working capital requirements of the Group. These facilities carry interest rate at Qatar 3.75% and repayable in six months.

(ix) The Group obtained short term financing facilities from a commercial bank in State of Qatar amounted to QR 20 Million to finance purchases of the Group. The facility carries interest at market rates. The short-term financing facility is repayable in 180 days in traditional banks and in six-month installments with 4 months grace period in Islamic Banks. It carries an interest of 3.75%.

(x) The limit of the term loan is QR 28,947,000, and it carries an interest rate at market rates accrued daily and compounded monthly. The tenure of the loan is 7 years and it is repayable in 84 equal monthly instalments of QR 297,640 starting from 1 December 2018 with an interest of 4.50%. The loan is secured by personal guarantees, corporate guarantees, property mortgage and a cheque.

(xi) The Group entered a short term Islamic finance facility on 8 November 2018 with an Islamic bank for carrying out Tawarruq (i.e. Commodities Murabaha) transactions for the purpose of financing salary and wages expenses as well as plants operation and overhead expenses. The facility carried a profit rate of 5%p.a. The facility was renewed and enhanced on 8 October 2019 and the profit rate was reduced to 3.75% p.a. The facility is repayable over 6 monthly instalments. The facility is secured by the personal guarantees of the ultimate shareholder of the Group, covering full of extended credit facilities and against the post-dated cheques.

(xii) The Group obtained a short-term financing facility from a commercial bank in State of Qatar amounted to QR 15 Million for operation activity. As at 31 December 2020, the Group utilized QR 9,591,371 at the interest rate of 4.5% and repayable within 180 days.

(xiii) The Group has obtained Murabaha facilities amounted to QR 7,700,000 and QR 2,528,544 from a commercial bank in State of Qatar for financing the procurements of certain fixed assets and the construction of factory premises. The facility amounted QR 7,700,000 carries floating interest rates with a minimum interest rate of 5.25% and repayable over 16 quarterly installments commencing from September 2020. The last installment falls due on 9 March 2024. The facility amounted QR 2,528,544 carries interest rate of 5.25% and repayable over 16 quarterly installments commencing from October 2020. The last installment falls due on 28 April 2024.

(xiv) The Group has entered into various short-term trade finance facilities secured against the personal guarantees of the shareholders of the ultimate parent with a local bank in Qatar in order to finance operations of the Group. These facilities bear interest rate at market rates. These short-term trade finance facilities are repayable within 180 days. It carries interest rate of 4% per annum.

(xv) The Group entered a term credit Islamic finance facility on 8 October 2019 with an Islamic bank for purpose of settling liabilities of related parties. The facility carries a profit rate of 4.5% p.a. and repayable over 5 years in 20 quarterly instalments. The current portion of the facility is QR 1,759,411 and non-current portion is QR 5,257,694.

16 INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

Notes:

(xvi) The Group entered into a short-term financing facility amounting to QR 15,000,000, with a commercial bank, out of which QR 9,500,000 is related to finance the purchases of the Group, QR 5,000,000 is allowed as an overdraft facility and the remaining QR 500,000 is reserved for various guarantees. The facility is payable within 180 days. It carries interest rate of 3.75% per annum.

(xvii) The Group has entered into the various short-term trade finance facilities with a commercial bank in order to finance the working capital requirements of the Group. These facilities are secured by the personal and corporate guarantee of the owner of the Group. It carries interest rate of 4% per annum.

(xviii) The Group entered a term credit Islamic finance facility on 8 October 2019 with an Islamic bank for purpose to finance purchase of machinery and equipment. The facility carries a profit rate of 4.5% p.a. and repayable over 5 years in 20 quarterly instalments. The current portion of the facility is QR 402,413 and non-current portion is QR 1,486,868.

(xix) Credit facility represent letter of credit facility was obtained from a local bank with a total limit of QR 50,000,000 to finance the working capital requirements of the Group. The credit facility is secured by the personal guarantees of the Shareholder. These facilities carry interest at market rate (3.75%) and to be paid within 60 to 120 days from the date of utilising the facility.

(xx) The Group has obtained a loan of QR. 132,000 from Barwa bank on 12 July 2020, under the Covid-19 National Response Guarantee Program for the purpose of paying salaries and rental fee. The loan carries an interest rate of 2% plus Qatar Central Bank money market lending rate subject to a minimum of 4.5% per annum after the grace period of 24 months. The repayment of the loan on semi-annual basis by entering into new commodity Murabaha contract replacing the existing contract the loan term of 36 months including 24 months grace period. The loan facility is secured by a personal guarantee from Mr. Mohamed M. Raslan AlKhayyat.

17 TRADE AND OTHER PAYABLES

	30 June 2021 QR
Trade payables	371,770,953
Advance from customers	311,473,337
Accrued expenses	259,762,171
Due to related parties (Note 27)	104,391,425
Provision for leave salary and air ticket	49,446,798
Notes payables	18,561,474
Retentions payable	16,390,798
Other payables	15,373,030
Subcontractor payables	6,485,763
Income tax payables	3,124,321
Provision for maintenance cost	3,117,370
Provision for foreseeable losses	1,989,194
Staff payable	555,118
	1,162,441,732

18 REVENUE

	Period 1 January 2021 to 30 June 2021 QR
Revenue from contracts with customers	1,514,468,756
Rental income from investment properties	5,664,480
	1,520,133,236

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets, major products and service lines and timing of revenue recognition.

	Period 1 January 2021 to 30 June 2021 QR
Revenue from contracts with customers	
Contracting revenue	853,584,497
Manpower hire revenue	284,334,773
Trading revenue	177,449,815
Agency fees	30,499,017
Facility management services	168,600,654
	1,514,468,756
Timing of revenue recognition	
Products and services transferred over time	1,132,794,342
Products transferred at a point in time	381,674,414
	1,514,468,756

	Period 1 January 2021 to 30 June 2021 QR
Type of customer	
External parties – Government	293,532,139
External parties – Non-government	362,603,386
Related parties (Note 27)	858,333,231
	1,514,468,756

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June 2021 are, as follows:

	Period 1 January 2021 to 30 June 2021 QR
Within one year	1,448,899,350
More than one year	111,367,064
	1,560,266,414

19 DIRECT COSTS

	Period 1 January 2021 to 30 June 2021 *QR*
Direct materials	532,411,747
Staff costs	416,764,506
Subcontractor costs	151,127,842
Transportation	17,885,253
Professional fees	15,352,191
Depreciation of property, plant and equipment (Note 4)	13,194,620
Rent (Note 7)	7,539,001
Depreciation of right to use assets (Note 7)	6,149,936
Repairs and maintenance	2,078,885
Amortisation of intangible assets (Note 6)	18,109
Provision for foreseeable losses	(811,466)
Other direct costs	13,512,867
	1,175,223,511

Notes:

(i) Salary expense includes a provision for employees' end of service benefits of QR 14,252,789.

(ii) Provision for loss making contracts is provided for the unavoidable costs to meet the contractual obligations under the onerous contract where the expected cost exceeds the expected economic benefits of it.

(iii) Provision for maintenance is provided against fully completed projects for covering any future costs that may be incurred on these projects for the rectification of any defects. However, when the projects are complete, and the defect liability period has elapsed provision for cost to complete is released against direct costs.

20 OTHER INCOME

	Period 1 January 2021 to 30 June 2021 *QR*
Rent income	5,334,480
Management fee income	1,200,010
Finance income on finance lease (Note 7)	119,603
Gain on sale of property, plant and equipment	99,035
Miscellaneous income	2,508,173
	9,261,301

21 GENERAL AND ADMINISTRATIVE EXPENSES

	Period 1 January 2021 to 30 June 2021 **QR**
Staff costs (i)	37,330,529
Rent (Note 7)	4,786,838
Professional fees	2,416,006
Depreciation of property, plant and equipment (Note 4)	3,392,343
Depreciation of right to use assets (Note 7)	1,746,980
Repairs and maintenance	1,147,305
Communication expenses	476,721
Amortisation of intangible assets (Note 6)	390,181
Bank commission and charges	133,151
Provision for slow moving inventories (Note 9)	89,451
Miscellaneous expenses	5,421,578
	57,331,083

Note:

(i) Staff costs includes a provision for employees' end of service benefits of QR 1,401,341.

22 OTHER OPERATING EXPENSES

	Period 1 January 2021 to 30 June 2021 **QR**
Staff costs (i)	43,099,324
Repairs and maintenance	23,269,294
Depreciation of investment properties (Note 5)	16,850,000
Transportation	5,901,277
Depreciation of property, plant and equipment (Note 4)	3,146,241
Rent (Note 7)	1,414,868
Production supplies	1,405,486
Subcontractors cost	159,056
Miscellaneous expenses	2,200,611
	97,446,157

Note:

(i) Staff costs includes a provision for employees' end of service benefits of QR 718,960.

23 FINANCE COSTS

	Period 1 January 2021 to 30 June 2021 **QR**
Interest expense on loans and borrowings	12,546,543
Interest expense on lease liabilities (Note 7)	1,866,121
Interest expense on loan from related parties (Note 27)	554,943
Bank charges	262,844
	15,230,451

24 CHANGES IN OWNERSHIP INTEREST IN A SUBSIDIARY

During the period, the Group acquired remaining ownership interest (50%) in Steel Tech Factory W.L.L. and additional 5% of the ownership interest Yemek Doha Catering Services W.L.L. The Group has elected to measure the non-controlling interests ("NCI") in the acquiree at net assets.

Acquisition of Steel Tech Factory W.L.L.
The Group acquired the non-controlling interest amounted to QR 60,365, the remaining ownership interest (50%) of Steel Tech Factory W.L.L. from Professional Aluminium W.L.L. for the consideration amounted to QR 100,000 through a subsidiary, Steel Tech Trading and Contracting W.L.L.

Acquisition of Yemek Doha Catering Services W.L.L.
On 1 January 2021, the Group acquired additional 5% of the voting shares of Yemek Doha Catering Services W.L.L. The Group acquired the non-controlling interest amounted to QR 369,054, the additional ownership interest (5%) of Yemek Doha Catering Services W.L.L. from Yemek Istanbul Catering Services Hizmetleri Sanayi for the consideration amounted to QR 88,000 through a subsidiary, Elegancia Catering Services W.L.L.

	30 June 2021 *QR*
Share of net assets acquired from non-controlling interest	
Yemek Doha Catering Services W.L.L.	369,054
Steel Tech Factory W.L.L.	60,365
	429,419
Consideration transferred	(188,000)
Bargain purchase gain on purchase of equity interest from NCI	241,419
Bargain purchase gain on purchase attributable to	
Purchase of equity interest from NCI in Yemek Doha Catering Services W.L.L.	281,054
Loss on purchase of equity interest from NCI in Steel Tech Factory W.L.L.	(39,635)
	241,419

25 DISCONTINUED OPERATIONS

During the period ended 30 June 2021, the Group disposed its subsidiaries Elegancia International L.L.C. (Formerly Elegancia Hospitality Services and Facility Management L.L.C.) and Elegancia Maintenance Service and Trading W.L.L.

Results of the subsidiaries for the period are presented below:

	Period 1 January 2021 to 30 June 2021 *QR*
General and administrative expenses	-
Gain on disposal of subsidiaries (Note i)	2,351,539
Gain for the period from discontinued operations	**2,351,539**
Total comprehensive income for the period attributable to:	
Equity holders of the Parent from discontinued operations	2,351,539

25 DISCONTINUED OPERATIONS (CONTINUED)

Note i: Details of the disposal of subsidiaries are presented below:

	Amount QR
Consideration received	2,519,170
Non-controlling interest	(454)
Carrying amount of net assets of the subsidiaries (Note ii)	(167,177)
Gain on disposal of subsidiaries	**2,351,539**

Note ii:
The carrying amounts of assets and liabilities as at the date of disposal of subsidiaries (1 January 2021) were:

	Carrying value QR
ASSETS	
Trade and other receivables	179,830
Cash and bank balances	48,045
Total Assets	227,875
LIABILITIES	
Trade and other payables	(60,698)
Total Liabilities	(60,698)
Net assets	167,177

Analysis of cash flows on disposal:	*Amount QR*
Consideration received	2,519,170
Net cash disposed	(48,045)
Net cash flow on disposal subsidiaries	2,471,125

26 INCOME TAX

Taxation is provided in accordance with the provisions of the Income Tax Law No. 24 of 2018. The Group is liable to income tax on the profits attributable to the foreign shareholders, i.e. Non-GCC shareholders. The Qatari and GCC shareholders are not subject to income tax in the State of Qatar and accordingly the tax provision stated in the consolidated fs relates only to the Non-GCC shareholders. The major components of income tax expense in the consolidated statement of profit or loss are:

	Period 1 January 2021 to 30 June 2021 QR
Profit before income tax	184,014,874
Less: Profit from tax exempted companies	(155,735,938)
	28,278,936
Add: Expenses that are not deductible	
Accounting depreciation and amortization	471,019
Provision for employee's end of service benefit	572,818
Management fees	2,500,000
Tax basis income	31,822,773
Foreign shareholding	5%
Effective tax rate	10%
Income tax expense	159,114

27 RELATED PARTY DISCLOSURES

Related parties represent 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) Transfer of assets

Transfer of assets (to) from:	*Relationship*	*Period 1 January 2021 to 30 June 2021 QR*
Urbacon Trading and Contracting W.L.L.	Affiliate	(3,420)

27 RELATED PARTY DISCLOSURES (CONTINUED)

(b) Related party transactions

Transactions with related parties included in the consolidated statement of comprehensive income are as follows:

	Period 1 January 2021 to 30 June 2021	
	Revenue *QR*	*Expenses* *QR*
Shareholders:		
Mr. Ramez MHD Ruslan AlKhayyat	511,794	-
Mr. MohamadMoataz MHD Ruslan AlKhayyat	313,563	-
Affiliates:		
Urbacon Trading and Contracting W.L.L.	537,979,437	23,105,054
Urbacon Trading and Contracting W.L.L. (WSD Branch)	117,256,464	3,383,244
UCC-Bahadir-Tedeschia Joint Venture	84,345,811	-
Infracoad Trading and Contracting Co. W.L.L.	40,591,638	-
Golden Bay Contracting and Trading W.L.L.	20,817,221	299,176
UCC Promar JV	17,011,465	-
Baladna Food Industries W.L.L.	11,590,703	562,500
Pentagram Design Trading and Contracting W.L.L.	7,201,549	589,502
Assets Real Estate Development W.L.L.	4,975,919	234,810
Aura Hospitality W.L.L.	4,133,498	9,685
Power International Holdings Co. W.L.L.	2,564,025	6,423,803
Stark Securities Company W.L.L.	1,660,101	278,581
United Foods services W.L.L.	1,521,226	-
Al-Khayyat Trading and Contracting Co. W.L.L.	1,216,325	636,311
Orient Pearl Restaurant W.L.L.	1,003,222	33,103
Ihnafushi Investment (Private) Limited	798,002	68,304
Aura Entertainment Services W.L.L.	704,306	-
Arab Builders Company W.L.L.	582,831	1,077,492
Profession Aluminium Co. W.L.L.	493,125	690,720
Palma Group W.L.L.	310,676	1,190
Qatar Asyad	303,184	-
Damasca One Restaurant W.L.L.	268,666	-
Highness Architecture and Interiors	127,722	-
International Design & Consultant Company W.L.L.	24,000	3,376,000
Urbacon Trading and Contracting W.L.L. (PMV Branch)	18,674	6,884,787
Joury Tours and Travels W.L.L.	-	6,313,423
Aura Lifestyle W.L.L.	-	2,500,000
Urbacon Holding W.L.L.	-	1,410,754
Loyalty for Business Development and Investment Holding W.L.L.	-	405,477
Highness Holding Co. W.L.L.	-	50,839
Printshop for Printing Services W.L.L.	-	36,250
Credo Trading Co. W.L.L.	-	29,241
Gulfmed Supply Co. W.L.	-	12,284
	858,333,131	58,332,620

27 RELATED PARTY DISCLOSURES (CONTINUED)

(c) Related party balances

Balances with related parties included in the consolidated statement of financial position are as follows:

	30 June 2021 QR
Due from related parties	
Shareholders:	
Mr. Ramez MHD Ruslan AlKhayyat	27,900,922
Mr. MohamadMoataz MHD Ruslan AlKhayyat	27,460,979
Affiliates:	
Urbacon Workshop Department	46,353,475
Infrared Trading and Contracting Co. W.L.L.	44,521,772
UCC-Bahadir-Tedeschia Joint Venture	43,314,279
Al-Khayyat Trading and Contracting Co. W.L.L.	30,477,742
UCC Promar JV	22,135,023
Golden Bay Contracting and Trading W.L.L.	13,498,615
Aura Hospitality W.L.L.	11,120,223
Pentagram Design Trading and Contracting W.L.L.	8,646,981
Stark Securities Company W.L.L.	8,646,284
Assets Real Estate Development W.L.L.	4,506,278
Urbacon and Infrarood Joint Venture	3,416,522
Orient Pearl Restaurant W.L.L.	3,063,597
United Foods services W.L.L.	2,214,499
Yemek Istanbul Catering Services Hizmetleri Sanayi	2,129,651
Aura Entertainment Services W.L.L.	2,108,098
Ithaafushi Investment (Private) Limited	515,666
UCC Acciona JV	482,718
Arab Builders Company W.L.L.	433,243
Palma Group W.L.L.	419,883
Damasca One Restaurant W.L.L.	327,974
Ithaafushi Investment W.L.L.	161,385
Union Iron and Steel Company L.L.C	43,871
3D Tech	31,244
	304,112,924

27 RELATED PARTY DISCLOSURES (CONTINUED)

(c) Related party balances (continued)

	30 June 2021
Due to related parties	***QR***
Affiliates:	
REB Asyad JV	38,175,721
Urbancon Trading and Contracting W.L.L.	26,828,973
Urbacon Trading and Contracting W.L.L. (PMV Branch)	10,154,150
Aura Lifestyle W.L.L.	6,285,913
Urbancon Holding W.L.L.	4,850,635
Baladna Food Industries W.L.L.	4,538,587
Loyalty for Business Development and Investment Holding W.L.L.	3,000,000
Joury Tours and Travels W.L.L.	2,760,444
International Design & Consultant Company W.L.L.	2,571,869
Gulfmed Supply Co. W.L.	2,037,833
Highness Holding Co. W.L.L.	1,275,900
Power International Holdings Co. W.L.L.	1,043,485
Printshop for Printing Services W.L.L.	503,636
Joury logistic company W.L.L.	204,249
Profession Aluminium Co. W.L.L.	61,404
Global Security System Co. W.L.L.	44,540
Credo Trading Co. W.L.L.	29,241
Foodmania Restaurant W.L.L.	15,750
Loulout Alsharq Restaurant W.L.L.	9,095
	104,391,425

(d) Compensation of key management personnel

The remuneration of directors and other members of the key management personnel during the period were as follows:

	Period 1 January 2021 to 30 June 2021
	QR
Salaries and short-term benefits	3,370,526
Employees' end of service benefits	358,230
	3,728,756

Terms and conditions of transactions with related parties

Transactions with related parties are approved by the management. All the related party receivables balances are payable on demand and in local currency. The related parties are all under common controlled by its owners of the Company and the recorded amounts of due from related parties are all secured by guarantee from the owners of the Company, thus management believes that the Group has no exposure on expected credit loss and this condition is being yearly monitored based on the financial decision and economic condition of the owners of the Company. For the year ended 30 June 2021, the Group has not recorded any impairment relating to amounts due from related parties.

27 RELATED PARTY DISCLOSURES (CONTINUED)

(e) Related party loan

On September 2020, Credo Trading Co. W.L.L. provided an interest-free loan to the Group amounted to QR 33,016,959 as a part of the restructuring of the amounts due to Loyalty for Business Development and Investment Holding W.L.L. amounted to QR 20,357,769, Credo Trading Co. W.L.L. amounted to QR 652,216 and MohammadMoataz MHD Ruslan AlKhayyat amounted to QR 12,006,974. This loan is payable on five equal annual installments that amounted to QR 6,603,392 from 28 February 2022 until 28 February 2026.

Movement of the loan from a related party as follows:

	30 June 2021
	QR
Transfers resulting from business combination (Note 3)	29,366,599
Interest expense for the period (Note 23)	554,943
Payment during the period	(1,757,451)
At 30 June 2021	28,164,091

28 CONTINGENCIES

The Group had the following contingent liabilities from which it is anticipated that no material liabilities will arise

	30 June 2021
	QR
Performance guarantees	160,587,106
Letter of guarantees	97,991,375
Bank guarantee	92,872,115
Contingent commercial loans	55,058,870
Letter of credits	37,416,198
Tender bonds	8,468,560
Performance bond	1,296,000
Security cheque	120,000
	453,810,224

29 FINANCIAL RISK MANAGEMENT

Objectives and policies

The Group's principal financial liabilities comprise of interest-bearing loans and borrowings, staff payables, subcontractor payables, lease liabilities, retention payable, trade payable, accrued expenses, due to related parties other payables and bank overdraft. The main purpose of these financial liabilities is to manage Group's working capital requirements.

The Group has various financial assets such as contract assets, retention receivable, trade receivables, due from related parties, deposits, note receivables, finance lease receivables, staff receivable, cash at bank and other receivables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements. The management has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyze the risks faced by the Group and to monitor risks.

29 FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect the Group's income or the value of its holdings of financial instruments. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, and liquidity risk. The shareholders review and agree on policies for managing each of these risks which are summarised below:

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk on its short-term loans and borrowings and bank overdraft as follows:

	30 June 2021 QR
Floating interest rate instrument	
Short-term loans and borrowings	577,272,594
Bank overdraft	119,146,715
	696,419,309

The following demonstrates the sensitivity of the Group's profit to reasonably possible changes in interest rates, with all other variables held constant. The sensitivity of the profit is the effect of the assumed changes in interest rate on the Group for the year, based on the floating interest rate financial liabilities held at the period end:

	Net effect on profit or loss +25b.p QR
At 30 June 2021	1,741,048

At the reporting date, the Group is not exposed to any significant interest rate risk as the Group does not have any floating rate financial instruments that are subject to interest rate risk.

Currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group does not hedge its exposure to currency risk. As Qatari Riyal is pegged to the US Dollar and currencies of GCC countries (except for Kuwaiti Dinar), currency risk arising from exposure to fluctuations in the US Dollar and currencies of GCC countries is expected to be minimal.

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group is exposed to credit risk from its financial assets including bank balance, trade receivables, note receivables, retentions receivables, refundable deposits, due from related parties, contract assets, staff receivables and other receivables.

29 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

With respect to credit risk arising from the financial assets of the Group, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments as follows:

	30 June 2021 QR
Trade receivables	488,325,419
Contract asset	423,298,601
Due from related parties	304,122,924
Retentions receivable	144,900,510
Bank balances	94,440,301
Notes receivables	78,276,845
Finance lease receivable	3,226,294
Deposits	1,614,343
Staff receivables	1,097,120
Other receivables	7,538,115
	1,538,840,531

Impairment of financial assets

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

The trade receivables are due from customers based locally and mainly from the government related entities.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customers with similar loss patterns. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the construction sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate.

The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

More than 99% of the Group's customers have been transacting with the Group since or prior to 2021, and none of these customers' balances have been written off or are credit-impaired at the reporting date. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a Government or non-government entity, their geographic location, industry, trading history with the Group and existence of previous financial difficulties. 99% of the trade receivables are due from customers based locally.

Due from related parties

All the related party receivables balances are payable on demand and in local currency. The related parties are all under common controlled by its shareholder and the recorded amounts of due from related parties are all secured by guarantee from the shareholder, thus management believes that the Group has no exposure on expected credit loss and this condition is being yearly monitored based on the financial decision and economic condition of the shareholder.

29 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

Impairment of financial assets (continued)

Due from related parties (continued)
Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

	As at 30 June 2021			
	Gross carrying amount QR	*Expected credit loss allowance QR*	*Net carrying amount QR*	*Loss rate*
Not past due	695,383,812	65,245,283	630,138,529	9%
Below 90 days past due	128,903,681	14,827,830	114,075,851	12%
91 – 180 days past due	27,610,847	5,004,814	22,606,033	18%
More than 180 days past due	130,368,050	29,998,035	100,370,015	23%
Total	982,266,390	115,075,962	867,190,428	

Cash at bank
The Group's bank deposits are held with credit worthy and reputable banks with high credit ratings. As a result, management believes that credit risk in respect of these balances is minimal.

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's operations. The table below summarises the maturity profile of the Groups' financial liabilities at 30 June based on contractual, undiscounted payments:

At 30 June 2021	*Less than 3 months QR*	*3 to 12 months QR*	*More than 1 year QR*	*Total QR*
Trade payables	371,770,933	-	-	371,770,933
Interest bearing loans and borrowings	230,526,358	184,012,191	481,228,333	895,766,882
Accrued expenses	-	259,762,171	-	259,762,171
Lease liabilities	13,074,490	33,470,013	86,722,198	133,266,701
Bank overdraft	119,146,715	-	-	119,146,715
Due to related parties	-	104,391,425	-	104,391,425
Notes payables	18,561,474	-	-	18,561,474
Retentions payables	-	16,390,798	-	16,390,798
Other payables	-	15,373,030	-	15,373,030
Subcontractor payables	6,485,763	-	-	6,485,763
Staff payable	555,118	-	-	555,118
Total	760,120,851	613,399,628	567,950,531	1,941,471,010

Capital management
The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders' value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the period ended 30 June 2021. The capital comprises share capital, legal reserve, other reserve, retained earnings and non-controlling interest is measured at QR 572,353,216.

30 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of contract assets, retention receivable, trade receivables, due from related parties, deposits, note receivables, finance lease receivables, staff receivable, cash at bank and other receivables.

Financial liabilities consist of interest-bearing loans and borrowings, staff payables, subcontractor payables, lease liabilities, retention payable, trade payable, accrued expenses, due to related parties, other payables and bank overdraft.

The fair values of financial instruments are not materially different from their carrying values.

31 SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed regularly.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur

Significant judgement in determining the lease term of contracts with renewal options
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Provision for expected credit losses of trade receivables, retention receivables and contract assets
The Group uses a provision matrix to calculate ECLs for its financial assets. The provision rates are based on days past due for groupings of various customers with similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the ready-mix concrete sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

31 SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (CONTINUED)

Useful lives of property, plant and equipment
The Group's management determines the estimated useful life of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted, where the management believes the useful lives differ from previous estimates.

Impairment of inventories
Inventories are held at the lower of cost or net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on anticipated selling prices. At the reporting date, gross inventory was QR 294,920,265 with provision for slow moving inventories of QR 12,749,899. Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the consolidated statement of comprehensive income.

Estimating the incremental borrowing rate on leases
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group 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 assets in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates

Allowance for impairment losses on non-financial assets
The management assesses impairment on non-financial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the management considers important which could trigger an impairment review include the following:

- significant underperformance relative to the expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

As at 30 June 2021, there was no indication of impairment loss on the Group's non-financial assets.

Percentage of completion-based contract assets
Contract assets on percentage of completion-based contracts is stated at cost, plus attributable profit, less progress payments received and receivable. Cost includes material, labour and other direct costs plus an appropriate allocation of overheads. For individually significant amounts this estimation of impairment is performed on an individual basis. Provision is made for contingencies and any anticipated future losses. At the end of reporting period, contract assets amounted to QR 423,298,661

Going concern
The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. 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 a going concern basis.

32 SEGMENT INFORMATION

The Group has the following four strategic divisions, which are its reportable segments. These divisions offer different products and services and are managed by the Group separately for the purpose of making decisions about allocation and performance management.

The table below sets out the operations of each reporting segments.

Reportable segments	*Operations*
Services	Facility management and hospitality services, catering services and ready meals supply and catering for large events and gatherings, manpower supply
Industries	Production and formation of metals, steel sections and cable carriers and accessories, fabrication, erection, trading of granite and marble stone, granite sand, machinery and equipment related to granite, industrial and natural stone, ceramic and porcelain stone and building materials
Contracting	Offshore services, marine construction, shipping and acting as a shipping agent to vessel owners and marine mediator services. Provides electrical and sanitary contracting, installation of electromechanical equipment and management of agricultural projects, agricultural consulting, parks management, landscaping, agricultural equipment
Healthcare	Medical and healthcare services and trading of medical materials and equipment.

The Group's Chief Executive Officer reviews the internal management reports of each division at least annually.

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

32 SEGMENT INFORMATION (CONTINUED)

Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations presented further below:

Period 1 January 2021 to 30 June 2021	*Services* *QR*	*Industries* *QR*	*Contracting* *QR*	*Healthcare* *QR*	*Total segments* *QR*	*Adjustments and eliminations* *QR*	*Consolidation* *QR*
Revenue							
External customers	805,506,545	133,814,643	580,812,048	-	1,520,133,236	-	1,520,133,236
Inter-segment	52,363,951	27,013,916	12,326,844	-	91,704,711	(91,704,711)	-
Total revenue	857,870,496	160,828,559	593,138,892	-	1,611,837,947	(91,704,711)	1,520,133,236
Segment profit	135,531,733	9,104,153	39,743,545	(573,857)	183,805,574	50,186	183,855,760
Income/(expenses)							
Other income	5,460,818	1,783,116	2,017,367	-	9,261,301	-	9,261,301
Direct costs	(592,938,964)	(130,782,494)	(535,966,286)	-	(1,259,687,744)	84,464,233	(1,175,223,511)
General and administrative expenses	(28,675,548)	(20,965,113)	(15,721,502)	(573,857)	(65,036,020)	7,704,937	(57,331,083)
Management fee	(2,500,000)	-	-	-	(2,500,000)	-	(2,500,000)
Other operating expenses	(95,567,607)	(58,550)	(1,820,000)	-	(97,446,157)	-	(97,446,157)
Total assets	1,793,995,136	580,398,806	1,078,177,398	2,390,942	3,454,962,282	(646,238,179)	2,808,724,103
Total liabilities	1,460,636,937	381,681,302	820,082,138	2,764,799	2,665,165,176	(428,794,289)	2,236,370,887

33 EFFECT OF COVID 19

The outbreak of Novel Coronavirus (COVID 19) continues to progress and evolve. Therefore, it is still challenging to predict the full extent and duration of its business and economic impact. The Group has been closely monitoring the latest developments in the current evolving situation and has carried out an assessment based on the observable information as at 30 June 2021.

The Group is carefully monitoring the evolving situation around the spreading of the COVID-19 and its impact on the business. The Group has performed an assessment of whether it is a going concern in the light of current economic conditions. The Shareholder support the operations of the Group. Accordingly, the management is satisfied that the Group has sufficient liquidity to meet its current liabilities and working capital requirements. As a result, these consolidated financial statements have been appropriately prepared on a going concern basis.

Further, the management has assessed whether there is an indication that other non-financial assets may be impaired as at 30 June 2021. However, no indications were noted.

The Group will continuously monitor the ongoing situation and continue to provide conservatively for any downside risks.

34 EVENTS AFTER THE REPORTING PERIOD

As at 12 October 2021, the shareholders of the Company have agreed a share swap ratio with Investment Holding Group Q.P.S.C. for the purpose of acquiring the Company and its subsidiaries. The parties are awaiting the process to be completed in accordance with the laws and instructions issued by Qatar Financial Markets Authority, Qatar Stock Exchange and all the competent regulatory authorities to finalise transaction documentation.

ANNEX VI
ELEGANCIA REVIEWED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD AS AT 30 SEPTEMBER 2021

Elegancia Group W.L.L.
(Formerly Elegancia Group Administrative Consultancy W.L.L.)

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2021

Building a better working world

Ernst & Young (Qatar Branch)
P.O. Box 164
Burj Al Gassar, 24th floor
Majlis Al Taawon Street, Onaiza
West Bay
Doha, State of Qatar

Tel: +974 4457 4111
Fax: +974 4441 4649
doha@qa.ey.com
ey.com/mena

Licensed by the Ministry of Economy and Commerce: International Accounting Offices (License No. 4)
Licensed by Qatar Financial Markets Authority (QFMA): External Auditors (License No. 120154)

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF ELEGANCIA GROUP W.L.L. (FORMERLY ELEGANCIA GROUP ADMINISTRATIVE CONSULTANCY W.L.L.)

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Elegancia Group W.L.L. (Formerly Elegancia Group Administrative Consultancy W.L.L.) (the "Company") and its subsidiaries (together referred to as the "Group"), as at 30 September 2021, which comprises of the interim consolidated statement of financial position as at 30 September 2021 and the related interim consolidated statements of comprehensive income for the three and nine months periods then ended, the interim consolidated statements of changes in equity and the interim consolidated statement of cash flows for the nine months period then ended, and the related explanatory notes.

The Management of the Company is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ahmed Sayed

Ahmed Sayed
of Ernst & Young
Auditor's Registration No: 326

EY ERNST & YOUNG
P.O. BOX: 164, DOHA - QATAR
EY إرنست و يونغ
ص.ب : ١٦٤، الدوحة - قطر

Date: 15 February 2022
Doha

Elegancia Group W.L.L.
(Formerly Elegancia Group Administrative Consultancy W.L.L.)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

	Notes	*30 September 2021 (Reviewed) QR*
ASSETS		
Non-current assets		
Property, plant and equipment	4	744,706,824
Investment properties	5	87,642,065
Intangible assets	6	6,549,172
Right-of-use-assets	7	30,981,630
Retention receivable	8	35,831,184
		905,710,075
Current assets		
Inventories	9	371,786,180
Trade and other receivables	11	907,137,562
Contract assets	10	459,325,491
Retention receivable	8	20,615,008
Cash and bank balances	12	64,813,592
		1,823,677,833
TOTAL ASSETS		2,729,387,908
EQUITY AND LIABILITIES		
Equity		
Capital	13	10,000,000
Legal reserve	14	49,916,393
Other reserve	13	3,923,960
Retained earnings		556,917,818
Equity attributable to equity holders of the parent		620,758,171
Non-controlling interest		2,761,657
Total equity		623,519,828
Liabilities		
Non-current liabilities		
Employees' end of service benefits	15	81,641,698
Loan from a related party	27	23,599,542
Interest bearing loans and borrowings	16	333,071,455
Lease liabilities	7	19,436,312
		457,749,007
Current liabilities		
Trade and other payables	17	1,124,333,736
Contract liabilities	10	45,191,272
Loan from a related party	27	4,345,941
Lease liabilities	7	4,880,971
Interest bearing loans and borrowings	16	364,982,404
Bank overdraft	12	104,384,749
		1,648,119,073
Total liabilities		2,105,868,080
TOTAL EQUITY AND LIABILITIES		2,729,387,908

ERNST & YOUNG
Doha - Qatar
15 FEB 2022
Stamped for Identification Purposes Only

Ramez MHD Rasлan AlKhayyat	Henrik Halager Christiansen	Gerard Patrick Hutchinson
Vice Chairman	Group Chief Executive Officer	Group Chief Financial Officer

The attached notes 1 to 32 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three and nine months periods ended 30 September 2021

	Notes	*For the three months period ended 30 September 2021 (Reviewed) QR*	*For the nine months period ended 30 September 2021 (Reviewed) QR*
Revenue	18	816,697,145	2,336,830,381
Direct costs	19	(655,264,046)	(1,830,487,557)
GROSS PROFIT		161,433,099	506,342,824
Other income	20	3,894,474	13,155,775
General and administrative expenses	21	(32,409,838)	(94,060,921)
Other operating expenses	22	(36,101,948)	(131,728,105)
Finance costs	23	(8,554,397)	(23,784,848)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		88,261,390	269,924,725
Income tax expense	26	(94,778)	(253,892)
PROFIT FROM CONTINUING OPERATIONS		88,166,612	269,670,833
Profit on discontinued operations	25	-	2,351,539
PROFIT FOR THE PERIOD		88,166,612	272,022,372
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		88,166,612	272,022,372
Profit attributable to:			
Equity holders of the Parent		87,111,999	269,561,768
Non-controlling interest		1,054,613	2,460,604
		88,166,612	272,022,372
Total comprehensive income attributable to:			
Equity holders of the Parent		87,111,999	269,561,768
Non-controlling interest		1,054,613	2,460,604
		88,166,612	272,022,372
Total comprehensive income attributable to equity holders of the Parent arises from:			
Continuing operations		87,111,999	267,210,229
Discontinued operations		-	2,351,539
		87,111,999	269,561,768

ERNST & YOUNG
Doha - Qatar
15 FEB 2022
Stamped for Identification Purposes Only

The attached notes 1 to 32 form part of these interim condensed consolidated financial statements.

Elegancia Group W.L.L.
(Formerly Elegancia Group Administrative Consultancy W.L.L.)

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months period ended 30 September 2021

	Equity attributable to equity holders of the parent						
	Capital *QR*	*Legal reserve* *QR*	*Other reserve* *QR*	*Retained earnings* *QR*	*Total* *QR*	*Non-controlling interest* *QR*	*Total equity* *QR*
Capital introduced	10,000,000	-	-	-	10,000,000	-	10,000,000
Transfers as a result of business combination under the common control (Note 3)	-	49,916,393	3,923,960	324,114,631	377,954,984	5,109,799	383,064,783
Profit for the period	-	-	-	269,561,768	269,561,768	2,460,604	272,022,372
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	269,561,768	269,561,768	2,460,604	272,022,372
Changes in ownership interest in subsidiaries (Note 24)	-	-	-	241,419	241,419	(429,419)	(188,000)
Elimination of non-controlling interest at disposal of subsidiaries (Note 25)	-	-	-	-	-	454	454
Dividend paid *	-	-	-	(37,000,000)	(37,000,000)	(4,379,781)	(41,379,781)
As at 30 September 2021 (Reviewed)	**10,000,000**	**49,916,393**	**3,923,960**	**556,917,818**	**620,758,171**	**2,761,657**	**623,519,828**

* The Group has declared dividends amounting to QR 37,000,000 and paid to the Shareholders. Further, the subsidiaries of the Group have declared dividends amounting to QR 4,379,781 and paid to the Shareholders.

ERNST & YOUNG
Doha - Qatar
15 FEB 2022
Stamped for Identification
Purposes Only

The attached notes 1 to 32 form part of these interim condensed consolidated financial statements.

Elegancia Group W.L.L.
(Formerly Elegancia Group Administrative Consultancy W.L.L.)
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the nine months period ended 30 September 2021

	Notes	*For the nine months period ended 30 September 2021 (Reviewed)* QR
OPERATING ACTIVITIES		
Profit before tax from continuing operations		269,924,725
Profit before tax from discontinued operations		2,351,539
Profit before tax		272,276,264
Adjustments for:		
Depreciation of property, plant and equipment	4	29,219,419
Depreciation of investment properties	5	22,466,667
Depreciation of right-of-use assets	7	9,948,947
Amortization of intangible assets	6	960,916
Lease concession related to COVID-19	7	(33,280)
Reversal of provision for foreseeable losses	19	(811,466)
Gain on disposal of subsidiaries	25	(2,351,539)
Gain on early termination of lease contract	21	(1,931,724)
Provision for slow moving inventories		689,451
Gain on disposal of property plant and equipment	20	(125,809)
Reversal of expected credit loss on receivables		(724,036)
Interest income from finance lease	7	(143,233)
Interest expense on lease liabilities	23	2,347,063
Interest expense on loans and borrowings	23	19,735,841
Interest expense on loan from related parties	23	836,335
Provision for employees' end of service benefits	15	27,986,146
Operating profit before working capital changes		380,345,962
Working capital changes:		
Inventories		(182,496,070)
Trade and other receivables		189,914,549
Contract assets		(79,159,900)
Retention receivables		50,410,306
Contract liabilities		30,588,431
Trade and other payables		(55,898,078)
Cash flows from operations		333,705,200
Employees end of services benefits paid	15	(4,876,880)
Interest paid		(22,919,239)
Net cash flows from operating activities		305,909,081

ERNST & YOUNG
Doha - Qatar
15 FEB 2022
Stamped for Identification
Purposes Only

The attached notes 1 to 32 form part of these interim condensed consolidated financial statements.

	Notes	*For the nine months period ended 30 September 2021 (Reviewed) QR*
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	4	(105,919,426)
Net movement in bank balances blocked as collateral	12	(442,528)
Purchase of intangible assets	6	(6,064,882)
Net cash flow on business combination under common control	3	(205,838,099)
Net consideration received from disposal of a subsidiary	25	2,471,125
Consideration paid for the acquisition of non-controlling interest	24	(188,000)
Proceeds from disposal of property, plant and equipment		260,504
Net cash flows used in investing activities		(315,721,306)
FINANCING ACTIVITIES		
Net movement in interest bearing loans and borrowings		17,390,164
Introduction of capital		10,000,000
Payment of principle portion of the loan received from related party		(1,421,116)
Payment of dividend		(41,379,781)
Payment of principal portion of lease liabilities		(14,790,727)
Net cash flows used in financing activities		(30,201,460)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(40,013,685)
Cash and cash equivalents as at 1 January		-
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	12	(40,013,685)

ERNST & YOUNG
Doha - Qatar
15 FEB 2022
Stamped for Identification Purposes Only

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Elegancia Group W.L.L. (Formerly Elegancia Group Administrative Consultancy W.L.L.) (the "Company") is registered in the State of Qatar as a limited liability company under Commercial Registration No.147966. The Company's registered office is located at PO Box No. 201184, Doha, State of Qatar.

In November 2021, the management changed the Company's name from Elegancia Group Administrative Consultancy W.L.L. to Elegancia Group W.L.L., which has been amended in the Commercial Registration.

The Company together with its subsidiaries (the "Group") is engaged in provision of contracting services related to facilities management, catering, manpower and gabro, MEP, landscape and marine logistics, fabrication of steel works technology, joinery, Stone works and management consulting. These condensed consolidated financial statements include the activities and operations of the Group.

The Shareholders of the Company and their respective ownership are as follows:

Names of Shareholders	*Nationality*	*Ownership %*	*30 September 2021 QR*
Ramez MHD Ruslan AlKhayyat	Qatari	50%	5,000,000
MohamedMoataz MHD Ruslan AlKhayyat	Qatari	50%	5,000,000
			10,000,000

In November 2021, 25% of the ownership of the Company has transferred to Urbacon Trading and Contracting W.L.L, a company registered in the state of Qatar. The Company registered the change in ownership with Ministry of Economy and Commerce.

The Company was registered on 5 November 2020, however, the Company commenced its commercial operations from 1 January 2021. These are the first set of interim condensed consolidated financial statements of the Group since the registration and there were no transactions from 5 November 2020 to 31 December 2020.

The interim condensed consolidated financial statements of the Group were approved and authorized for issue by the management on 15 February 2022.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements for the period ended 30 September 2021 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34").

The interim condensed consolidated financial statements have been presented in Qatari Riyal ("QR"), which is the functional and presentation currency of the Group.

The preparation of the interim condensed consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are disclosed in Note 31. In addition, the results for the nine months period ended 30 September 2021 are not necessarily indicative of the results that may be expected for the financial period ending 31 December 2021.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation

The condensed consolidated financial statements comprise the financial statements of Elegancia Group W.L.L. and its subsidiaries (together referred to as the "Group"). Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:
- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

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

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the period are included in the interim consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interest, even if this results in the non-controlling interests having a deficit balance. These condensed consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:
- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

The formation of the Company is a result of the management's reorganisation plan wherein the Company will act as a holding company for all the entities which were previously owned by Power International Holding W.L.L. and its subsidiaries (together referred as "PIH Group"), a limited liability Company incorporated in the State of Qatar effective from 1 January 2021.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation (continued)

Details of the Group's principal subsidiaries as of the reporting date are as follows:

Name of the Company	*Country of Incorporation*	*Principal activities*	*Ultimate Holding as of 30 September 2021*
Elegancia Facilities Management W.L.L. (Formerly Elegancia Hospitality and Facility Management Services W.L.L.) (Note i)	State of Qatar	Provision of facility management and hospitality services, trading and installation of video and audio equipment and planning and organizing public concerts.	100%
Elegancia Landscape W.L.L. (Formerly Palmera Landscape W.L.L.)	State of Qatar	Investment and management of agricultural projects, agricultural consulting, parks management, landscaping, agricultural equipment and material trading, trading of plants and trading of irrigation equipment.	100%
Elegancia Human Resources and Contracting W.L.L. (Formerly known as Challenger Trading and Contracting W.L.L.)	State of Qatar	General contracting, trading in building materials, building maintenance, electrical contracting, electronic works and manpower supply.	100%
Elegancia Electromechanical Services W.L.L. (Formerly Radiant Engineering Enterprises W.L.L.)	State of Qatar	Electrical and sanitary contracting, installation of electromechanical equipment, installation, maintenance and repair of elevators, fire warning devices, air conditioning and refrigeration system.	100%
Elegancia Joinery W.L.L. (Formerly Zebrano Wood Works W.L.L.)	State of Qatar	Trading of wood and manufacture and trading of wood related products, executing interior and exterior projects including producing ceilings, walls decorations, timber decorations and producing various wooden furniture.	100%
Elegancia Galvanization Steel Manufacture Metals and Cables W.L.L. (Formerly Galva Steel Manufacture Metals and Cables W.L.L.)	State of Qatar	Production and formation of metals, production of steel sections and production of cable carriers and accessories.	100%
Elegancia Steel Trading W.L.L. (Formerly known as Steel Master Limited for Trading W.L.L.)	State of Qatar	Fabrication, erection and trading of steel bars which include services for the alteration in the size and shape of the steel bars	100%
Elegancia Stones for Marble & Granite Trading W.L.L. (Formerly Marble Stone for Marble & Granite Trading W.L.L.)	State of Qatar	Installation and trading of granite and marble stone, granite sand, machinery and equipment related to granite, industrial and natural stone, ceramic and porcelain stone and building materials.	100%

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation (continued)

Name of the Company	*Country of incorporation*	*Principal activities*	*Ultimate Holding as at 30 September 2021*
Elegancia Gabro Trading and Transport W.L.L. (Formerly known as Gabromix Trading and Transport W.L.L.)	State of Qatar	Trading Gabbro materials and transport services.	100%
Elegancia Catering Services W.L.L.	State of Qatar	Providing catering services and ready meals supply and catering for large events and gatherings	100%
Elegancia Marine Offshore Services W.L.L. (Formerly Marine Master Offshore Services Company W.L.L.)	State of Qatar	Supply of services across a range of marine industries such as offshore services, marine construction, shipping and acting as a shipping agent.	100%
Steel Tech Trading and Contracting W.L.L.	State of Qatar	Manufacturing, trading and installation of fabricated doors, conditioning ducts, windows and cabinets.	100%
Steel Tech Factory W.L.L.	State of Qatar	Manufacturing, trading and installation of fabricated doors, windows, cabinets, and air-conditioning ducts.	100%
Elegancia Steel Doors Trading and Contracting W.L.L. (Techno Doors Trading and Contracting W.L.L)	State of Qatar	Manufacturing and Installation of fabricated doors.	100%
Elegancia Steel Ducts Trading and Contracting W.L.L. (Techno Ducts Trading and Contracting W.L.L)	State of Qatar	Manufacturing, trading and installation of air-conditioning ducts.	100%
Elegancia Marine Agency W.L.L. (Giants Marine Services W.L.L.)	State of Qatar	Providing agency services to vessel owners and marine mediator services.	100%
Elegancia Health Care W.L.L.*	State of Qatar	Providing management consulting services, facility management services, management and operating of professional labour.	100%
Yemek Doha Catering Services W.L.L.	State of Qatar	Providing catering services and ready meals supply and catering for large events and gatherings.	95%
Elegancia Design for Trading & Contracting W.L.L.	State of Qatar	Construction and general contracting, interior design implementation works, interior design activities, Trade in Building materials.	100%

* During the period ended 30 September 2021, The View Hospital W.L.L, Korean Medical Center W.L.L, and EWS L Management and Consulting W.L.L. were established under the Elegancia Health Care W.L.L.

Note i:
On 1 January 2021, Elegancia Facilities Management W.L.L. has transferred out its interests in the subsidiaries Elegancia International L.L.C. (Formerly Elegancia Hospitality Services and Facility Management L.L.C.) and Elegancia Maintenance Service and Trading W.L.L for the cost price of OMR 245,000 (QR 2,319,170) and QR 200,000 respectively.

Note ii:
On 30 November 2021, the Group established a subsidiary, Elegancia Kitchens Equipment Trading and Maintenance W.L.L. in State of Qatar.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation (continued)

Business combination under common control

Accounting for business combinations involving entities or businesses under common control is outside the scope of IFRS 3 "Business Combinations". In the case of an absence of specific guidance in IFRS, the management use their judgment in developing and applying an accounting policy that is relevant and reliable. In making that judgement the management may also consider the most recent pronouncements of other standard-setting bodies that use a similar conceptual framework to develop accounting standards, to the extent that these do not conflict with the IFRS.

The management have adopted the pooling of interest method to account for the business combinations of entities under common control. This method involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No goodwill is recognised as a result of combination. The only goodwill that is recognised is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid/transferred and the equity acquired is is reflected within equity.
- The consolidated statement of comprehensive income reflects the results of the combining entities from the date of the transfer.

Interest in joint arrangements

Joint operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators.

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

A joint operator shall recognize in relation to its interest in a joint operation:

(a) its assets, including its share of any assets held jointly;
(b) its liabilities, including its share of any liabilities incurred jointly;
(c) its revenue from the sale of its share of the output arising from the joint operation;
(d) its share of the revenue from the sale of the output by the joint operation; and
(e) its expenses, including its share of any expenses incurred jointly

A joint operator shall account for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

Adjustments are made in the consolidated financial statements to eliminate the Company's share of intergroup balances, income and expenses and unrealized gains and losses on transactions between the Company and its jointly controlled operations.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's condensed consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Standards and Interpretations	*Effective date*
• Amendments to IFRS 3: Reference to the Conceptual Framework	1 January 2022
• Amendments to IAS 16: Property and equipment: Proceeds before Intended Use	1 January 2022
• Amendments to IAS 37: Onerous Contracts – Costs of Fulfilling a Contract	1 January 2022
• IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter	1 January 2022
• IFRS 9 Financial Instruments: Fees in the '10 per cent' test for derecognition of financial liabilities	1 January 2022
• IAS 41 Agriculture: Taxation in fair value measurements	1 January 2022
• IFRS 17: Insurance contracts	1 January 2023
• Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023

The Group did not early adopt any standards, interpretations or amendments that have been issued but are not yet effective

2.4 Summary of significant accounting policies

Revenue from contracts with customers

Contract revenue

The majority of our revenues are from long-term contracts. The Group determines if revenue will be recognised over time or at a point in time for its identified performance obligations. The Group frequently enters into contracts with customers which contain fixed contract term. Where revenue is recognised over time, the Group applies the relevant revenue recognition method for measuring progress that faithfully depicts the Group's performance in transferring control of the goods and services to the customer.

The Group uses the input method to measure progress of landscaping projects and revenue are recognised in direct proportion to costs incurred where the transfer of control is most closely aligned to the Group's efforts in delivering the service. For contracts with multiple components to be delivered to customers such as in integrated facilities development contracts, the Group applies judgement to consider whether those promised goods and services are:

- Distinct and accounted for as separate performance obligations;
- Combined with other promised goods or services until a bundle is identified that is distinct; or
- Part of a series of distinct goods and services that are substantially the same and have the same pattern of transfer over time i.e. where the customer is deemed to have simultaneously received and consumed the benefits of the goods or services over the life of the contract.

The Group considers contracts to have a single performance obligation on the basis that the Group provides a significant service of integration in creating a combined output. As such, management has concluded that the goods and services are not distinct within the context of the contract.

At contract inception, the total transaction price is determined, being the amount to which the Group expects to be entitled and has rights under the current contract. This includes the fixed price stated in the contract and an assessment of any variable consideration, up or down, resulting from e.g. service penalties/liquidated damages.

Variable consideration is typically estimated based on the expected value method and is only recognised to the extent it is highly probable that a subsequent change in its estimate would not result in a significant revenue reversal. The Group's transaction price is mostly exposed to variability due to possible liquidated damages, however, estimates are constrained as there are no historical information available for paid claims or liquidated damages.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of significant accounting policies (continued)

Revenue from contracts with customers (continued)

Contract revenue (continued)
Where a third party (such as a subcontractor) is involved in the supply of a distinct good or service, the Group determines whether it obtains control of that good or service before it is transferred to the client. Where control is obtained before transfer to the client, the Group recognises as revenue the gross amount to which it expects to be entitled in exchange. Where control is not obtained, the Group takes the view that it is not the principal in the transaction and only recognises as revenue the amount corresponding to its remuneration as intermediary. For the short-term contracts, revenue is recognised in the amount to which the Group has a right to invoice and consideration is payable when invoiced.

Principal versus agent considerations
The Group enters into agreement with subcontractors to enable it to deliver the projects. Currently, the Group considers it as the principal and therefore, the contract revenue is recognised at gross.

Contract assets and liabilities
The contract assets consist of unbilled amounts typically resulting from sales under long-term contracts when the cost-to-cost method of revenue recognition is utilized, and revenue recognized exceeds the amount billed to the customer. The contract liabilities consist of advance payments and billings in excess of costs incurred and deferred revenue. The non-current portion of deferred revenue is included in other long-term liabilities in the interim consolidated statement of financial position.

Loss making contracts
The requirements in IAS 37 for onerous contracts apply to all contracts in the scope of IFRS 15. The onerous contract are the contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The present obligation under the onerous contract shall be recognised and measured as a provision

Manpower hire revenue
Revenue from rendering of manpower service is recognised when the outcome of the transactions can be estimated reliably, and service are rendered.

Sale of goods
Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer (if any).

Agency and marine mediator services
The Group is acting as an agent where it does not have exposure to the significant risk and rewards associated with the sale of goods or the rendering of services. The amount the Group earns is predetermined as fee per transaction.

The amounts collected on behalf of the principal are not revenue. Instead, revenue is the amount of commission or fixed fee, which is predetermined. The gross inflows of economic benefits include amounts collected on behalf of the principal and which does not result in increase in equity for the Group. Therefore, the Group is presenting the net amount of revenue in its interim condensed consolidated financial statements.

Revenue from facility management and hospitality and engineering, procurement and construction services
Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of significant accounting policies (continued)

Revenue from contracts with customers (continued)

Revenue from facility management and hospitality and engineering, procurement and construction services (continued)
The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

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

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

The Group recognizes revenue from rendering of services over a period of time as the customer simultaneously consumes benefit of the service while it's being rendered using the output method, reflecting the amount of consideration to which the Group has a right to invoice.

The Group's contracts with customers for the services generally include single performance obligation. The Group considers its service contracts to have a single performance obligation on the basis that the Group provides a significant service of integration in creating a combined output.

The stage of completion for determining the amount of revenue to recognise is assessed based on the work performed. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated based on their relative stand-alone selling prices. The stand-alone selling price is determined based on the list of prices at which the Group sells the services in separate transactions.

If the contract includes an hourly fee/daily fee/area fee/fee based on head counts, revenue is recognised in the amount to which the Group has a right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Revenue from the rendering of maintenance services is recognized when the services have been rendered or over the contract term when the work is being carried out. For maintenance services the performance obligation is satisfied over time because the customer simultaneously receives and consumes the benefits provided as the Group performs the services. In maintenance services contracts customers generally pay based on fixed payment schedules.

Contract amendments (relating to the price and/or scope of the contract) are recognised when approved by the client. Where amendments relate to new goods or services regarded as distinct under IFRS 15, and where the contract price increases by an amount reflecting "stand-alone selling prices" of the additional goods or services, those amendments are recognised as a distinct contract.

Galvanizing revenue
The Galvanizing revenue is recognised in the amount to which the Group has a right to invoice. Customers are invoiced on delivery and consideration is payable when invoiced.

Revenue from transportation services
Revenue is recognised over time as the services are provided.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of significant accounting policies (continued)

Revenue from contracts with customers (continued)

Vessel chartering with material supply
The vessel chartering and material supply are bundled together as the Group purchase materials based on the customer requirements. The Group does not supply materials without vessel chartering. The Group considers its contract to have a single performance obligation on the basis that the Group provides a significant service of integration in creating a combined output. As such, management has concluded that the goods and services are not distinct within the context of the contract.

The revenue is recognised when control of the goods or services are transferred to the customer. Therefore, the performance obligation is met once the cargo has been delivered to the discharge port.

Vessel chartering
In a vessel charter contract, the charterer hires the vessel to transport a specific agreed-upon cargo for a single voyage which may contain multiple load ports and discharge ports. The consideration in such a contract is determined on the basis of a freight rate per metric ton of cargo carried. The charter party generally has a minimum amount of cargo. The charterer is responsible for any short loading of cargo or "dead" freight.

The Group determined that its voyage charter contracts consist of a single performance obligation of transporting the cargo. Therefore, the performance obligation is met once the cargo has been delivered to the discharge port

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Contract cost
Contract cost comprises direct contract costs and other costs relating to contracting activities in general and which can be allocated to contracts. In addition, contract costs include other costs that are specifically chargeable to customer under the terms of the contracts. Costs that cannot be related to contract activities or cannot be allocated to a contract are excluded from the costs of the construction contracts and are included in other operating expenses or general and administrative expenses.

Income tax
In the State of Qatar, income tax is provided for and charged to the interim consolidated statement of comprehensive income at rates stipulated by the Qatar Income Tax Law No. 24 of the year 2018.

Income tax expense comprises only current tax and deferred tax. Income tax expense is recognised in the interim 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.

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

Property, plant and equipment
Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. Land and capital work-in-progress is not depreciated. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the interim consolidated statement of comprehensive income during the financial period in which they are incurred.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of significant accounting policies (continued)

Property, plant and equipment (continued)
Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets are as follows:

Buildings	5 - 20 years
Furniture and fixtures	3 - 5 years
Machines	3 - 7 years
Office equipment	3 - 5 years
Tools	2 - 3 years
Motor vehicles	3 - 5 years
Scaffolding	2 - 5 years
Fleet crafts	10 - 25 years
Crafts small boats	5 - 7 years
Computer equipment	2 - 4 years
Vessel equipment	3 - 5 years
Dry docking	2 - 3 years
Plant	3 - 5 years
Tents and shades	5 years
Electric equipment	3 - 5 years
IT equipment	3 – 5 years

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

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the interim consolidated statement of comprehensive income as the expense is incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognized in the interim consolidated statement of comprehensive income in the year the asset is derecognized.

The asset's residual values, useful lives and method of depreciation are reviewed at each reporting date and adjusted prospectively if appropriate.

Capital work in progress
Assets in the course of construction are carried at cost as capital work in progress and transferred to property, plant and equipment when available for use. All costs directly attributable to bringing the asset to the location and condition necessary for it to be used in the manner intended by management are included in the construction cost. No depreciation is charged on such assets until they are available for use.

Investment property
Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business.

Investment property is measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties other than freehold land, which is determined to have an indefinite life, are carried at cost less accumulated depreciation.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of significant accounting policies (continued)

Investment property (continued)
Investment property is derecognised when either they have been disposed-off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property is recognised in the interim consolidated statement of comprehensive income in the year of retirement or disposal.

Intangible assets
Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortization and impairment losses. Intangible assets are recognised if it is probable that future economic benefits will flow to the Group and the costs of the intangible assets can be reliably measured.

Subsequent expenditures on existing assets are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in the interim consolidated statement of comprehensive income as incurred.

Amortization is recognised in the interim consolidated statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives for intangible assets are three to ten years. Intangible assets comprise of computer software and are not revalued.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the interim consolidated statement of comprehensive income when the asset is derecognised.

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the period of the lease term as follows:

Land	17 years to 25 years
Buildings (Camps, commercial, apartments and offices)	2 years to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies for impairment of non-financial assets.

ii) Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of significant accounting policies (continued)

Intangible assets (continued)

iii) Short-term leases and leases of low-value assets

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below USD 5,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Inventories

Inventories are stated at the lower of cost or net realisable value. Cost of the inventory is determined by the weighted average cost methods and includes invoiced cost and other expenditures incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses and cost of completion.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the interim consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the interim consolidated statement of comprehensive income unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of significant accounting policies (continued)

Financial instruments

Financial assets
Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Trade receivable, retention receivables, other receivables and amount due from related parties that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies for Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The Group's financial assets includes the trade receivables, note receivables, finance lease receivables, deposits, staff receivables, retention receivables, contract assets, bank balances and amount due from related parties.

Financial assets at amortised cost (trade receivables, note receivables, finance lease receivables, deposits, staff receivables, retention receivables, contract assets and amount due from related parties)
This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes trade receivables, note receivables, finance lease receivables, deposits, staff receivables, retention receivables, contract assets and amount due from related parties.

Cash and bank balances
Cash and bank balances in the consolidated statement of financial position comprise of banks and cash in hand. For the purpose of the interim consolidated statement of cash flows, cash and cash equivalents consist of cash in hand and bank balances net off outstanding bank overdrafts, if any.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Contract assets
The contract assets are subject to an impairment assessment in accordance with IFRS 9. In addition, if upon initial measurement, there is a difference between the measurement of the receivable under IFRS 9 and the corresponding amount of revenue, that difference will be presented as an expense (e.g., as an impairment loss). Impairment losses resulting from contracts with customers are presented separately from losses on other contracts.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Impairment of financial assets
The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, note receivables, finance lease receivables, deposits, staff receivables, retention receivables, retention receivables, contract assets and due from related parties, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)
The Group evaluates a financial asset for lifetime expected credit losses when contractual payments are 360 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Measurement of ECLs
i) Trade and other receivables
For Trade and other receivables, the Group applies the simplified approach to providing for expected credit losses, which requires the use of the lifetime expected loss provision for all receivables. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Lifetime ECLs are the expected credit losses that result from all possible default events over the expected life of a financial instrument. This means that the Group needs to estimate the risk of a default occurring on the financial instrument during its expected life. The 12-month ECL is defined as a portion of the lifetime ECL that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group' financial liabilities include trade payables, note payables, other payables, subcontractor payables, staff payables, retention payables, due to related parties, interest bearing loans and borrowings, lease liabilities and bank overdraft.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost (trade payables, subcontractor payable, staff payables, other payables, retention payables, notes payable, due to related parties, interest bearing loans and borrowings, lease liabilities and bank overdraft)
These are recognised for amounts to be paid in the future for goods and services received, whether or not billed by the supplier. Subsequent to initial recognition, trade and other payables and due to related parties are measured at amortised cost using the effective interest method.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the interim consolidated statement of comprehensive income.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities (continued)

Derecognition (continued)
Financial assets and financial liabilities are offset, and the net amount is reported in the interim consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Offsetting of financial instruments
Financial assets and financial liabilities offset and the net amount is reported in the interim consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and 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 interim consolidated statement of 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.

Onerous contracts
Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Warranties
Provisions for the expected cost of warranty obligations are recognised at the date of sale of the relevant products, to settle the Group's obligation based on past experience of the Group.

Employees' end of service benefits
The Group provides end of service benefits to its employees in accordance with employment contract and Qatar Labour Law No. 14 of 2004. 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.

Capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction from the proceeds.

Contingent liabilities and contingent assets
Contingent liabilities are not recognised in the condensed consolidated financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the interim condensed consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Summary of significant accounting policies (continued)

Foreign currency translation

(a) Functional and presentation currency
Items included in the interim consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the interim consolidated statement of comprehensive income. All foreign exchange gains and losses are presented in the interim consolidated statement of comprehensive income.

Related parties
Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under control with the reporting entity, or between and/or among the reporting entity and its key management personnel, directors or its stockholders. Transactions between related parties are accounted for at arm's-length prices or on terms similar to those offered to non-related entities in an economically comparable market.

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

Current versus non-current classification
The Group presents assets and liabilities based on current/non-current classification.

An asset as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting year, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

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

The Group classifies all other liabilities as non-current

3 BUSINESS COMBINATION UNDER COMMON CONTROL

The formation of the Company is a result of the management's reorganisation plan wherein the Company will act as a holding company for all the entities which were previously owned by Power International Holding W.L.L. and its subsidiaries (together referred as "PIH Group"), a limited liability companies incorporated in the State of Qatar. The shareholders of the Company and PIH Group are both the same. The shareholders resolved to transfer the below mentioned investments in subsidiaries to the Company with effect from 1 January 2021. The commercial registration of each entities was either completed or in the process of completion to take effect the changes in shareholder from PIH Group to Elegancia Group W.L.L. (Formerly Elegancia Group Holding W.L.L.) as at 30 September 2021.

The entities which were transferred to the Company are as follows:

Name of entities	*Ultimate ownership interest as at 30 September 2021*
Elegancia Facilities Management W.L.L.	
(Formerly Elegancia Hospitality and Facility Management Services W.L.L.)	100%
Elegancia Landscape W.L.L. (Formerly Palmera Landscape W.L.L.)	100%
Elegancia Human Resources and Contracting W.L.L.	
(Formerly Challenger Trading and Contracting W.L.L.)	100%
Elegancia Electromechanical Services W.L.L.	
(Formerly Radiant Engineering Enterprises W.L.L.)	100%
Elegancia Joinery W.L.L. (Formerly Zebrano Wood Works W.L.L.)	100%
Elegancia Galvanization Steel Manufacture Metals and Cables W.L.L.	
(Formerly Galva Steel Manufacture Metals and Cables W.L.L.)	100%
Elegancia Steel Trading W.L.L.	
(Formerly known as Steel Master Limited for Trading W.L.L.)	100%
Elegancia Stones for Marble & Granite Trading W.L.L.	
(Formerly Marble Stone for Marble & Granite Trading W.L.L)	100%
Elegancia Gabro Trading and Transport W.L.L.	
(Formerly Gabrocia Trading and Transport W.L.L.)	100%
Elegancia Catering Services W.L.L.	100%
Elegancia Marine Offshore Services W.L.L.	
(Formerly Marine Master Offshore Services Company W.L.L.)	100%
Steel Tech Trading and Contracting W.L.L.	100%
Steel Tech Factory W.L.L.	100%
Elegancia Steel Doors Trading and Contracting W.L.L.	100%
(Formerly Techno Doors Trading and Contracting W.L.L.)	
Elegancia Steel Ducts Trading and Contracting W.L.L.	100%
(Formerly Techno Ducts Trading and Contracting W.L.L.)	
Elegancia Marine Agency W.L.L. (Formerly Giants Marine Services W.L.L.)	100%
Yeinek Doha Catering Services W.L.L.	95%
Elegancia Health Care W.L.L.	100%

The transfer has been accounted for in these condensed consolidated financial statements from 1 January 2021. The transfer was made at the consideration equal to the capital of each subsidiary.

3 BUSINESS COMBINATION UNDER COMMON CONTROL (CONTINUED)

The carrying values of the assets and liabilities of these entities as at the date of transfer were as follows:

	Notes	*Carrying values on business combination* ***QR***
Assets		
Property, plant and equipment		671,490,546
Investment properties		110,103,732
Intangible assets		1,445,206
Right of use assets	7	72,524,777
Inventories		189,979,561
Retention receivables		106,856,498
Trade and other receivables		1,093,834,038
Contract assets		390,166,591
Cash and bank balances		44,636,436
Total assets		2,670,202,185
Liabilities		
Interest bearing loans and borrowing		680,663,695
Loan from a related party	27	29,366,899
Lease liabilities	7	77,667,214
Employees' end of service benefits	15	56,531,432
Trade payables and accruals		1,180,850,886
Contract liabilities		14,602,841
Bank overdrafts		144,652,535
Total liabilities		2,181,335,402
Net assets		488,866,783
Less: Consideration for transfers		(105,802,000)
		383,064,783

The net assets transferred to the Company is accounted in the equity portion of the interim consolidated statement of financial position as follows:

	Amount ***QR***
Legal reserve*	49,916,393
Other reserve	3,923,960
Retained earnings	324,114,631
Non-controlling interest	5,109,799
	383,064,783

*The amount consists of the legal reserves of the individual subsidiaries.

Analysis of cash flows on acquisition:

	Amount ***QR***
Cost of the acquisition	105,802,000
Net cash acquired with the subsidiaries	100,036,899
Net cash flow on business combination under common control	205,838,899

4 PROPERTY, PLANT AND EQUIPMENT

	Buildings QR	Furniture and fixtures QR	Machinery QR	Office equipment QR	Tools QR	Motor vehicles QR	Scaffolding QR	Fleet crafts QR	Crafts small boats QR	Computer equipment QR	Vessel equipment QR	Dry docking QR	Plant QR	Tractors and chassis QR	IT equipment QR	Electric equipment QR	Capital work in progress QR	Total QR
Cost																		
Transfers resulting from business combination (Note 3)	150,364,405	13,590,146	91,659,895	5,094,876	3,631,852	97,928,530	393,249	165,577,483	2,115,108	5,970,613	501,052	15,469,482	27,371,490	4,309,203	3,927,140	550,467	347,846,616	933,674,324
Additions	-	4,389,179	431,540	-	14,501	778,650	-	-	-	549,327	-	-	39,358	12,600	718,958	620,180	91,162,640	105,919,456
Transfer to related parties	-	(3,349,834)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,349,834)
Transfers	802,604	212,145	2,909,356	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,924,105)	-
Disposal/write off	-	(77,780)	(7,900)	-	-	(671,000)	-	-	(1,740,108)	-	(13,600)	-	-	-	(21,907)	-	-	(2,532,295)
At 30 September 2021	151,167,009	14,763,856	94,992,891	5,094,876	3,646,353	98,036,180	393,249	165,577,483	375,000	6,519,940	487,452	15,469,482	27,410,848	4,321,803	4,624,191	1,170,642	442,084,951	1,033,711,621
Accumulated depreciation:																		
Transfers resulting from business combination (Note 3)	29,674,125	14,471,673	56,444,359	4,190,188	3,413,584	90,594,536	386,727	61,061,013	2,115,108	4,578,961	493,314	9,804,352	16,323,404	3,258,469	2,905,802	57,683	-	301,153,778
Charge for the period	6,580,679	2,412,456	5,545,547	170,050	134,928	1,913,257	6,471	4,321,152	-	611,990	5,885	2,973,943	901,256	595,062	339,575	109,428	-	29,219,419
Related to disposal/write off	-	(77,780)	(7,900)	-	-	(550,760)	-	-	(1,740,108)	-	(13,600)	-	-	-	(7,852)	-	-	(2,397,600)
At 30 September 2021	36,254,804	16,806,349	61,982,006	4,360,238	3,548,512	91,957,033	393,198	65,382,165	375,000	5,190,951	485,599	12,778,295	17,224,660	3,853,531	3,237,525	167,111	-	328,025,597
Net carrying amount: At 30 September 2021 (Reviewed)	145,132,205	2,958,457	33,011,887	736,638	147,871	6,079,047	51	100,195,318	-	1,329,989	1,853	2,691,187	3,687,198	1,268,272	1,386,666	1,003,531	442,084,951	744,696,024

The depreciation charge has been allocated in the interim consolidated statement of comprehensive income as follows:

	For the nine months period ended 30 September 2021 QR
Direct costs (Note 19)	19,794,812
General and administrative expenses (Note 21)	4,667,740
Other operating expenses (Note 22)	4,756,867
	29,219,419

5 INVESTMENT PROPERTIES

	30 September 2021 (Reviewed) QR
Cost:	
Transfers resulting from business combination (Note 3)	256,142,065
At 30 September	256,142,065
Depreciation:	
Transfers resulting from business combination (Note 3)	146,033,333
Charge for the period (Note 22)	22,466,667
At 30 September	168,500,000
Net carrying amounts:	
At 30 September	87,642,065

Notes:

(i) Investment properties represent lands in Fox Hills district and a building in Shahania district that are held for capital appreciation and earnings rental income respectively.

(ii) Investment properties is stated at cost; management of the Group assessed that the fair value is not significantly different from the carrying value as at 30 September 2021.

(iii) The Group earned rental income amounting to QR 5,514,410 for the nine months period ended 30 September 2021 and this has been reflected in the interim consolidated statement of comprehensive income. Direct operating expenses incurred for the investment properties amounting to QR 8,921,978 have been reflected under operating expenses.

6 INTANGIBLE ASSETS

	30 September 2021 (Reviewed) QR
Cost:	
Transfers resulting from business combination (Note 3)	2,757,268
Additions	6,064,882
At 30 September	8,822,150
Amortisation:	
Transfers resulting from business combination (Note 3)	1,312,062
Charge for the period	960,916
At 30 September	2,272,978
Net carrying amounts:	
At 30 September	6,549,172

6 INTANGIBLE ASSETS (CONTINUED)

Below are the amounts recognised in the interim consolidated statement of comprehensive income for the period ended 30 September 2021:

	For the nine months period ended 30 September 2021 (Reviewed) QR
Direct cost (Note 19)	134,211
General and administrative expenses (Note 21)	826,705
	960,916

7 LEASES

Group as a lessee

The Group has lease contracts for lands and buildings used in its operations. Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

Right-of-use assets	*Lands QR*	*Buildings QR*	*Total QR*
Transfers resulting from business combination (Note 3)	17,148,762	55,376,015	72,524,777
Additions	-	13,091,629	13,091,629
Impact from modification of leases (Note i)	(10,271)	7,906,128	7,895,857
Depreciation on right-of-use assets	(691,115)	(9,257,832)	(9,948,947)
Derecognition due to early termination of the lease contract	(249,738)	(52,331,948)	(52,581,686)
At 30 September (Reviewed)	16,197,638	14,783,992	30,981,630

Lease liabilities	*30 September 2021 (Reviewed) QR*
Transfers resulting from business combination (Note 3)	72,667,214
Additions	13,091,629
Impact from modification of leases (Note i)	7,895,857
Accretion of interest	2,347,063
Derecognition due to early termination of the lease contract (Note ii)	(54,513,410)
Lease concession related to COVID-19	(33,280)
Payments made during the period	(17,137,790)
At 30 September	24,317,283

Note i:

For the leases of commercial lands and buildings, The Group and the lessor agreed to amend the lease consideration and the lease term with effect from 1 January 2020, the lease term was extended for another 3 years until 31 December 2025 for the lease. At the effective date of the modification, the Group remeasured the lease liability based on the remaining lease term, reduced lease rates, and the Group's incremental borrowing rate. On 1 January 2021, the Group recognised the difference between the carrying amount of the modified lease liability (QR 57,605,184) and the lease liability immediately before the modification (QR 49,709,327) of QR 7,895,857 as an adjustment to the right-of-use assets and lease liabilities.

7 LEASES (CONTINUED)

Note ii:
During the period ended 30 September 2021, the lease agreements for the buildings were cancelled and the Group has derecognised lease liabilities and right of use assets with carrying values amounting to QR 34,513,410 and QR 32,581,686 respectively. The difference between the carrying values of the lease liabilities and the right of use assets amounting to QR 1,931,724 has been recognized in the income statement.

Presented in the interim consolidated statement of financial position is as follows:

	30 September 2021 (Reviewed) QR
Non-current portion	19,436,312
Current portion	4,880,971
	24,317,283

The Group subleased a labour camp to Urbacon Trading and Contracting W.L.L. which was leased from an external party. The Group has classified the sublease as a finance lease, because the sublease is for the whole of the remaining term of the head lease.

The following table set out a maturity analysis of lease receivables, showing the undiscounted lease receivables to be received after the reporting date:

	30 September 2021 (Reviewed) QR
Less than one year	1,302,500
Total undiscounted lease payments receivable	1,302,500
Unearned finance income	(2,576)
Finance lease receivable	1,299,924

Below are the carrying amounts of finance lease receivable recognised and the movement during the period.

	30 September 2021 (Reviewed) QR
Cost at present value	7,006,691
Finance income on finance lease (Note 20)	143,233
Receipts during the period	(5,850,000)
At 30 September 2021	1,299,924

7 LEASES (CONTINUED)

Below is the current and non-current portion of finance lease receivable presented in the interim consolidated statement of financial position as at 30 September 2021:

	30 September 2021 (Reviewed) QR
Non-current	-
Current	1,299,924
	1,299,924

Below are the amounts recognised in the interim consolidated statement of comprehensive income for the period ended 30 September 2021:

	30 September 2021 (Reviewed) QR
Depreciation on right-of-use assets	
Direct cost (Note 19)	7,344,443
General and administrative expenses (Note 21)	2,604,504
	9,948,947
Finance income on finance lease (Note 20)	(143,233)
Interest expense on lease liabilities (Note 23)	2,347,063
	12,152,777

The Group recognised rent expense from short-term leases of QR 19,891,261 for the nine months period ended 30 September 2021.

8 RETENTIONS RECEIVABLE

Retention receivables are segregated between current and non-current maturity periods as follows:

	30 September 2021 (Reviewed) QR
Retention receivable	57,054,157
Less: loss allowance	(607,965)
	56,446,192
Current portion	20,615,008
Non-current portion	35,831,184
	56,446,192

Retention receivable represent amounts withheld by the customers in accordance with contract terms and conditions.

These amounts are to be released upon fulfilment of contractual obligations.

9 INVENTORIES

	30 September 2021 (Reviewed) QR
Electrical and electronic materials	141,683,374
Supply and consumables	80,558,124
Raw materials	70,681,481
Plumbing materials	46,579,466
Air conditioning equipment	7,690,849
Steel bars	6,074,399
Spare parts	1,845,649
Other materials	15,716,594
	370,789,136
Less: Provision for slow moving inventories	(12,658,602)
	358,130,534
Goods in transit	13,655,646
	371,786,180

10 CONTRACT ASSETS AND LIABILITIES

	30 September 2021 (Reviewed) QR
Contracts valued at cost plus attributable profit	2,689,096,104
Less: Amounts received and receivables	(2,274,589,681)
	414,506,423
Less: Allowance for expected credit losses	(372,204)
	414,134,219

The amounts have been presented in the interim consolidated statement of financial position as follows:

	30 September 2021 (Reviewed) QR
Contract assets	459,325,491
Contract liabilities	(45,191,272)
	414,134,219

11 TRADE AND OTHER RECEIVABLES

	30 September 2021 (Reviewed) QR
Trade receivables	445,630,256
Note receivables	48,009,649
	493,639,905
Less: Allowance for expected credit losses (Note i)	(114,875,204)
	378,764,701
Due from related parties (Note 27)	343,731,019
Advances	160,820,407
Prepayments	11,757,905
Finance lease receivable (Note 7)	1,299,924
Deposits	3,044,943
Staff receivables	1,547,159
Other receivables	6,171,504
	907,137,562

Note i: Movement in the expected credit losses on trade receivables is as follows:

	30 September 2021 (Reviewed) QR
Transfers resulting from business combination	115,599,240
Reversal of provision for the period	(724,036)
At 30 September	114,875,204

12 BANK BALANCES AND CASH AND BANK OVERDRAFT

	30 September 2021 (Reviewed) QR
Cash in hand	15,059,463
Bank balances	49,754,129
Bank balances and cash	64,813,592
Less: Bank balances blocked as collateral	(442,528)
Less: Bank overdraft	(104,384,749)
Cash and cash equivalents	(40,013,685)

13 CAPITAL AND OTHER RESERVE

i. Capital

	30 September 2021 (Reviewed) QR
Fully paid-up capital	10,000,000

ii. Other reserve

Other reserves include the equity component of the interest-free loan received from a related party. The loan was measured at fair value at the initial recognition. The difference between the loan proceeds and the liability's fair value is assigned to the equity component. The present value of the liability component was calculated using a discount rate of 3.75%, the market interest rate for similar loans having no conversion rights.

	30 September 2021 (Reviewed) QR
Present value of the principal payable at the end of 5 years	29,892,999
Fair value of the loan	29,892,999
Loan proceeds	(33,816,959)
Capital contribution/other reserves	(3,923,960)

14 LEGAL RESERVE

In accordance with Qatar Commercial Companies Law No 11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021 and the Company's Articles of Association, a minimum of 10% of the profit before income tax should be transferred to a legal reserve until such time the reserve is equivalent to a minimum 50% of the Group's capital. Transfer to the legal reserve is done on an annual basis. The reserve is not normally available for distribution, except in the circumstances stipulated in the above-mentioned law.

15 EMPLOYEES' END OF SERVICE BENEFITS

The movements in the employees' end of service benefits recognized in interim consolidated statement of financial position are as follows:

	30 September 2021 (Reviewed) QR
Transfers resulting from business combination (Note 3)	58,532,432
Charge for the period (Note 3)	27,986,146
Paid during the period	(4,876,880)
At 30 September	81,641,698

15 EMPLOYEES' END OF SERVICE BENEFITS (CONTINUED)

Note i:
The charge for the period has been allocated as follows:

	For the nine months period ended 30 September 2021 (Reviewed) QR
Direct costs (Note 19)	24,416,348
General and administrative expenses (Note 21)	2,465,983
Other operating expenses (Note 22)	1,103,815
	27,986,146

Management has classified the obligation within non-current liabilities in the interim consolidated statement of financial position as it does not expect that there will be significant payments towards its employees' end of service benefit obligation within 12 months from the reporting date.

16 INTEREST BEARING LOANS AND BORROWINGS

	Notes	*30 September 2021 (Reviewed) QR*
Long term loan facility (i)	(i)	247,902,445
Long term loan facility (ii)	(ii)	105,966,220
Short term loan facility (iii)	(iii)	85,086,353
Long term loan facility (iv)	(iv)	40,463,844
Long term loan facility (v)	(v)	37,130,707
Long term loan facility (vi)	(vi)	25,962,354
Short term loan facility (vii)	(vii)	24,765,786
Short term loan facility (viii)	(viii)	19,605,251
Short term loan facility (ix)	(ix)	19,157,705
Short term loan facility (x)	(x)	16,314,991
Long term loan facility (xi)	(xi)	12,969,334
Short term loan facility (xii)	(xii)	12,901,229
Long term loan facility (xiii)	(xiii)	12,416,865
Short term loan facility (xiv)	(xiv)	9,102,904
Long term loan facility (xv)	(xv)	7,957,413
Long term loan facility (xvi)	(xvi)	7,816,678
Long term loan facility (xvii)	(xvii)	6,585,261
Short term loan facility (xviii)	(xviii)	3,869,232
Long term loan facility (xix)	(xix)	1,863,097
Long term loan facility (xx)	(xx)	131,000
		698,051,859

16 INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

The outstanding balances as at the reporting date are presented in the interim consolidated statement of financial position as follows:

	30 September 2021 (Reviewed) QR
Current	364,982,404
Non-current	333,071,455
	698,053,859

Notes:

(i) The limit of the term loan is QR 315,500,000 and it carries an interest rate of 3.75% p.a. The tenure of the loan is 7 years and repayable in 84 monthly installments starting from 30 January 2021. The purpose of the term loan of QR 280,190,000 is for construction of central kitchen and infrastructure of the project and QR 35,310,000 to finance the operation, vehicle, tools and equipment.

(ii) The limit of the term loan is QR 104,051,000 and it carries an interest rate at market rates. The original tenure of the loan was 7.2 years and repayable in 84 monthly instalments of QR 1,500,000 per month from January 2017 until December 2019 and QR 2,262,300 per month from January 2020 until December 2023. During the year ended 31 December 2020, management have availed the relaxation provided by the Qatar Central Bank vide Circular No. 5/2020 dated 22 May 2020. The revised maturity date of the loan is August 2025 with monthly instalments of QR 2,262,261. The loan is secured by personal guarantees of Mr Mohammed Moataz Mohammed Raslan Al Khayyat, Mr Rameez Raslan Al Khayyat and Mr Abdullah Khalifa M R Al Mohannadi; corporate guarantee of Al Khayyat Trading and Contracting and Power International Holding, a cheque to be renewed at expiry and tripartite agreements.

(iii) A subsidiary of the Group has entered into a credit facility agreement with a local bank. Under the facility, the Company will be able to discount its invoices for a maximum of 150 days by transferring the approved customer's invoice payments to local bank. Maximum loan amount will be 90% of the invoice value. The bills discounted are against personal guarantee of the shareholders, corporate guarantee of Power International Holding Company W.L.L. Further, the credit facilities are also secured by certain guarantee cheques, letters of assignment and tripartite agreements.

(iv) During the year 2016, A subsidiary of the Group has entered into an Islamic finance facility agreement with a commercial bank in State of Qatar secured against the personal guarantees of the shareholders of the Company, in order to finance the normal operations of the Company. The agreement carries profit rates ranging from 3.75% – 4.25% and is repayable in nine months. The Islamic financing facility has commenced in 2016. Total facility amounted to QR 90Mn and the Company utilized QR 40,463,844 as of 30 September 2021.

(v) The limit of the term loan is QR 38,902,000, and it carries an interest rate at market rates accrued daily and compounded monthly. The tenure of the loan is 15 years and repayable in 144 equal monthly instalments of QR 378,300 starting from 30 September 2018. During the year ended 31 December 2020, management have availed the relaxation provided by the Qatar Central Bank vide Circular No. 5/2020 dated 22 May 2020. The revised maturity date of the loan is April 2031. The loan is secured by personal guarantees of Mr Mohammad Moataz Mohammad Raslan Al Khayyat, Mr Rameez Raslan Al Khayyat and Mr Abdullah Khalifa M R Al Mohannadi; corporate guarantee of AlKhayyat Trading and Contracting and Power International Holding, a cheque to be renewed at expiry and tripartite agreements.

16 INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

Notes: (continued)

(vi) A subsidiary of the Group has obtained a loan of QR. 30,074,347 from QNB Bank, on 23 September 2017, for the purpose of financing 65% of the factory construction cost. The loan carries an interest rate of 3.5% per annum and loan term is 7 years, in which the loan is repayable in equal monthly instalments over a period of 6 years and with 1 year grace period and bank has not charged an interest until end of the grace period, i.e. 23 September 2019. The Company received grace period of 6 months for loan instalment payment from March 2020 to September 2020 as a concession for Covid-19. The loan facility is secured by a personal guarantee from the Ultimate Owner, Mr. Mohamad M. Rasian AlKhayyat and solidarity guarantee of Loyalty Business Development Investment Holding W.L.L. and mortgage of all the machineries, equipment, motor vehicles and building and fixtures of the Company.

(vii) During the nine month s period ended 30 September 2021, A subsidiary of Group entered into various short-term trade finance facilities with local commercial banks in order to finance purchases of the Company. These agreements carry interest ranging from 4.5% to 6%. These short-term loans are repayable within 180 days. The aforementioned loan facilities are secured by Parent Company and Owner's personal guarantees.

(viii) A subsidiary of the Group obtained short term financing facilities from a commercial bank in State of Qatar amounted to QR 20 Million to finance purchases of the Company. The facility carries interest of 3.75%. The short-term financing facility is repayable in 180 days in traditional banks and in nine-month installments with 4 months grace period in Islamic Banks.

(ix) A subsidiary of the Group has entered into various short-term trade finance facilities secured against the personal guarantees of the shareholders of the ultimate parent with a local bank in Qatar in order to finance operations of the Company. These facilities bear interest rate at market rates. These short-term trade finance facilities are repayable within 180 days.

(x) A subsidiary of the Group entered into various other short-term financing facility agreements secured against the personal guarantees of the shareholders of the Company and corporate guarantee from Urbacon Trading and Contracting W.L.L., in order to finance working capital requirements of the Company. These facilities carry interest rate at Qatar 3.75% and repayable in nine months.

(xi) The limit of the term loan is QR 28,947,000, and it carries an interest rate at market rates accrued daily and compounded monthly. The tenure of the loan is 7 years and it is repayable in 84 equal monthly instalments of QR 297,640 starting from 1 December 2018. The loan is secured by personal guarantees, corporate guarantees, property mortgage and a cheque.

(xii) Credit facility represents letter of credit facility was obtained from a local bank with a total limit of QR 50,000,000 to finance the working capital requirements of the Company. The credit facility is secured by the personal guarantees of the Shareholder. These facilities carry interest at market rate (3.75%) and to be paid within 60 to 120 days from the date of utilising the facility.

(xiii) A subsidiary of the Group entered a short term Islamic finance facility on 8 November 2018 with an Islamic bank for carrying out Tawarrouq (i.e. Commodities Murabaha) transactions for the purpose of financing salary and wages expenses as well as plants operation and overhead expenses. The facility carried a profit rate of 5% p.a. The facility was renewed and enhanced on 8 October 2019 and the profit rate was reduced to 3.75% p.a. The facility is repayable over 6 monthly instalments. The facility is secured by the personal guarantees of the ultimate shareholder of the Company, covering full of extended credit facilities and against the post-dated cheques.

(xiv) A subsidiary of the Group obtained a short-term financing facility from a commercial bank in State of Qatar amounted to QR 15 Million for operation activity. As at 30 September 2021, the Company utilized QR 9,102,504 at the interest rate of 3.75% and repayable within 180 days.

(xv) A subsidiary of the Group entered into a short-term financing facility amounting to QR 15,000,000, with a commercial bank, out of which QR 9,500,000 is related to finance the purchases of the Company, QR 5,000,000 is allowed as an overdraft facility and the remaining QR 500,000 is reserved for various guarantees. The facility is payable within 180 days. It carries interest rate of 3.75% per annum.

16 INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

Notes. (continued)

(xvi) A subsidiary of the Group has obtained Murabaha facilities amounted to QR 7,700,000 and QR 2,528,544 from a commercial bank in State of Qatar for financing the procurements of certain fixed assets and the construction of factory premises. The facility amounted QR 7,700,000 carries floating interest rates with a minimum interest rate of 5.25% and repayable over 16 quarterly installments commencing from September 2020 with the grace period of 1 year. The last installment falls due on 9 March 2024. The facility amounted QR 2,528,544 carries interest rate of 5.25% and repayable over 16 quarterly installments commencing from October 2020 with the grace period of 1 year. The last installment falls due on 28 April 2024.

(xvii) A subsidiary of the Group entered a term credit Islamic finance facility on 8 October 2019 with an Islamic bank for purpose of settling liabilities of related parties. The facility carries a profit rate of 4.5% p.a. and repayable over 5 years in 20 quarterly instalments. The current portion of the facility is QR 1,778,380 and non-current portion is QR 4,806,881.

(xviii) Group has entered into the various short-term trade finance facilities with a commercial bank in order to finance the working capital requirements of the Group. These facilities are secured by the personal and corporate guarantee of the owner of the Group.

(xix) A subsidiary of the Group entered a term credit Islamic finance facility on 8 October 2019 with an Islamic bank for purpose to finance purchase of machinery and equipment. The facility carries a profit rate of 4.5% p.a. and repayable over 5 years in 20 quarterly instalments. The current portion of the facility is QR 371,582 and non-current portion is QR 1,416,934.

(xx) A subsidiary of the Group entered a short term Islamic finance facility on 6 November 2018 with an Islamic bank for carrying out Tawarruq (i.e. Commodities Murabaha) transactions for the purpose of financing salary and wages expenses as well as plants operation and overhead expenses. The facility carried a profit rate of 5% p.a. The facility was renewed and enhanced on 8 October 2019 and the profit rate was reduced to 3.75% p.a. The facility is repayable over 6 monthly instalments. The facility is secured by the personal guarantees of the ultimate shareholder of the Company, covering full of extended credit facilities and against the post-dated cheques.

17 TRADE AND OTHER PAYABLES

	30 September 2021 (Reviewed) QR
Trade payables	397,954,513
Accrued expenses	266,710,119
Due to related parties (Note 27)	229,200,351
Advance from customers	107,967,950
Provision for leave salary and air tickets	59,565,762
Subcontractor payables	19,165,868
Retention payables	18,934,856
Note payables	16,724,295
Provision for maintenance cost	3,117,370
Provision for foreseeable losses	1,742,551
Income tax payables	253,892
Other payables	12,988,206
	1,124,333,736

18 REVENUE

	For the three months period ended 30 September 2021 (Reviewed) QR	*For the nine months period ended 30 September 2021 (Reviewed) QR*
Revenue from contracts with customers	816,325,847	2,331,315,901
Rental income from investment properties	371,298	5,514,480
	816,697,145	2,336,830,381

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets, major products and service lines and timing of revenue recognition.

	For the three months period ended 30 September 2021 (Reviewed) QR	*For the nine months period ended 30 September 2021 (Reviewed) QR*
Revenue from contracts with customers		
Contracting revenue	382,126,847	990,118,451
Manpower hire revenue	176,105,469	460,440,242
Catering services	74,180,085	320,294,276
Trading revenue	89,350,571	266,800,386
Facility management services	82,827,048	251,427,702
Agency fees	11,735,827	42,234,844
	816,325,847	2,331,315,901
Timing of revenue recognition		
Products and services transferred over time	638,828,188	1,772,143,828
Products transferred at a point in time	177,497,659	559,172,073
	816,325,847	2,331,315,901
Type of customer		
External parties	308,715,206	964,850,831
Related parties (Note 27)	507,610,641	1,366,465,070
	816,325,847	2,331,315,901

18 REVENUE (CONTINUED)

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 September 2021 are, as follows:

	For the nine months period ended 30 September 2021 (Reviewed) QR
Within one year	2,244,215,944
More than one year	6,704,131,221
	8,948,347,165

19 DIRECT COSTS

	For the three months period ended 30 September 2021 (Reviewed) QR	*For the nine months period ended 30 September 2021 (Reviewed) QR*
Direct materials	265,930,152	791,897,077
Staff expenses (Note i)	255,059,828	671,834,334
Subcontractor costs	100,731,653	251,859,495
Depreciation of property, plant and equipment (Note 4)	6,600,192	19,794,812
Rent	9,238,792	16,777,793
Professional fees	1,361,112	16,713,303
Transportation	5,164,192	14,528,352
Depreciation of right to use assets (Note 7)	1,194,487	7,344,443
Repairs and maintenance	54,329	2,133,214
Amortisation of intangible assets (Note 6)	116,102	134,211
Provision for foreseeable losses (Note ii)	-	(811,466)
Other direct costs	9,813,207	39,091,989
	655,264,046	1,830,487,557

Notes:

(i) Staff expenses include a provision for employees' end of service benefits of QR 24,416,348.

(ii) Provision for loss making contracts is provided for the unavoidable costs to meet the contractual obligations under the onerous contract where the expected cost exceeds the expected economic benefits of it.

20 OTHER INCOME

	For the three months period ended 30 September 2021 (Reviewed) *QR*	*For the nine months period ended 30 September 2021 (Reviewed)* *QR*
Management fee income	-	1,200,010
Finance income on finance lease (Note 7)	23,630	143,233
Gain on disposal of property, plant and equipment	26,774	125,809
Shared service fee	276,109	276,109
Miscellaneous income	3,567,961	11,410,614
	3,894,474	13,155,775

21 GENERAL AND ADMINISTRATIVE EXPENSES

	For the three months period ended 30 September 2021 (Reviewed) *QR*	*For the nine months period ended 30 September 2021 (Reviewed)* *QR*
Staff costs (i)	23,468,439	60,798,968
Rent	1,152,994	6,939,832
Professional fees	3,198,505	5,614,511
Depreciation of property, plant and equipment (Note 4)	1,275,397	4,667,740
Depreciation of right to use assets (Note 7)	857,524	2,604,504
Repairs and maintenance	669,147	1,816,452
Communication expenses	119,647	596,368
Amortisation of intangible assets (Note 6)	436,524	826,785
Bank commission and charges	189,786	312,937
Management fee (Note ii)	(2,500,000)	-
Gain on early termination of lease contract	(1,623,464)	(1,931,724)
Miscellaneous expenses	4,165,339	11,804,628
	31,409,838	94,060,921

Notes:

(i) Staff costs includes a provision for employees' end of service benefits of QR 2,465,983.

(ii) Management fee of QR 2,500,000 was accrued for Aura Lifestyle up to 30 June 2021, however in the 3 months period ended 30 September, Aura Lifestyle resolved to discontinue the management services effective from 1 January 2021.

22 OTHER OPERATING EXPENSES

	For the three months period ended 30 September 2021 (Reviewed) QR	*For the nine months period ended 30 September 2021 (Reviewed) QR*
Staff costs (i)	15,143,568	61,242,889
Repairs and maintenance	4,444,156	27,713,450
Depreciation of investment properties (Note 5)	5,616,667	22,466,667
Transportation	4,903,315	10,604,592
Depreciation of property, plant and equipment (Note 4)	1,610,626	4,756,867
Rent	702,000	2,116,868
Production supplies	244,146	1,649,637
Subcontractor cost	133,974	292,130
Miscellaneous expenses	304,394	685,010
	36,101,940	131,728,105

Note:

(i) Staff costs includes a provision for employees' end of service benefits of QR 1,103,815.

23 FINANCE COSTS

	For the three months period ended 30 September 2021 (Reviewed) QR	*For the nine months period ended 30 September 2021 (Reviewed) QR*
Interest expense on loans and borrowings	7,189,198	19,735,841
Interest expense on lease liabilities (Note 7)	480,942	2,347,063
Interest expense on loan from related parties (Note 27)	281,392	836,335
Bank charges	602,765	865,609
	8,554,397	23,784,848

24 CHANGES IN OWNERSHIP INTEREST IN A SUBSIDIARY

During the period, the Group acquired remaining ownership interest (50%) in Steel Tech Factory W.L.L. and additional 5% of the ownership interest Yemek Doha Catering Services W.L.L. The Group has elected to measure the non-controlling interests ("NCI") in the acquiree at net assets.

Acquisition of Steel Tech Factory W.L.L.

The Group acquired the non-controlling interest amounted to QR 60,365, the remaining ownership interest (50%) of Steel Tech Factory W.L.L. from Professional Aluminium W.L.L. for the consideration amounted to QR 100,000 through a subsidiary, Steel Tech Trading and Contracting W.L.L.

Acquisition of Yemek Doha Catering Services W.L.L.

On 1 January 2021, the Group acquired additional 5% of the voting shares of Yemek Doha Catering Services W.L.L. The Group acquired the non-controlling interest amounted to QR 369,054, the additional ownership interest (5%) of Yemek Doha Catering Services W.L.L. from Yemek Istanbul Catering Services Hizmetleri Sanayi for the consideration amounted to QR 88,000 through a subsidiary, Elegancia Catering Services W.L.L.

24 CHANGES IN OWNERSHIP INTEREST IN A SUBSIDIARY (CONTINUED)

Acquisition of Yemek Doha Catering Services W.L.L. (continued)

	30 September 2021 (Reviewed) QR
Share of net assets acquired from non-controlling interest	
Yemek Doha Catering Services W.L.L.	369,054
Steel Tech Factory W.L.L.	60,365
	429,419
Consideration transferred	(188,000)
Bargain purchase gain on purchase of equity interest from NCI	241,419
Bargain purchase gain on purchase attributable to	
Purchase of equity interest from NCI in Yemek Doha Catering Services W.L.L.	281,054
Loss on purchase of equity interest from NCI in Steel Tech Factory W.L.L.	(39,635)
	241,419

25 DISCONTINUED OPERATIONS

During the period ended 30 September 2021, the Group disposed its subsidiaries Elegancia International L.L.C. (Formerly Elegancia Hospitality Services and Facility Management L.L.C.) and Elegancia Maintenance Service and Trading W.L.L.

Results of the subsidiaries for the period are presented below:

	For the nine months period ended 30 September 2021 (Reviewed) QR
General and administrative expenses	-
Gain on disposal of subsidiaries (Note i)	2,351,539
Gain for the period from discontinued operations	2,351,539
Total comprehensive income for the period attributable to:	
Equity holders of the Parent from discontinued operations	2,351,539

Note i. Details of the disposal of subsidiaries are presented below:

	30 September 2021 (Reviewed) QR
Consideration received	2,519,170
Non-controlling interest	(454)
Carrying amount of net assets of the subsidiaries (Note ii)	(167,177)
Gain on disposal of subsidiaries	2,351,539

25 DISCONTINUED OPERATIONS (CONTINUED)

Note ii:
The carrying amounts of assets and liabilities as at the date of disposal of subsidiaries (1 January 2021) were:

	Carrying value (Reviewed) QR
ASSETS	
Trade and other receivables	179,830
Cash and bank balances	48,045
Total Assets	227,875
LIABILITIES	
Trade and other payables	(60,698)
Total Liabilities	(60,698)
Net assets	167,177

Analysis of cash flows on disposal:	*Amount QR*
Consideration received	2,519,170
Net cash disposed	(48,045)
Net cash flow on disposal subsidiaries	2,471,125

26 INCOME TAX

Taxation is provided in accordance with the provisions of the Income Tax Law No. 24 of 2018. The Group is liable to income tax on the profits attributable to the foreign shareholders, i.e. Non-GCC shareholders. The Qatari and GCC shareholders are not subject to income tax in the State of Qatar and accordingly the tax provision stated in the consolidated statement of financial position relates only to the Non GCC shareholders.

27 RELATED PARTY DISCLOSURES

Related parties represent 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) Transfer of assets

Transfer of assets (to) from:	*Relationship*	*For the nine months period ended 30 September 2021 (Reviewed) QR*
Urbacon Trading and Contracting W.L.L.	Affiliate	(3,349,834)

27 RELATED PARTY DISCLOSURES (CONTINUED)

(b) Related party transactions

Transactions with related parties included in the interim consolidated statement of comprehensive income are as follows:

	For nine months period ended 30 September 2021 (Reviewed)	
	Revenue *QR*	*Expenses* *QR*
Shareholders:		
Mr. Ramez MHD Ruslan AlKhayyat	755,618	-
Mr. MohamadMoataz MHD Ruslan AlKhayyat	344,444	-
Affiliates:		
Urbacon Trading and Contracting W.L.L.	973,290,895	11,878,481
Urbacon Workshop Department (Branch of Urbacon Trading and Contracting W.L.L)	162,064,445	9,841,516
UCC-Belvedir-Tedeschia Joint Venture	78,988,676	-
Infraroad Trading and Contracting Co. W.L.L.	55,731,360	-
Golden Bay Contracting and Trading W.L.L.	32,997,684	-
Pentagram Design Trading and Contracting W.L.L.	16,981,312	-
Balacna Food Industries W.L.L.	14,942,678	13,759,835
Assets Real Estate Development W.L.L	7,000,158	1,854,744
Power International Holdings Co. W.L.L.	5,853,781	2,164,261
Aura Hospitality W.L.L.	4,921,801	15,754
Stark Security Company W.L.L.	2,519,668	7,452,438
United Foods services W.L.L.	1,741,042	-
Orient Pearl Restaurant W.L.L.	1,604,369	33,103
Al-Khayyat Trading and Contracting Co. W.L.L.	1,257,726	-
Aura Entertainment Services W.L.L.	1,079,840	-
Dhaafushi Investment (Private) Limited	1,039,293	-
Arab Builders Company W.L.L.	986,706	2,084,517
Profession Aluminium Co. W.L.L.	623,257	793,185
Palms Group W.L.L.	351,692	-
Damasca One Restaurant W.L.L.	310,836	-
Highness Architecture and Interiors	127,722	-
International Design & Consultant Company W.L.L.	36,000	-
Urbacon Machinery and Equipment (Branch of Urbacon Trading and Contracting W.L.L.)	14,074	19,706,718
Joury Tours and Travels W.L.L.	-	12,791,859
Joury Logistic company W.L.L	-	7,755,759
Credo Trading Co. W.L.L.	-	4,769,348
Urbacon Holding Company W.L.L.	-	2,861,443
Gulfmed Supply Co. W.L.L.	-	1,822,789
Printshop for Printing Services W.L.L.	-	178,416
Syrian American Medical Center	-	45,066
	1,366,445,070	99,888,128

17 RELATED PARTY DISCLOSURES (CONTINUED)

(c) Related party balances

Balances with related parties included in the interim consolidated statement of financial position are as follows:

	30 September 2021 (Reviewed) QR
Due from related parties	
Shareholders:	
Mr. MohamadMoataz MHD Ruslan AlKhayyat	41,367,829
Mr. Ramez MHD Ruslan AlKhayyat	37,131,604
Affiliates:	
Urbacon Workshop Department (Branch of Urbacon Trading and Contracting W.L.L)	64,772,966
Infraroad Trading and Contracting Co. W.L.L.	48,279,656
UCC-Bahadir-Tedeschis Joint Venture	23,062,476
Golden Bay Contracting and Trading W.L.L.	20,365,862
Stark Securities Company W.L.L.	19,645,856
REE Aayad JV	19,124,265
Pentagram Design Trading and Contracting W.L.L.	14,608,586
Aura Hospitality W.L.L.	11,881,129
Al-Khayyat Trading and Contracting Co. W.L.L.	7,486,185
UCC Promar Joint Venture	7,363,537
UCC Acciona Joint Venture	5,962,021
Elegancia Canteen W.L.L.	4,402,352
Assets Real Estate Development W.L.L.	3,623,290
Orient Pearl Restaurant W.L.L.	3,023,050
Aura Entertainment Services W.L.L.	2,432,665
Yemek Istanbul Catering Services Hizmetleri Sanayi	2,190,000
United Foods services W.L.L.	1,881,284
Urbacon and Infraroad Yuksel Joint Venture	987,922
Arab Builders Company W.L.L.	952,221
Ithaalushi Investment W.L.L.	891342
UCC Promar Marine Contracting W.L.L.	647,398
Foodmania Restaurant W.L.L.	447,144
Palms Group W.L.L.	351,692
Gondal Hospitality W.L.L.	184,972
Nakhchivan W.L.L.	174,590
Damasco One Restaurant W.L.L.	167,570
Syrian American Medical Centre	143,749
Baladna for Animal Production W.L.L.	134,202
Union Iron and Steel Company L.L.C	47,591
Elegancia Management Consultancy W.L.L.	30,000
	343,731,039

27 RELATED PARTY DISCLOSURES (CONTINUED)

(c) Related party balances (continued)

	30 September 2021 (Reviewed) QR
Due to related parties	
Affiliates:	
Urbacon Trading and Contracting W.L.L.	190,635,424
Urbacon Machinery and Equipment (Branch of Urbacon Trading and Contracting W.L.L.)	9,703,737
Power International Holdings Co. W.L.L.	4,598,530
Urbancon Holding Company W.L.L.	4,215,106
Aura Lifestyle W.L.L.	3,296,895
Loyalty for Business Development and Investment Holding W.L.L.	3,000,000
Joury Tours and Travels W.L.L.	2,790,607
Baladna Food Industries W.L.L.	2,620,859
International Design & Consultant Company W.L.L.	1,965,031
Abd Almuneer Al-Sakka	1,430,695
Highness Holding Co. W.L.L.	1,235,000
Emad Ekrayem	998,021
Credo Trading Co. W.L.L.	761,327
Printshop for Printing Services W.L.L.	446,771
Joury logistic company W.L.L.	204,260
Profession Aluminium Co. W.L.L.	140,209
Hhazlusik Investment W.L.L.	111,806
Global Security System Co. W.L.L.	44,540
Gulfmed Supply Co. W.L.L.	10,563
	228,208,351

(d) Compensation of key management personnel

The remuneration of directors and other members of the key management personnel during the period were as follows:

	For the nine months period ended 30 September 2021 (Reviewed) QR
Salaries and short-term benefits	7,319,494
Employees' end of service benefits	447,541
	7,767,035

Terms and conditions of transactions with related parties

Transactions with related parties are approved by the management. All the related party receivables balances are payable on demand and in local currency. The related parties are all under common controlled by its owners of the Company and the recorded amounts of due from related parties are all secured by guarantee from the owners of the Company, thus management believes that the Group has no exposure on expected credit loss and this condition is being yearly monitored based on the financial decision and economic condition of the owners of the Company. For the period ended 30 September 2021, the Group has not recorded any impairment relating to amounts due from related parties.

27 RELATED PARTY DISCLOSURES (CONTINUED)

(c) Related party loan

On September 2020, Credo Trading Co. W.L.L. provided an interest-free loan to the Group amounted to QR 33,016,959 as a part of the restructuring of the amounts due to Loyalty for Business Development and Investment Holding W.L.L. amounted to QR 20,357,769, Credo Trading Co W.L.L. amounted to QR 652,216 and MohamadMoataz MHD Ruslan AlKhayyat amounted to QR 12,006,974. This loan is payable on five equal annual instalments that amounted to QR 6,603,392 from 28 February 2022 until 28 February 2026.

Movement of the loan from a related party as follows:

	For the nine months period ended 30 September 2021 (Reviewed) QR
Transfers resulting from business combination (Note 3)	29,366,599
Interest expense for the period (Note 23)	836,335
Payment during the period	(2,257,451)
At 30 September 2021	27,945,483

The outstanding balances as at the reporting date are presented in the interim consolidated statement of financial position as follows:

	30 September 2021 (Reviewed) QR
Current	4,345,941
Non-current	23,599,542
	27,945,483

28 CONTINGENCIES

The Group had the following contingent liabilities from which it is anticipated that no material liabilities will arise.

	30 September 2021 (Reviewed) QR
Performance guarantees	103,076,217
Bank guarantee	98,275,794
Letter of credits	93,101,175
Contingent commercial loans	52,545,995
Performance bond	41,665,869
Tender bonds	19,756,163
Letter of guarantees	1,791,030
Security cheque	120,000
	410,332,243

29 FINANCIAL RISK MANAGEMENT

Objectives and policies

The Group's principal financial liabilities comprise of interest-bearing loans and borrowings, staff payables, subcontractor payables, lease liabilities, retention payable, trade payable, accrued expenses, due to related parties, other payables and bank overdraft. The main purpose of these financial liabilities is to manage Group's working capital requirements. The Group has various financial assets such as contract assets, retention receivables, trade receivables, due from related parties, deposits, note receivables, finance lease receivables, staff receivable, other receivables and cash and bank balances, which arise directly from its operations.

The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements. The management has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyze the risks faced by the Group and to monitor risks.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect the Group's income or the value of its holdings of financial instruments. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, and liquidity risk. The shareholders review and agree on policies for managing each of these risks which are summarised below;

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk on its short-term loans and borrowings and bank overdraft.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group does not hedge its exposure to currency risk. As Qatari Riyal is pegged to the US Dollar and currencies of GCC countries (except for Kuwaiti Dinar), currency risk arising from exposure to fluctuations in the US Dollar and currencies of GCC countries is expected to be minimal.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group is exposed to credit risk from its financial assets including bank balance, trade receivables, note receivables, retentions receivables, refundable deposits, due from related parties, contract assets, staff receivables and other receivables.

With respect to credit risk arising from the financial assets of the Group, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments as follows:

	30 September 2021 (Reviewed) QR
Contract asset	459,697,695
Trade receivables	445,030,256
Due from related parties	343,731,019
Retention receivable	57,054,157
Bank balances	49,754,129
Notes receivables	48,800,649
Deposits	3,044,943
Staff receivables	1,547,159
Finance lease receivable	1,299,924
Other receivables	6,171,504
	1,415,940,435

29 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

Impairment of financial assets

Trade receivables

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customers with similar loss patterns. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the construction sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking assumptions are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate.

The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Due from related parties

All the related party receivables balances are payable on demand and in local currency. The related parties are all under common controlled by its shareholder and the recorded amounts of due from related parties are all secured by guarantee from the shareholders, thus management believes that the Group has no exposure on expected credit loss and this condition is being yearly monitored based on the financial decision and economic condition of the shareholders.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's operations. The table below summarises the maturity profile of the Groups' financial liabilities at 30 September based on contractual, undiscounted payments:

At 30 September 2021 (Reviewed)	*Less than 3 months* QR	*3 to 12 months* QR	*More than 1 year* QR	*Total* QR
Trade payables	397,954,513	-	-	397,954,513
Interest bearing loans and borrowings	185,467,463	140,392,796	179,832,371	505,692,630
Accrued expenses	-	266,710,119	-	266,710,119
Lease liabilities	1,982,395	13,091,609	9,243,278	24,317,282
Bank overdraft	104,384,749	-	-	104,384,749
Due to related parties	-	228,208,351	-	228,208,351
Note payables	16,724,295	-	-	16,724,295
Retention payables	-	18,934,856	-	18,934,856
Other payables	-	12,988,206	-	12,988,206
Subcontractor payables	19,165,865	-	-	19,165,865
Total	725,679,280	680,325,937	189,075,649	1,595,080,866

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders' value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the period ended 30 September 2021. The total equity comprises capital, legal reserve, other reserve, retained earnings and non-controlling interest is measured at QR 623,519,828.

30 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of contract assets, retention receivable, trade receivables, due from related parties, deposits, note receivables, finance lease receivables, staff receivable, other receivables and cash and bank balances.

Financial liabilities consist of interest-bearing loans and borrowings, staff payables, subcontractor payables, lease liabilities, retention payable, trade payable, accrued expenses, due to related parties, other payables and bank overdraft.

The fair values of financial instruments are not materially different from their carrying values.

31 SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed regularly.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Significant judgement in determining the lease term of contracts with renewal options
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Provision for expected credit losses of trade receivables, retention receivables and contract assets
The Group uses a provision matrix to calculate ECLs for its financial assets. The provision rates are based on days past due for groupings of various customers with similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the ready-mix concrete sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

31 SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (CONTINUED)

Useful lives of property, plant and equipment
The Group's management determines the estimated useful life of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted, where the management believes the useful lives differ from previous estimates.

Impairment of inventories
Inventories are held at the lower of cost or net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on anticipated selling prices. At the reporting date, gross inventory was QR 384,444,782 with provision for slow moving inventories of QR 12,658,602. Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the interim consolidated statement of comprehensive income.

Estimating the incremental borrowing rate on leases
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group 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 assets in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Allowance for impairment losses on non-financial assets
The management assesses impairment on non-financial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the management considers important which could trigger an impairment review include the following:

- significant underperformance relative to the expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

As at 30 September 2021, there was no indication of impairment loss on the Group's non-financial assets.

Percentage of completion-based contract assets
Contract assets on percentage of completion-based contracts is stated at cost, plus attributable profit, less progress payments received and receivable. Cost includes material, labour and other direct costs plus an appropriate allocation of overheads. For individually significant amounts this estimation of impairment is performed on an individual basis. Provision is made for contingencies and any anticipated future losses. At the end of reporting period, contract assets amounted to QR 459,325,491.

Going concern
The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. 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 interim consolidated financial statements continue to be prepared on a going concern basis.

32 SIGNIFICANT EVENTS AND TRANSACTIONS

i. *Effect of Covid 19*

The outbreak of Novel Coronavirus (COVID 19) continues to progress and evolve. Therefore, it is still challenging to predict the full extent and duration of its business and economic impact. The Group has been closely monitoring the latest developments in the current evolving situation and has carried out an assessment based on the observable information as at 30 September 2021.

The Group is carefully monitoring the evolving situation around the spreading of the COVID-19 and its impact on the business. The Group has performed an assessment of whether it is a going concern in the light of current economic conditions. The Shareholder support the operations of the Group. Accordingly, the management is satisfied that the Group has sufficient liquidity to meet its current liabilities and working capital requirements. As a result, these interim condensed consolidated financial statements have been appropriately prepared on a going concern basis.

Further, the management has assessed whether there is an indication that other non-financial assets may be impaired as at 30 September 2021. However, no indications were noted.

The Group will continuously monitor the ongoing situation and continue to provide conservatively for any downside risks.

ii. *Events after the reporting period*

As at 12 October 2021, the shareholders of the Company have agreed a share swap ratio with Investment Holding Group Q.P.S.C. for the purpose of acquiring the Company and its subsidiaries. The parties are awaiting the process to be completed in accordance with the laws and instructions issued by Qatar Financial Markets Authority, Qatar Stock Exchange and all the competent regulatory authorities to finalise transaction documentation.

ANNEX VII
IHG PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

INVESTMENT HOLDING GROUP – Q.P.S.C.
DOHA – STATE OF QATAR

UNAUDITED PRO FORMA COMBINED
FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED
AND AS OF JUNE 30, 2021

INVESTMENT HOLDING GROUP – Q.P.S.C.
DOHA – STATE OF QATAR

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED AND AS OF JUNE 30, 2021

TABLE OF CONTENTS

Russell Bedford
taking you further

Russell Bedford & Partners
Certified Public Accountants

Offices 3-4, Floor 2, Building 209
Street 230, C-Ring, Zone 42
P.O. Box 47539, Doha – State of Qatar

T: +974 4462 6506
F: +974 4435 2199
E: inquiry@russellbedford.qa
W: www.russellbedford.qa

INDEPENDENT ACCOUNTANT'S REPORT

TO THE SHAREHOLDERS
INVESTMENT HOLDING GROUP – Q.P.S.C.
DOHA – STATE OF QATAR

Report on the Compilation of Unaudited Pro Forma Combined Financial Statements
We have completed our assurance engagement to report on the compilation of unaudited pro forma combined financial statements of Investment Holding Group Q.P.S.C. (the "Company") and its subsidiaries detailed in Note 1 (together the "Group"). unaudited pro forma combined financial statements consist of unaudited pro forma combined statement of financial position as at June 30, 2021, unaudited pro forma combined statement of profit or loss and other comprehensive income, unaudited pro forma combined statement of changes in shareholders' equity, and unaudited pro forma combined statement of cash flow for the six months period ended June 30, 2021 and related notes. The applicable criteria on the basis of which the management has compiled the unaudited pro forma combined financial statements are described in Note 1.1.

The pro forma financial information has been compiled by the management based on the assumptions set out in Note 1.1 to illustrate the impact of acquiring a new company (the "Acquisition Transactions") as described in Note 1.1 on the Group's statement of financial position as at June 30, 2021 and the Group's financial performance and cash flows for the six months period ended June 30, 2021 as if the Acquisition Transaction had taken place at June 30, 2021. As part of this process, information about the Group's financial position as at June 30, 2021, its financial performance and cash flows for the six months period ended June 30, 2021 has been extracted by the management from the Group's financial statements for the six months period ended June 30, 2021 on which a review report has been published.

Management Responsibility for the Unaudited Pro Forma Combined Financial Statements
Management is responsible for compiling the unaudited pro forma combined financial information on the basis of the criteria described in Note 1.1.

Auditor's Responsibilities
Our responsibility is to express an opinion about whether these unaudited pro forma combined financial statements have been compiled, in all material respects, by the management on the basis of the criteria described in Note 1.1.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner plan and perform procedures to obtain reasonable assurance about whether the management has compiled, in all material respects, the unaudited pro forma combined financial statements on the basis of the criteria described in Note 1.1.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling these unaudited pro forma combined financial statements, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling these unaudited pro forma combined financial statements.

The purpose of unaudited pro forma combined financial statements is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration as mentioned in Note 1. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at a future transaction date would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma combined financial statements has been compiled, in all material respects, on the basis of the criteria detailed in Note 1.1 involves performing procedures to assess whether those criteria used by the management in the compilation of these unaudited pro forma combined financial statements provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and

Russell Bedford
taking you further

INDEPENDENT ACCOUNTANT'S REPORT (CONTINUED)

Auditor's Responsibilities (Continued)

- The unaudited pro forma combined financial statements reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma combined financial statements have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma combined financial statements.

Emphasis of matter

- As referred in Note 1, all pro forma adjustments made in the preparation of these unaudited pro forma combined financial statements are in accordance with the basis of preparation given below in Note 1.1. The future consolidated financial statements after the proposed Transaction and considering all requirements of International Financial Reporting Standards, Qatar Financial Market Authority and Qatari Commercial Companies Law, may significantly differ from these unaudited pro forma combined financial statements of the Group.

- As referred in Note 1 and Note 6, this reverse acquisition transaction generated a goodwill of QAR 3,260,193,746 which represents 49% of the total assets and 82% of the total equity on the unaudited pro forma combined financial statements as at June 30, 2021.

- As referred in (Note 1.1 e), the unaudited pro forma combined financial statements include the financial position, financial performance and cash flows of one of Company's subsidiary, Trelco Building Materials Company W.L.L. which is currently subject to liquidation proceedings initiated by one of the Partners.

- As referred in (Note 1.1 f), the unaudited pro forma combined financial statements describe the legal proceedings concerning Debbas Enterprise Qatar W.L.L for the six months period ended and as at June 30, 2021 which has been qualified by the external auditors in its review report to the Company's consolidated interim condensed financial statements as at June 30, 2021. The said matter is related to the external auditor being unable to determine any provision required resulting from non-collection of the amounts due from the main contractor concerning the variation orders with respect to a project entered into with Qatari Diar Company, a company owned by the Government of Qatar and is known for its financial solvency, reputation and professionalism or from the liability to settle the whole amount of borrowings due to the banks related to the Unincorporated Joint Operation given that the other partner to the Unincorporated Joint Operation has already been declared as under liquidation.

We believe that the evidence we have obtained is sufficient and appropriate according to the applicable criteria mentioned in Note 1 to provide a basis for our opinion on compiling the unaudited pro forma combined financial statements.

In our opinion, the accompanying unaudited pro forma combined financial statements have been compiled, in all material respects, on the basis of the criteria described in Note 1 to the unaudited pro forma combined financial statements.

For Russell Bedford & Partners
Certified Public Accountants

Hani Mukhaimer
License No. (275)
QFMA License No. (1202013)

Russell Bedford & Partners
Certified Public Accountants
Russell Bedford
taking you further
رسل بدفورد وشركاه

Doha – Qatar
November 03, 2021

INVESTMENT HOLDING GROUP – Q.P.S.C.
DOHA – STATE OF QATAR

UNAUDITED PRO FORMA COMBINED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2021

	Notes	June 30, 2021 QAR
ASSETS:		
Non-current assets:		
Property and equipment	3	743,034,357
Investment properties	4	121,162,879
Intangible assets	5	2,650,329
Goodwill	6	3,260,193,746
Right of use assets	7	84,195,292
Financial assets at fair value through profit or loss		31,000,000
Retentions receivable	8	151,437,824
Deferred tax assets		22,498
Total non-current assets		4,393,696,925
Current assets:		
Inventories	9	329,754,004
Accounts receivable and other debit balances	10	1,172,920,345
Contract assets	11	620,228,606
Retentions receivable	8	58,756,455
Cash and bank balances	12	142,225,980
Total current assets		2,323,885,390
TOTAL ASSETS		6,717,582,315
SHAREHOLDERS' EQUITY AND LIABILITIES:		
Shareholders' equity:		
Capital	13	3,404,037,500
Legal reserve	14	50,147,918
Other reserve	13	3,923,960
Retained earnings		506,574,294
Equity attributable to equity holders of the parent		3,964,683,672
Non-controlling interests		10,935,416
Total shareholders' equity		3,975,619,088
Non-current liabilities:		
Provision for employees' end of service benefits	15	90,310,560
Interest bearing loans and borrowings	16	469,249,370
Loans from related parties		28,164,091
Retentions payable		386,257
Lease liabilities	7	60,737,722
Total non-current liabilities		648,848,000
Current liabilities:		
Accounts payable and other credit balances	17	1,311,093,648
Contract liabilities	11	37,657,139
Interest bearing loans and borrowings	16	590,333,806
Retentions payable		2,125,163
Lease liabilities	7	20,161,447
Dividend payable		3,292,369
Bank overdraft	12	128,451,653
Total current liabilities		2,093,115,227
Total liabilities		2,741,963,227
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		6,717,582,315

The unaudited pro forma combined financial statements were approved to issue by the Board of Directors on November 03, 2021 and signed on their behalf by:

Khalid Ghanim S Al-Hodaifi Al-Kuwari
Chairman

Hamad Ghanim S Al-Hodaifi Al-Kuwari
Vice Chairman

The accounting policies and notes as set out in pages 05 to 49 form an integral part of these unaudited pro forma combined financial statements.

INVESTMENT HOLDING GROUP – Q.P.S.C.
DOHA – STATE OF QATAR

UNAUDITED PRO FORMA COMBINED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2021

	Notes	For the six-months period ended June 30, 2021 QAR
Revenue	18	1,680,116,571
Direct cost	19	(1,291,112,910)
Gross profit		**389,003,661**
Other income	20	11,747,666
General and administrative expenses	21	(86,391,560)
Other operating expenses	22	(97,446,157)
Management fee		(2,500,000)
Net profit for the period		**214,413,610**
Finance costs	23	(20,236,376)
Profit from continuing operations		**194,177,234**
Profit on discontinuing operations		2,351,539
Profit before income tax		**196,528,773**
Income tax expenses	26	(159,114)
Profit after tax		**196,369,659**
Other comprehensive income items		-
Total comprehensive income for the period		**196,369,659**
Profit attributable to:		
Equity holders of the parent		195,329,150
Non-controlling interests		1,040,509
Total comprehensive income attributable to:		**196,369,659**
Equity holders of the parent		195,329,150
Non-controlling interests		1,040,509
Total comprehensive income attributable to equity holders of the parent aries from:		
Continuing operations		192,977,611
Discontinued operations		2,351,539
		195,329,150
Basic earnings per share		0.057

The accounting policies and notes as set out in pages 05 to 49 form an integral part of these unaudited pro forma combined financial statements.

UNAUDITED PRO FORMA COMBINED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2021

	Capital	Legal reserve	Other reserve	Retained earnings	Total	Non-controlling interests	Total equity
	QAR	QAR	QAR	QAR	QAR	QAR	QAR
Capital Issuance	3,404,037,500	-	-	-	3,404,037,500	-	3,404,037,500
Transfer as a result of business combination under the common control	-	49,916,393	3,923,960	324,114,631	377,954,984	5,109,799	383,064,783
Transfer as a result of a reverse acquisition	-	-	-	(12,879,381)	(12,879,381)	9,593,854	(3,285,527)
Total comprehensive income for the period	-	-	-	195,329,150	195,329,150	1,040,509	196,369,659
Transfer to legal reserve	-	231,525		(231,525)	-	-	-
Changes in ownership interest in subsidiaries	-	-	-	241,419	241,419	(429,419)	(188,000)
Elimintion of non-controling interest at disposal of subsidiaries	-	-	-	-	-	454	454
Dividend paid	-	-	-	-	-	(4,379,781)	(4,379,781)
Balance at June 30, 2021	3,404,037,500	50,147,918	3,923,960	506,574,294	3,964,683,672	10,935,416	3,975,619,088

The accounting policies and notes as set out in pages 05 to 49 form an integral part of these unaudited pro forma combined financial statements.

INVESTMENT HOLDING GROUP – Q.P.S.C.
DOHA – STATE OF QATAR

UNAUDITED PRO FORMA COMBINED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2021

	Notes	For the six-months period ended June 30, 2021 QAR
Cash flows from operating activities:		
Net profit for the period		196,528,773
Adjustments for:		
Depreciation of property and equipment	3	21,404,691
Depreciation of investment properties	4	16,853,000
Depreciation of right of use assets	7	8,876,818
Amortization of intangible assets	5	408,290
Reversal of provision for foreseeable losses		(811,466)
Gain on disposal of subsidiaries		(2,351,539)
Gain on early termination of lease contract	7	(308,260)
Provision for slow moving inventories	9	89,451
Gain on disposal of property and equipment		(108,235)
Reversal of expected credit loss on receivables		(792,102)
Interest expense on lease liabilities	7	1,943,665
Interest expense on loan from related parties		554,943
Interest expense on loan and borrowings	23	17,474,924
Provision for employees' end of service benefits	15	18,279,162
Operating income before changes in working capital		278,039,115
Changes in:		
Inventories		(83,287,789)
Accounts receivable and other debit balances		104,922,386
Due from related parties		1,084,640
Contract assets		(3,784,946)
Retention receivables		(34,507,600)
Due to related parties		(1,279,721)
Contract liabilities		21,889,341
Trade and other payables		(22,731,468)
Retention payable		(1,986,538)
Cash generated from operating activities		258,357,420
Employees' end of service benefits paid	15	(5,664,210)
Interest paid		(16,162,231)
Net cash generated from operating activities		236,530,979
Cash flows from investing activities:		
Purchase of property and equipment	3	(79,174,991)
Net movement in bank balance blocked as collateral		(232,528)
Purchase of intangible assets		(1,613,413)
Net cash flow on business combination under common control		(205,838,099)
Net consideration received from disposal of a subsidiary		2,471,125
Consideration paid for the acquisition of non-controlling interests		(188,000)
Proceeds from disposal of property and equipment		172,205
Net cash used in investing activities		(284,403,701)
Cash flows from financing activities:		
Net movement in interest bearing loan and borrowings		38,739,661
Introduction of share capital		10,000,000
Payment of principle portion of the loan received from related party		(1,202,508)
Payment of dividend		(4,553,720)
Payment of principle portion of lease liabilities		(12,109,673)
Net cash generated from financing activities		30,873,760
Net decrease in cash and cash equivalents		(16,998,962)
Cash and cash equivalents - at January 1,		30,540,761
Cash and cash equivalents - at June 30,	12	13,541,799

The accounting policies and notes as set out in pages 05 to 49 form an integral part of these unaudited pro forma combined financial statements.

1. GENERAL INFORMATION:

Investment Holding Group Q.P.S.C (the "Company" or "IHG") was established on May 11, 2008 and registered in the State of Qatar under commercial registration no. 39127. On May 11, 2017, the legal status of the Company was converted from limited liability company to Qatari Public Shareholding Company.

The Company is engaged in various types of investments inside the State of Qatar in accordance with sound commercial and economic practices.

The Company's official registered office and place of business is located at Qatar Tower, Majlis Al Taawon St. West Bay, P.O. Box No. 3988, Doha, State of Qatar.

The Company is in the process of discussing the acquisition transaction (the "Transaction") of Elegancia Group W.L.L. (Formerly known as Elegancia Group Administrative Consultancy W.L.L.) (the "Legal Subsidiary"), as such, these unaudited pro forma combined financial statements are compiled for submission to the official authorities responsible for approving the process of the Transaction.

Elegancia Group W.L.L. (Formerly known as Elegancia Group Administrative Consultancy W.L.L.) is registered on November 3, 2020 in the State of Qatar as a limited liability company under Commercial Registration No.147966. However, the Company commenced its commercial operations from 1 January 2021. The registered office is located at P.O. Box No. 201184 Doha, State of Qatar. On September 22, 2021, the management changed the name from Elegancia Group Holding W.L.L. to Elegancia Group Administrative Consultancy W.L.L., which has been amended in the Commercial Registration.

The reviewed consolidated financial statements for the six months period ended June 30, 2021 of the Company and its following subsidiaries and the share of joint operations (collectively referred to as the "Group") are used in preparing the unaudited pro forma combined financial statements.

Name of the subsidiary	Percentage of ownership (%)	Principal activity
Consolidated Engineering Systems Company W.L.L. (CESCO)	100	Mainly engaged in trading in fire alarms, security systems and related contracting activities.
Trelco Limited Company W.L.L. (TLC)	100	Mainly engaged in various trading activities.
Consolidated Supplies Company W.L.L. (CSC)	100	Mainly engaged in trading of electrical and construction materials.
Watermaster Qatar W.L.L. (WMQ) *(Note i)*	63.3	Mainly engaged in water treatment and contracting activities.
Construction Development Contracting & Trading Company W.L.L (CDCT) *(Note i)*	51	Mainly engaged in the contracting activities and trading in building materials.
Electro Mechanical Engineering Company W.L.L (EMEC)	68.5	Mainly engaged in installation and maintenance of electro mechanical works.
Debbas Enterprises Qatar W.L.L (DEQ)	51	Mainly engaged in trading in electrical equipment, switch gear, light and instrument electrical tools, electromechanical equipment installation and maintenance works.

1. GENERAL INFORMATION (CONTINUED):

Name of the subsidiary	Percentage of ownership (%)	Principal activity
Trelco Building Materials Company W.L.L. (TBMC)	85	Mainly engaged in trading of wood, steel and building materials.

Note i:
The Company owns indirect ownership percentage in Watermaster Qatar W.L.L. and Construction Development Contracting & Trading W.L.L. equivalent to 36.7% and 49% respectively, through its subsidiary, Trelco Limited Company W.L.L. which is 100% owned by the Company.

All of the subsidiaries mentioned above are located and operates within the state of Qatar and prepares standalone financial statements in accordance with International Financial Reporting Standards (IFRSs) and applicable provisions of Qatar Commercial Companies Law.

The unaudited pro forma combined financial statements give no indication of the future financial position of the Group.

All pro forma adjustments made in the preparation of these unaudited pro forma combined financial statements are in accordance with the basis of preparation given below in Note 1.1. The future consolidated financial statements after the proposed Transaction and considering all requirements of International Financial Reporting Standards, Qatar Financial Market Authority and Qatari Commercial Companies Law, may significantly differ from these unaudited pro forma combined financial statements of the Group.

1.1. Basis of preparation of the unaudited pro forma combined financial statements

These unaudited pro forma combined financial statements are combined based on the following assumptions:

a. Investment Holding Group Q.P.S.C (legal acquirer) is identified as acquiree for accounting purposes, and Elegancia Group W.L.L. (Formerly known as Elegancia Group Administrative Consultancy W.L.L.) (legal acquiree) will be the acquirer for accounting purposes for the Transaction to be considered a reverse acquisition.

b. Investment Holding Group Q.P.S.C will issue new shares to the existing owners of Elegancia Group W.L.L. (Formerly known as Elegancia Group Administrative Consultancy W.L.L.) The former shareholders of Elegancia Group W.L.L. (Formerly known as Elegancia Group Administrative Consultancy W.L.L.) will own the majority of new issued shares and control the majority of votes in the Group by exchanging their shares for new shares of Investment Holding Group Q.P.S.C.

c. Considering the following values in the proforma adjustments:

Description	Amount QAR
Fair market value of Elegancia Group W.L.L.	2,667,075,000
New shares issued *(Note I)*	2,574,037,500
New combined share capital	3,404,037,500
IHG representation in the new combined share capital	24.383%
EG representation in the new combined share capital	75.617%

1. GENERAL INFORMATION (CONTINUED):

1.1. Basis of preparation of the unaudited pro forma combined financial statements (Continued)

d. Management has adjusted the audited consolidated financial statements for the six months period ended June 30, 2021 of the Company and its subsidiaries mentioned above by combining the consolidated financial statements for the six months period ended June 30, 2021 of Elegancia Group W.L.L. (Formerly known as Elegancia Group Administrative Consultancy W.L.L.) and its subsidiaries, on the assumption that the reverse acquisition transaction occurred on June 30, 2021. The following pro forma adjustments were made to these unaudited pro forma combined statement of financial position as at June 30, 2021:

	Elegancia Group - W.L.L. (legal Subsidiary)	Investment Holding Group Q.P.S.C. (Legal Parent)	Pro forma Adjustments	Notes	Unaudited Pro forma combined Financial Position
ASSETS:					
Non-current assets:					
Property and equipment	729,646,148	13,388,209	-		743,034,357
Intangible assets	2,650,329	-	-		2,650,329
Investment properties	93,258,732	27,904,147	-		121,162,879
Right of use assets	82,321,813	1,873,479	-		84,195,292
Retention receivables	115,394,778	36,043,046	-		151,437,824
Goodwill	-	711,492,489	2,548,701,257	6	3,260,193,746
Financial assets at fair value through profit or loss	-	31,000,000	-		31,000,000
Deferred tax asset	22,498	-	-		22,498
Total non-current assets	**1,023,294,298**	**821,701,370**	**2,548,701,257**		**4,393,696,925**
Current assets:					
Inventories	282,170,366	47,583,638	-		329,754,004
Accounts receivable and other debit balances	950,599,896	222,320,449	-		1,172,920,345
Contract assets	423,298,661	196,929,945	-		620,228,606
Retention receivables	28,897,767	29,858,688	-		58,756,455
Cash and bank balances	100,463,115	41,762,865	-		142,225,980
Total current assets	**1,785,429,805**	**538,455,585**	-		**2,323,885,390**
TOTAL ASSETS	**2,808,724,103**	**1,360,156,955**	**2,548,701,257**		**6,717,582,315**

1. GENERAL INFORMATION (CONTINUED):

1.1. Basis of preparation of the unaudited pro forma combined financial statements (Continued)

d. (Continued)

	Elegancia Group - W.L.L. (legal Subsidiary)	Investment Holding Group Q.P.S.C. (Legal Parent)	Pro forma Adjustments	Notes	Unaudited Pro forma combined Financial Position
EQUITY AND LIABILITIES:					
Shareholders' equity:					
Share capital	10,000,000	830,000,000	2,564,037,500	13	3,404,037,500
Legal reserve	50,147,918	12,928,305	(12,928,305)		50,147,918
Other reserve	3,923,960	(138,909,704)	138,909,704		3,923,960
Revaluation reserve	-	14,398,000	(14,398,000)		-
Retained earnings	506,574,294	126,919,642	(126,919,642)		506,574,294
Equity attributable to equity holders of the parent	**570,646,172**	**845,336,243**	**2,548,701,257**		**3,964,683,672**
Non-controlling interests	1,707,044	9,228,372	-		10,935,416
Total equity	**572,353,216**	**854,564,615**	**2,548,701,257**		**3,975,619,088**
Non-current liabilities:					
Employees' end of service benefits	71,884,332	18,426,228	-		90,310,560
Loans from related parties	28,164,091	-	-		28,164,091
Borrowings	352,735,861	116,513,509	-		469,249,370
Retention payables	-	386,257	-		386,257
Lease liabilities	59,643,018	1,094,705	-		60,737,723
Total non-current liabilities	**512,427,302**	**136,420,699**	-		**648,848,001**
Current liabilities:					
Accounts payable and other credit balances	1,162,441,732	148,651,915	-		1,311,093,647
Contract liabilities	37,657,139	-	-		37,657,139
Lease liabilities	19,362,217	799,230	-		20,161,447
Borrowings	385,335,782	204,998,024	-		590,333,806
Dividend payable	-	3,292,369	-		3,292,369
Retention payables	-	2,125,165	-		2,125,165
Bank overdrafts	119,146,715	9,304,938	-		128,451,653
Total current liabilities	**1,723,943,585**	**369,171,641**	-		**2,093,115,226**
Total liabilities	**2,236,370,887**	**505,592,340**	-		**2,741,963,227**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**2,808,724,103**	**1,360,156,955**	**2,548,701,257**		**6,717,582,315**

1. GENERAL INFORMATION (CONTINUED):

1.1. Basis of preparation of the unaudited pro forma combined financial statements (Continued)

d. (Continued)

Notes:

1. Goodwill:

Description	Amount QAR
New shares issued	2,574,037,500
Legal parent's share capital	830,000,000
Less: Legal subsidiary's share capital	(10,000,000)
Adjusted consideration	**3,394,037,500**
Total assets of the legal parent	1,360,156,955
Total liabilities of the legal parent	(505,592,340)
Total net assets of the legal parent	**854,564,615**
Less: non-controlling interest of the legal parent	(9,228,372)
Total net assets attributable to the legal parent	**845,336,243**
Goodwill	**2,548,701,257**

2. Share Capital:

Description	Amount QAR
New shares issued	2,574,037,500
Legal parent's share capital	830,000,000
Pro forma combined share capital	**3,404,037,500**

The unaudited pro forma combined financial statements have been prepared to illustrate the significant and material effects of the combination of the Legal Parent and Legal Subsidiary as if these entities have been controlled by Elegancia Group W.L.L. (Formerly known as Elegancia Group Administrative Consultancy W.L.L.) (the "Legal Subsidiary") with a newly assumed share capital as of June 30, 2021.

The audited consolidated financial statements as at and for the six months period ended June 30, 2021 of Elegancia Group W.L.L. (Formerly known as Elegancia Group Administrative Consultancy W.L.L.) (the "Legal Subsidiary") include the assets, liabilities, and results of operations for below listed subsidiaries. However, those consolidated financial statements were audited by other independent auditor who issued unmodified opinion on October 28, 2021:

Name of the subsidiary	Percentage of ownership (%)	Principal activity
Elegancia Facilities Management W.L.L. (Formerly Elegancia Hospitality and Facility Management Services W.L.L.)	100	Provision of facility management and hospitality services, trading and installation of video and audio equipment and planning and organizing public concerts.
Elegancia Landscape W.L.L. (Formerly Palmera Landscape W.L.L.)	100	Investment and management of agricultural projects, agricultural consulting, parks management, landscaping, agricultural equipment and material trading, trading of plants and trading of irrigation equipment.
Elegancia Human Resources and Contracting W.L.L. (Formerly known as Challenger Trading and Contracting W.L.L.)	100	General contracting, trading in building materials, building maintenance, electrical contracting, electronic works and manpower supply.

1. GENERAL INFORMATION (CONTINUED):

1.1. Basis of preparation of the unaudited pro forma combined financial statements (Continued)

d. (Continued)

Notes (Continued):

2. *Share Capital (Continued):*

Name of the subsidiary	Percentage of ownership (%)	Principal activity
Elegancia Electromechanical Services W.L.L. (Formerly Radiant Engineering Enterprises W.L.L.)	100	Electrical and sanitary contracting, installation of electromechanical equipment, installation, maintenance and repair of elevators, fire warning devices, air conditioning and refrigeration system
Elegancia Joinery W.L.L. (Formerly Zebrano Wood Works W.L.L.)	100	Trading of wood and manufacture and trading of wood related products, executing interior and exterior projects including producing ceilings, walls decorations, timber decorations and producing various wooden furniture.
Elegancia Galvanization Steel Manufacture Metals and Cables W.L.L. (Formerly Galva Steel Manufacture Metals and Cables W.L.L.)	100	Production and formation of metals, production of steel sections and production of cable carriers and accessories.
Elegancia Steel Trading W.L.L. (Formerly known as Steel Master Limited for Trading W.L.L.)	100	Fabrication, erection and trading of steel bars which include services for the alteration in the size and shape of the steel bars.
Elegancia Stones for Marble & Granite Trading W.L.L. (Formerly Marble Stone for Marble & Granite Trading W.L.L)	100	Installation and trading of granite and marble stone, granite sand, machinery and equipment related to granite, industrial and natural stone, ceramic and porcelain stone and building materials.
Elegancia Gabro Trading and Transport W.L.L. (Formerly known as Gabromix Trading and Transport W.L.L.)	100	Trading Gabbro materials and transport services.
Elegancia Catering Services W.L.L.	100	Providing catering services and ready meals supply and catering for large events and gatherings
Elegancia Marine Offshore Services W.L.L. (Formerly Marine Master Offshore Services Company W.L.L.)	100	Supply of services across a range of marine industries such as offshore services, marine construction, shipping and acting as a shipping agent.
Steel Tech Trading and Contracting W.L.L.	100	Manufacturing, trading and installation of fabricated doors, conditioning ducts, windows and cabinets.
Steel Tech Factory W.L.L.	100	Manufacturing, trading and installation of fabricated doors, windows, cabinets, and air-conditioning ducts.
Elegancia Steel Doors Trading and Contracting W.L.L. (Techno Doors Trading and Contracting W.L.L.)	100	Manufacturing and installation of fabricated doors.
Elegancia Steel Ducts Trading and Contracting W.L.L. (Techno Ducts Trading and Contracting W.L.L.)	100	Manufacturing, trading and installation of air conditioning ducts.

1. GENERAL INFORMATION (CONTINUED):

1.1. Basis of preparation of the unaudited pro forma combined financial statements (Continued)

d. (Continued)

Notes (Continued):

3. Share Capital (Continued):

Name of the subsidiary	Percentage of ownership (%)	Principal activity
Elegancia Marine Agency W.L.L. (Giants Marine Services W.L.L.)	100	Providing agency services to vessel owners and marine mediator services.
Yemek Doha Catering Services W.L.L.	95	Providing catering services and ready meals supply and catering for large events and gatherings.
Elegancia Health Care W.L.L.	100	Providing management consulting services, facility management services, management and operating of professional labour.

All of the subsidiaries mentioned above are located and operates within the state of Qatar and prepares standalone financial statements in accordance with International Financial Reporting Standards (IFRSs) and applicable provisions of Qatar Commercial Companies Law.

e. The unaudited pro forma combined financial statements include the financial position, financial performance and cash flows of one of Company's subsidiary, Trelco Building Materials Company W.L.L. which is currently subject to liquidation proceedings initiated by one of the Partners.

f. The unaudited pro forma combined financial statements describe the legal proceedings concerning Debbas Enterprise Qatar W.L.L. for the six months period ended and as at June 30, 2021 which has been qualified by the external auditors in its review report to the Company's consolidated interim condensed financial statements as at June 30, 2021. The said qualification is related to the external auditor being unable to determine any provision required resulting from non-collection of the amounts due from the main contractor concerning the variation orders with respect to a project entered into with Qatari Diar Company, a company owned by the Government of Qatar and is known for its financial solvency, reputation and professionalism or from the liability to settle the whole amount of borrowings due to the banks related to the Unincorporated Joint Operation given that the other partner to the Unincorporated Joint Operation has already been declared as under liquidation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

2.1. Revenue from contracts with customers

Contract revenue

The majority of our revenues are from long-term contracts. The Group determines if revenue will be recognized over time or at a point in time for its identified performance obligations. The Group frequently enters into contracts with customers which contain fixed contract term. Where revenue is recognized over time, the Group applies the relevant revenue recognition method for measuring progress that faithfully depicts the Group's performance in transferring control of the goods and services to the customer.

The Group uses the input method to measure progress of landscaping projects and revenue are recognized in direct proportion to costs incurred where the transfer of control is most closely aligned to the Group's efforts in delivering the service.

For contracts with multiple components to be delivered to customers such as in integrated facilities development contracts, the Group applies judgement to consider whether those promised goods and services are:

- Distinct and accounted for as separate performance obligations;
- Combined with other promised goods or services until a bundle is identified that is distinct; or

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

2.1. Revenue from contracts with customers (Continued)

Contract revenue (Continued)

- Part of a series of distinct goods and services that are substantially the same and have the same pattern of transfer over time i.e. where the customer is deemed to have simultaneously received and consumed the benefits of the goods or services over the life of the contract.

The Group considers contracts to have a single performance obligation on the basis that the Group provides a significant service of integration in creating a combined output. As such, management has concluded that the goods and services are not distinct within the context of the contract.

At contract inception, the total transaction price is determined, being the amount to which the Group expects to be entitled and has rights under the current contract. This includes the fixed price stated in the contract and an assessment of any variable consideration, up or down, resulting from e.g. service penalties/liquidated damages.

Variable consideration is typically estimated based on the expected value method and is only recognized to the extent it is highly probable that a subsequent change in its estimate would not result in a significant revenue reversal. The Group's transaction price is mostly exposed to variability due to possible liquidated damages, however, estimates are constrained as there are no historical information available for paid claims or liquidated damages.

Where a third party (such as a subcontractor) is involved in the supply of a distinct good or service, the Group determines whether it obtains control of that good or service before it is transferred to the client. Where control is obtained before transfer to the client, the Group recognizes as revenue the gross amount to which it expects to be entitled in exchange. Where control is not obtained, the Group takes the view that it is not the principal in the transaction and only recognizes as revenue the amount corresponding to its remuneration as intermediary. For the short-term contracts, revenue is recognized in the amount to which the Group has a right to invoice and consideration is payable when invoiced.

Principal versus agent considerations
The Group enters into agreement with subcontractors to enable it to deliver the projects. Currently, the Group considers it as the principal and therefore, the contract revenue is recognized at gross.

Contract assets and liabilities
The contract assets consist of unbilled amounts typically resulting from sales under long-term contracts when the cost-to-cost method of revenue recognition is utilized, and revenue recognized exceeds the amount billed to the customer. The contract liabilities consist of advance payments and billings in excess of costs incurred and deferred revenue. The non-current portion of deferred revenue is included in other long-term liabilities in the interim consolidated statement of financial position.

Loss making contracts
The requirements in IAS 37 for onerous contracts apply to all contracts in the scope of IFRS 15. The onerous contract are the contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The present obligation under the onerous contract shall be recognized and measured as a provision.

Manpower hire revenue
Revenue from rendering of manpower service is recognized when the outcome of the transactions can be estimated reliably, and service are rendered.

Sale of goods
Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer (if any).

Agency and marine mediator services
The Group is acting as an agent where it does not have exposure to the significant risk and rewards associated with the sale of goods or the rendering of services. The amount the Group earns is predetermined as fee per transaction.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

2.1. Revenue from contracts with customers (Continued)

Agency and marine mediator services (Continued)
The amounts collected on behalf of the principal are not revenue. Instead, revenue is the amount of commission or fixed fee, which is predetermined. The gross inflows of economic benefits include amounts collected on behalf of the principal and which does not result in increase in equity for the Group. Therefore, the Group is presenting the net amount of revenue in its interim condensed consolidated financial statements.

Revenue from facility management and hospitality and engineering, procurement and construction services
Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements.

The Group satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

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

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

The Group recognizes revenue from rendering of services over a period of time as the customer simultaneously consumes benefit of the service while it's being rendered using the output method, reflecting the amount of consideration to which the Group has a right to invoice.

The Group's contracts with customers for the services generally include single performance obligation. The Group considers its service contracts to have a single performance obligation on the basis that the Group provides a significant service of integration in creating a combined output.

The stage of completion for determining the amount of revenue to recognize is assessed based on the work performed. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated based on their relative stand-alone selling prices. The stand-alone selling price is determined based on the list of prices at which the Group sells the services in separate transactions.

If the contract includes an hourly fee/daily fee/area fee/fee based on head counts, revenue is recognized in the amount to which the Group has a right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

Revenue from the rendering of maintenance services are recognized when the services have been rendered or over the contract term when the work is being carried out. For maintenance services the performance obligation is satisfied over time because the customer simultaneously receives and consumes the benefits provided as the Group performs the services. In maintenance services contracts customers generally pay based on fixed payment schedules.

Contract amendments (relating to the price and/or scope of the contract) are recognized when approved by the client. Where amendments relate to new goods or services regarded as distinct under IFRS 15, and where the contract price increases by an amount reflecting "stand-alone selling prices" of the additional goods or services, those amendments are recognized as a distinct contract.

Galvanizing revenue
The Galvanizing revenue is recognized in the amount to which the Group has a right to invoice. Customers are invoiced on delivery and consideration is payable when invoiced.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

2.1. Revenue from contracts with customers (Continued)

Revenue from transportation services
Revenue is recognized over time as the services are provided.

Vessel chartering with material supply
The Vessel chartering and material supply are bundled together as the Group purchase materials based on the customer requirements. The Group does not supply materials without vessel chartering. The Group considers its contract to have a single performance obligation on the basis that the Group provides a significant service of integration in creating a combined output. As such, management has concluded that the goods and services are not distinct within the context of the contract.

The revenue is recognized when control of the goods or services are transferred to the customer. Therefore, the performance obligation is met once the cargo has been delivered to the discharge port.

Vessel chartering
In a vessel charter contract, the charterer hires the vessel to transport a specific agreed-upon cargo for a single voyage which may contain multiple load ports and discharge ports. The consideration in such a contract is determined on the basis of a freight rate per metric ton of cargo carried. The charter party generally has a minimum amount of cargo. The charterer is responsible for any short loading of cargo or "dead" freight.

The Group determined that its voyage charter contracts consist of a single performance obligation of transporting the cargo. Therefore, the performance obligation is met once the cargo has been delivered to the discharge port.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

2.2. Contract cost
Contract cost comprise direct contract costs and other costs relating to contracting activities in general and which can be allocated to contracts. In addition, contract costs include other costs that are specifically chargeable to customer under the terms of the contracts. Costs that cannot be related to contract activities or cannot be allocated to a contract are excluded from the costs of the construction contracts and are included in other operating expenses or general and administrative expenses.

2.3. Income tax
In the State of Qatar, income tax is provided for and charged to the interim consolidated statement of comprehensive income at rates stipulated by the Qatar Income Tax Law No. 24 of the year 2018.

Income tax expense comprises only current tax and deferred tax. Income tax expense is recognised in the interim 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.

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

2.4. Property and equipment
Property and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Land and capital work- in-progress is not depreciated. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the interim consolidated statement of comprehensive income during the financial period in which they are incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

2.4. Property and equipment (Continued)

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets are as follows:

Buildings	5 - 20 years
Furniture and fixtures	3 - 5 years
Machines	3 - 7 years
Office equipment	3 - 5 years
Tools	2 - 3 years
Motor vehicles	3 - 5 years
Scaffolding	2 - 5 years
Fleet crafts	10 - 25 years
Crafts small boats	5 - 7 years
Computer equipment	2 - 4 years
Vessel equipment	3 - 5 years
Dry docking	2 - 3 years
Plant	3 - 5 years
Tents and shades	5 years
Electric equipment	3 - 5 years
IT equipment	3 - 5 years

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

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognized in the consolidated statement of comprehensive income as the expense is incurred.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognized in the interim consolidated statement of comprehensive income in the year the asset is derecognized.

The asset's residual values, useful lives and method of depreciation are reviewed at each reporting date and adjusted prospectively if appropriate.

Capital work in progress

Assets in the course of construction are carried at cost as capital work in progress and transferred to property and equipment when available for use. All costs directly attributable to bringing the asset to the location and condition necessary for it to be used in the manner intended by management are included in the construction cost. No depreciation is charged on such assets until they are available for use.

2.5. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business.

Investment property is measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Subsequent to initial recognition, investment properties other than freehold land, which is determined to have an indefinite life, are carried at cost less accumulated depreciation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

2.5. Investment property (Continued)

Investment property is derecognized when either they have been disposed-off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the interim statement of comprehensive income in the year of retirement or disposal.

2.6. Intangible assets

Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortization and impairment losses. Intangible assets are recognized if it is probable that future economic benefits will flow to the Group and the costs of the intangible assets can be reliably measured.

Subsequent expenditure on existing assets are capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in the interim consolidated statement of comprehensive income as incurred.

Amortization is recognized in the consolidated statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives for intangible assets are three to ten years. Intangible assets comprise of computer software and are not revalued.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the interim consolidated statement of comprehensive income when the asset is derecognized.

2.7. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the period of the lease term as follows;

Land	17 years to 25 years
Buildings (Camps, commercial, apartments and offices)	2 years to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies for impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

2.7. Leases (Continued)

Short-term leases and leases of low-value assets
In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below USD 5,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

2.8. Inventories
Inventories are stated at the lower of cost or net realizable value. Cost of the inventory is determined by the weighted average cost methods and includes invoiced cost and other expenditures incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses and cost of completion.

2.9. Impairment of non-financial assets
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in the consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognized in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of comprehensive income unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

2.10. Financial instruments

Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

2.10. Financial instruments (Continued)

Financial assets (Continued)

Initial recognition and measurement (Continued)
Trade receivable, retention receivables, other receivables and amount due from related parties that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies for Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The Group' financial assets includes the trade receivables, note receivables, finance lease receivables, deposits, staff receivables, retention receivables, contract assets, bank balances and amount due from related parties.

Financial assets at amortized cost (trade receivables, note receivables, finance lease receivables, deposits, staff receivables, retention receivables, contract assets and amount due from related parties)
This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. The Group's financial assets at amortized cost includes trade receivables, trade receivables, note receivables, finance lease receivables, deposits, staff receivables, retention receivables, contract assets and amount due from related parties.

Cash and bank balances
Cash and bank balances in the consolidated statement of financial position comprise of banks and cash in hand. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash in hand and bank balances net off outstanding bank overdrafts, if any.

Contract assets
The contract assets are subject to an impairment assessment in accordance with IFRS 9. In addition, if upon initial measurement, there is a difference between the measurement of the receivable under IFRS 9 and the corresponding amount of revenue, that difference will be presented as an expense (e.g., as an impairment loss). Impairment losses resulting from contracts with customers are presented separately from losses on other contracts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

2.10. Financial instruments (Continued)

Financial assets (Continued)

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

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

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

Impairment of financial assets
The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments at amortized cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, note receivables, finance lease receivables, deposits, staff receivables, retention receivables, retention receivables, contract assets and due from related parties, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group evaluates a financial asset for lifetime expected credit losses when contractual payments are 360 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Measurement of ECLs
i) Trade and other receivables
For Trade and other receivables, the Group applies the simplified approach to providing for expected credit losses, which requires the use of the lifetime expected loss provision for all receivables. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

2.10. Financial instruments (Continued)

Financial assets (Continued)

Measurement of ECLs (Continued)
i) Trade and other receivables (Continued)
This means that the Group needs to estimate the risk of a default occurring on the financial instrument during its expected life. The 12-month ECL is defined as a portion of the lifetime ECL that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group' financial liabilities include trade payables, note payables, other payables, subcontractor payables, staff payables, retention payables, due to related parties, interest bearing loans and borrowings and lease liability.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortized cost (trade payables, subcontractor payable, staff payables, other payables, retention payables, notes payable, due to related parties, interest bearing loans and borrowings and lease liability)
These are recognized for amounts to be paid in the future for goods and services received, whether or not billed by the supplier. Subsequent to initial recognition, trade and other payables and due to related parties are measured at amortized cost using the effective interest method.

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

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.11. Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the interim consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.12. Provisions
Provisions are recognized 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 recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the interim consolidated statement of 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 recognized as a finance cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

2.12. Provisions (Continued)

Onerous contracts
Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Warranties
Provisions for the expected cost of warranty obligations are recognized at the date of sale of the relevant products, to settle the Group's obligation based on past experience of the Group.

2.13. Employees' end of service benefits
The Group provides end of service benefits to its employees in accordance with employment contract and Qatar Labour Law No. 14 of 2004. 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.

2.14. Capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction from the proceeds.

2.15. Contingent liabilities and contingent assets
Contingent liabilities are not recognized in the condensed consolidated financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the interim condensed consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

2.16. Foreign currency translation

(a) Functional and presentation currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income. All foreign exchange gains and losses are presented in the interim consolidated statement of comprehensive income.

2.17. Related parties
Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under control with the reporting entity, or between and/or among the reporting entity and its key management personnel, directors or its stockholders. Transactions between related parties are accounted for at arm's-length prices or on terms similar to those offered to non-related entities in an economically comparable market.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

2.19. Current versus non-current classification

The Group presents assets and liabilities based on current/non-current classification.

An asset as current when it is:

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

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

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

The Group classifies all other liabilities as non-current.

INVESTMENT HOLDING GROUP – Q.P.S.C.
DOHA – STATE OF QATAR

NOTES TO THE UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED JUNE 30, 2021

8. PROPERTY AND EQUIPMENT:

	Buildings QAR	Leasehold improvements QAR	Furniture and fixtures QAR	Machinery and equipment QAR	Office equipment QAR	Tools and equipment QAR
Cost:						
Transfer resulting from business combination	183,263,018	-	19,330,146	95,158,397	5,890,826	8,681,082
Additions during the period	-	-	5,805,040	712,880	11,148	14,559
Transfer during the period	803,654	-	215,545	2,909,366	-	-
Disposals/ write off during the period	-	-	(75,780)	(7,904)	-	-
Transfer through reverse acquisition	12,812,282	10,026,776	4,808,541	157,337	10,845,561	10,310,019
Balance at June 30, 2021	193,991,269	10,026,776	27,219,052	97,938,066	15,997,965	14,885,221
Accumulated depreciation:						
Transfer resulting from business combination	33,074,125	-	14,471,073	56,144,209	4,190,180	7,417,504
Charge for the period	4,093,805	324,424	1,025,475	3,727,249	343,747	274,850
Related to disposals	-	-	(75,260)	(7,900)	-	-
Transfer through reverse acquisition	3,121,273	6,518,049	4,223,592	488,836	9,678,002	8,093,820
Balance at June 30, 2021	40,395,398	6,862,323	19,696,708	63,799,584	14,211,527	12,362,173
At June 30, 2021	155,305,909	3,753,803	7,803,602	30,121,215	1,786,438	1,775,038

	Motor vehicles QAR	Scaffolding QAR	Electrolysis QAR	Crafts small boats QAR	Computer equipment QAR	Vessel equipment QAR
Cost:						
Transfer resulting from business combination	93,928,538	395,540	108,377,480	2,135,108	3,070,615	501,092
Additions during the period	778,608	-	-	-	349,649	-
Transfer during the period	-	-	-	-	-	-
Disposals/ write off during the period	(287,808)	-	-	(1,760,108)	-	(13,600)
Transfer through reverse acquisition	18,824,712	-	-	-	1,638,107	-
Balance at June 30, 2021	113,253,054	395,540	108,377,480	375,000	5,058,369	487,492
Accumulated depreciation:						
Transfer resulting from business combination	85,896,300	186,747	61,051,211	2,135,108	4,076,801	493,518
Charge for the period	1,820,075	6,451	2,894,549	-	418,226	3,000
Related to disposals	(222,000)	-	-	(1,760,108)	-	(13,000)
Transfer through reverse acquisition	11,885,571	-	-	-	2,014,497	-
Balance at June 30, 2021	105,697,183	193,059	63,925,859	375,000	6,508,724	483,518
At June 30, 2021	8,312,742	25	101,451,528	-	1,450,625	3,884

	Dry docking QAR	Plant QAR	Tents and shades QAR	IT equipment's QAR	Electric equipment QAR	Capital Work in progress QAR	Total QAR
Cost:							
Transfer resulting from business combination	18,495,002	87,072,480	4,809,233	3,927,840	558,462	347,846,036	973,979,824
Additions during the period	-	174,424	-	701,050	9,380	73,287,447	77,252,770
Transfer during the period	-	-	-	-	-	(3,924,325)	-
Disposals/ write off during the period	-	-	-	-	-	-	(2,130,380)
Transfer through reverse acquisition	-	-	-	-	-	-	59,500,132
Balance at June 30, 2021	18,495,002	87,246,904	4,809,233	4,628,890	568,042	417,209,758	1,110,000,946
Accumulated depreciation:							
Transfer resulting from business combination	4,904,832	15,123,464	5,256,407	2,900,982	97,088	-	712,193,778
Charge for the period	2,071,747	994,120	173,085	216,203	85,809	-	31,404,050
Related to disposals	-	-	-	-	-	-	(2,095,418)
Transfer through reverse acquisition	-	-	-	-	-	-	31,700,458
Balance at June 30, 2021	11,875,000	20,207,624	2,448,902	3,122,226	183,097	-	373,256,487
At June 30, 2021	3,990,003	7,779,478	2,361,171	1,887,144	417,632	417,209,758	725,834,297

8.1 Depreciation charge for the year was allocated in the financial statements as follows:

	For the six-months period ended June 30, 2021 QAR
Direct costs	15,807,514
General and administrative expenses	4,658,146
Other operating expenses	3,144,241
Total	21,404,051

4. INVESTMENT PROPERTY:

Reconciliation of carrying amount is disclosed as follows:

	June 30, 2021 (Reviewed) QAR
Balance as at January 01, 2021	27,904,147
Transfer resulting from business combination	256,142,065
At 30 June	**284,046,212**
Deprecation:	
Transfer resulting from business combination	146,033,333
Charge for the period	16,850,000
At 30 June	**162,883,333**
Net carrying amounts	
At 30 June	121,162,879

(i) Investment properties represent lands in Fox Hills district and building in shahania district that are held for capital appreciation and earnings rental income respectively.

(ii) Investment properties is stated at cost, management of the group assessed that the fair value in not significantly different from the carrying value as at 30 June 2021.

(iii) The Group earned rental income amounting to QAR 5,334,480 for the six months period ended 30 June 2021 and this has been reflected in the pro forma unaudited combined statement of profit or loss and other comprehensive income. Direct operating expenses.

iv) Investment property representing building was tested for impairment using income approach (an acceptable method recommend by the International Valuation Standards Committee) and the value-in-use of the investment property is higher than the carrying value as at June 30, 2021.

v) The Group earned rental income amounting to QAR. 5,664,480 for the six months period ended June 30, 2021 and this has been reflected in the statement of comprehensive income. Direct operating expenses incurred for the investment property amounting to QAR. 31,885,091 have been reflected under operating expenses.

5. INTANGIBLE ASSETS:

	June 30, 2021 QAR
Cost:	
Transfer resulting from business combination	2,757,268
Additions during the period	1,613,413
At 30 June	**4,370,681**
Accumulated amortization and impairment losses:	
Transfer resulting from business combination	1,312,062
Amortization for the period	408,290
At 30 June	**1,720,352**
Net carrying amounts:	
At 30 June	2,650,329

5. INTANGIBLE ASSETS (CONTINUED):

Below are the recognized in the interim pro forma unaudited combined statement of profit or loss and other comprehensive income for the period ended June 30, 2021.

	For the six-months period ended June 30, 2021 (Reviewed) QAR
Direct cost	18,109
General and administrative expenses	390,181
	408,290

6. GOODWILL:

As referred in Note 13, the share capital of the group was determined at QAR 3,404,037,500 to reflect its group's value as per evaluation and not as per book value of shareholders' equity as at June 30, 2021. As a result, it became inevitable for the management to recognise during the period an internally generated goodwill in the group's books of accounts amounting to QAR 3,260,193,746.

7. LEASES:

Group as a lessee

The Group has lease contracts for lands and buildings used in its operations. Set out below, are the carrying amounts of the group's right-of-use assets

Right-of-use assets	Lands QAR	Buildings QAR	Total QAR
Net balance as at January 01, 2021	-	2,853,361	2,853,361
Transfer resulting from business combination	17,148,762	55,376,015	72,524,777
Additions	-	13,101,196	13,101,196
Impact from modification of leases	-	7,906,128	7,906,128
Depreciation on right-of-use assets	(348,414)	(8,528,404)	(8,876,818)
Derecognition due to early termination of the leases contract	-	(3,313,352)	(3,313,352)
Total	16,800,348	67,394,944	84,195,292

Lease liabilities	June 30, 2021 QAR
Balance as at January 01, 2021	2,878,372
Transfer resulting from business combination	72,667,214
Additions	13,101,196
Impact from modification of leases	7,906,128
Accretion of interest	1,943,665
Derecognition due to early termination of the lease contract	(3,621,612)
Payments made during the period	(13,975,794)
	80,899,169

7. LEASES (CONTINUED):

Note:

For one of the commercial building leases, the Group and the lessor agreed to amend the lease consideration and the lease term with effect from 1 January 2020, the lease term was extended for another 3 years until 31 December 2025 for the lease. At the effective date of the modification, the Group remeasured the lease liability based on the remaining lease term, reduced lease rates, and the Group incremental borrowing rate. On 1 January 2021, the Group recognized the difference between the carrying amount of the modified lease liability (QAR 56,022,859) and the lease liability immediately before the modification (QAR 48,116,731) of QAR 7,906,128 as an adjustment to the right-of-use assets and lease liabilities. Presented in the interim pro forma unaudited combined statement of financial position is as follows:

	June 30, 2021 QAR
Non-current portion	60,737,722
Current portion	20,161,447
	80,899,170

The Group subleased a labor camp to Urbacon Trading and Contracting W.L.L. which was leased from Al Jeryan Trading and Contracting W.L.L. The Group has classified the sublease as a finance lease, because the sublease is for the whole of the remaining term of the head lease.

The following table set out a maturity analysis of lease receivables, showing the undiscounted lease receivables to be received after the reporting date:

	June 30, 2021 (Reviewed) QAR
Lease than one year	3,250,000
Total undiscounted lease payment receivable	3,250,000
Unearned finance income	(23,706)
Finance lease receivable	3,226,294

Below are the carrying amounts of finance lease receivable recognized and the movement during the period:

	June 30, 2021 (Reviewed) QAR
Cost at present value	7,006,691
Finance income on finance lease	119,603
Receipts during the year	(3,900,000)
At 30 June 2021	3,226,294

7. LEASES (CONTINUED):

Below is the current and non-current portion of finance lease receivable presented in the interim interim pro forma unaudited combined statement of financial position as at 30 June 2021:

	June 30, 2021 (Reviewed) QAR
Non-current	-
Current	3,226,294
	3,226,294

Below are the amounts recognized in the interim pro forma unaudited combined statement of profit and loss and other comprehensive income for the period ended 30 June 2021:

	June 30, 2021 (Reviewed) QAR
Depreciation on right-of-use assets	
Direct cost (Note 19)	6,149,956
General and administration expenses (Note 21)	2,726,865
	8,876,821
Finance income on finance lease	119,603
Interest expenses on lease liabilities	1,866,121
	10,862,545

The Group recognized rent expenses from short-term leases of QAR 14,164,147 for the six months period ended 30 June 2021.

8. RETENTIONS RECEIVABLE:

Retentions receivable are segregated between current and non-current maturity periods as follows:

	June 30, 2021 (Reviewed) QAR
Retentions receivable	210,802,244
Less: loss allowance	(607,965)
	210,194,279
Current portion	58,756,455
Non-current portion	151,437,824
	210,194,279

Retentions receivable represent amounts withheld by the customers in accordance with contract terms and conditions. These amounts are to be released upon fulfilment of contractual obligations.

9. INVENTORIES:

	June 30, 2021 (Reviewed) QAR
Raw materials	138,343,942
Electrical and electronic materials	83,069,669
Plumbing materials	34,220,590
Supply and consumables	10,820,774
Steel bars	7,073,875
Air conditioning equipment	5,749,149
Steel parts	2,668,158
Spare parts	1,688,824
Other materials	4,132,450
Trading inventories	46,800,288
Construction materials and consumables	8,422,715
Total	**342,990,434**
Less: provision for slow moving items	(20,389,264)
Net	**322,601,170**
Goods in transit	7,152,834
Total	**329,754,004**

10. ACCOUNTS RECEIVABLE AND OTHER DEBIT BALANCES:

	June 30, 2021 (Reviewed) QAR
Accounts receivable	610,086,450
Notes receivable	70,276,845
Less: Allowance for impairment of receivables (Note 10 a)	(114,710,497)
Total accounts receivable and notes receivable	**565,652,798**
Other receivables	
Due from related parties (Note 27)	320,852,291
Advances	188,961,126
Prepayments	20,434,644
Finance lease receivable	3,226,294
Refundable deposits	4,068,803
Due from staff	1,097,120
Other receivable	68,627,269
Total	**1,172,920,345**

10 a) Movement in allowance for impairment of receivables is presented as follows:

	June 30, 2021 (Reviewed) QAR
Transfer resulting from business combination	(113,918,395)
Reversal of provision for the period	(792,102)
Total	**(114,710,497)**

11. CONTRACT ASSETS AND LIABILITIES:

	June 30, 2021 (Reviewed) QAR
Contract valued at cost plus attributable profit	1,115,992,139
Less: Amounts received and receivables	(533,055,207)
	582,936,932
Less: Allowance for expected credit losses	(365,465)
	582,571,467

The amounts have been presented in the pro forma unaudited combined statement of financial position as follows:

	June 30, 2021 (Reviewed) QAR
Contract assets	620,228,606
Contract liabilities	(37,657,139)
	582,571,467

12. CASH AND BANK BALANCES:

	June 30, 2021 (Reviewed) QAR
Cash in hand	6,516,515
Cash at bank - current accounts	129,702,655
Cash margins	6,006,810
Total	142,225,980

	June 30, 2021 (Reviewed) QAR
Total cash and cash equivalents	142,225,980
Less: Bank balances blocked as collateral	(232,528)
Less: Bank overdraft	(128,451,653)
Cash and cash equivalents	13,541,799

13. CAPITAL AND OTHER RESERVE:

	June 30, 2021 (Reviewed) QAR
Fully paid-up capital	3,404,037,500
Total	3,404,037,500

As at June 30, 2021, presumably that the Group acquired Elegancia Group Administrative and Consultancy W.L.L. for a share swap of 2,574,037,500 shares in the Group resulting a total number of shares issued of 3,404,037,500 shares (QAR 1 per share). However, due to the nature of this transaction (reverse acquisition), the Legal acquirer became an accounting acquiree, resulting in issuing 3,394,037,500 Shares.

13. CAPITAL AND OTHER RESERVE (CONTINUED):

Other reserve

Other reserve include the equity component of the interest-free loan received from a related party. The loan was measured at fair value at the initial recognition. The difference between the loan proceeds and the liability's fair value is assigned to the equity component . The present value of the liability component was calculated using a discount rate 3.75%, the market interest rate for similar loans having no conversion rights.

	June 30, 2021 (Reviewed) QAR
Present value of the principal payable at the end of 5 years	29,092,999
Fair value of the loan	29,092,999
Loan proceed	(33,016,959)
Capital contribution/ other reserves	3,923,960

14. LEGAL RESERVE:

In accordance with Qatar Commercial Companies' Law No. 11 of 2015 and the Company's Articles of Association, 10% of net income for the year is required to be transferred to the legal reserve until the reserve equals 50% of the paid capital. This reserve is not available for distribution except in circumstances stipulated in the Commercial Companies Law.

15. PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS:

	June 30, 2021 (Reviewed) QAR
Balance at the beginning of the period	19,163,176
Transfer resulting from business combination	58,532,432
Provision for the year	18,497,861
Reversals during the period	(218,699)
Payments made during the period	(5,664,210)
Balance at June 30,	**90,310,560**

The charge for the year has allocated as follows:	June 30, 2021 (Reviewed) QAR
Direct Cost (Note 19)	15,740,129
General and administrative expenses (Note 21)	2,038,772
Other operating expenses (Note 22)	718,960
	18,497,861

Management has classified the obligation within non-current liabilities in the pro forma unaudited combined statement of financial position as it dose not expect that there will be significant payments towards its employees' end of service benefit obligation within 12 months from the reporting date.

16. INTEREST BEARING LOANS AND BORROWINGS:

	June 30, 2021 (Reviewed) QAR
Loan term loan facility (i)	297,246,554
Loan term loan facility (ii)	104,775,113
Short term loan facility (iii)	95,766,023
Loan term loan facility (iv)	42,795,514
Loan term loan facility (v)	37,091,635
Short term loan facility (vi)	26,769,786
Long term loan facility (vii)	26,486,100
Short term loan facility (viii)	19,414,166
Short term loan facility (ix)	16,620,041
Long term loan facility (x)	13,085,292
Islamic financing facility (xi)	12,766,701
Short term loan facility (xii)	8,836,361
Long term loan facility (xiii)	8,456,671
Short term loan facility (xiv)	8,402,188
Islamic financing facility (xv)	7,017,105
Short term loan facility (xvi)	6,744,103
Short term loan facility (xvii)	2,788,944
Islamic financing facility (xviii)	1,889,281
Short term loan facility (xix)	988,065
Long term loan facility (xx)	132,000
Project finance (xxi)	20,572,136
Import loans (xxii)	69,183,285
Demand loans (xxiii)	18,569,942
Term loans (xxiv)	74,279,671
Musawama loan (xxv)	83,333,334
Murabaha loans (xxvi)	55,514,665
Vehicle loan	58,500
	1,059,583,176

The outstanding balances as at the reporting date are presented in the pro forma unaudited combined statement of financial position as follows:

	June 30, 2021 (Reviewed) QAR
Current	590,333,806
Non-current	469,249,370
	1,059,583,176

Notes:

(i) The Loan agreement is between a local bank and Yemek Doha Catering Services W.L.L. The limit of the term loan is QAR 315,500,000 and it carries an interest rate of 3,75% p.a. The tenure of the loan is 7 years and repayable in 84 monthly installments starting from 3 January 2021. The purpose of the term loan of QAR 280,190,000 is for construction of central kitchen and infrastructure of the project and QAR 35,310,000 to finance the operation, vehicle, tools and equipment.

16. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED):

(ii) The limit of the term loan is QAR 104,051,000 and it carries an interest rate at market rates. The original tenure of the loan was 7.2 years and repayable in 84 monthly instalments of QAR 1,500,000 per month from January 2017 until December 2019 and QAR 2,262,300 per month from January 2020 until December 2023. During the year ended 31 December 2020management have availed the relaxation provided by the Qatar Central Bank vide Circular No. 5/2020 dated 22 May 2020. The revised maturity date of the loan is August 2025 with monthly instalments of QAR 2,262,261. The loan is secured by personal guarantees of Mr. Mohammad Moataz Mohammad Raslan Al Khayyat, Mr. Rameez Raslan Al Khayyat and Mr. Abdullah Khalifa M R Al Mohannadi, corporate guarantee of Al Khayyat Trading and Contracting and Power International Holding.

(iii) The group has entered into a credit facility agreement with a local bank. Under the facility, the group will be able to discount its invoices for a maximum of 150 days by transferring the approved customer's invoice payments to local bank. Maximum loan amount will be 90% of the invoice value. The bills discounted are against personal guarantee of the shareholders, corporate guarantee of Power International Holding Company W.L.L. Further, the credit facilities are also secured by certain guarantee cheques, letters of assignments and tripartite agreements.

(iv) During the year 2016, the group entered into an Islamic finance facility agreement with a commercial bank in State of Qatar secured against the personal guarantees of the shareholders of the group, in order to finance the normal operations of the group. The agreement carries profit rates ranging from 3.75% - 4.25% and is repayable in six months. The Islamic financing facility has commenced in 2016. Total facility amounted to QAR 90Mn and the group utilized QAR 42,795,514 as of 30 June 2021.

(v) The limit of the term loan is QAR 38,902,000 and it carries an interest rate at market rates accrued daily and compounded monthly. The tenure of the loan is 15 years and repayable in 144 equal monthly instalments of QAR 378,000 starting from 30 June 2018. During the year ended 31 December 2020, management have availed the relaxation provided by the Qatar Central bank vide Circular No. 5/2020 dated 22 May 2020. The revised maturity date of the loan is April 2031. The loan is secured by personal guarantees of Mr. Mohammad Moataz Mohammad Raslan Al Khayyat, Mr. Rameez Raslan Al Khayyat and Mr. Abdullah Khalifa M R Al Mohannadi, corporate guarantee of Al Khayyat Trading and Contracting and Power International Holding.

(vi) During 2021, the group entered into various short-term trade finance facilities with local commercial banks in order to finance purchases of the group. These agreements carries interest ranging from 4.5% to 6%. These short-term loans are repayable within 180 days. The aforementioned loan facilities are secured by owner's personal guarantees.

(vii) The group has obtained a loan of QAR 30,074,374 from QNB Bank, on 23 September 2017, for the purpose of financing 65% of the factory construction cost. The loan carries an interest rate of 5.5% per annum and loan term is 7 years, in which the loan is repayable in equal monthly instalments over a period of 6 years and with 1 year grace period and bank has not charged an interest until end of the grace period, i.e. 23 September 2019. The group received grace period of 6 months for loan instalment payment from March 2020 to September 2020 as a concession for Covid-19. The loan facility is secured by a personal guarantee from the Ultimate Owner, Mr. mohamad Raslan Al Khayyat and solidarity guarantee of loyalty Business Development Investment Holding W.L.L. and mortgage of all the machineries, equipment, motor vehicles and building and fixtures of the group.

(viii) The group entered into various other short-term financing facility agreements secured against the personal guarantees of the shareholders of the group and corporate guarantee from Urbacon Trading and Contracting W.L.L., in order to finance working capital requirements of the group. These facilities carry interest rate at Qatar 3.75% and repayable in six months.

(ix) The group obtained short term financing facilities from a commercial bank in State of Qatar amounted to QAR 20 Million to finance purchases of the group. The facility carries interest at market rates. The short-term financing facilities is repayable in 180 days in traditional banks and in six-month instalments with 4 months grace period in Islamic banks.

16. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED):

(x) The limit of the term loan is QAR 28,947,000, and it carries an interest rate at market rates accrued daily and compounded monthly. The tenure of the loan is 7 years and it is repayable in 84 equal monthly instalments of QAR 297,640 starting from 1 December 2018. The loan is secured by personal guarantees, corporate guarantees, property mortgage and cheque.

(xi) The group entered a short term Islamic finance facility on 8 November 2018 with an Islamic bank for carrying out tawarrouq (i.e. Commodities Murabaha) transactions for the purpose of financing salary and wages expenses as well as plants operation and overhead expenses. The facility carried a profit rate of 5% p.a. The facility was renewed and enhanced on 8 October 2019 and the profit rate was reduced to 3.75% p.a. The facility is repayable over 6 monthly instalments. The facility is secured by the personal guarantees of the ultimate shareholder of the group, covering full of extended credit facilities and against the post-dated cheques.

(xii) The group obtained a short-term financing facility from a commercial bank in State of Qatar amounted to 15 Million for operation activity. As at 31 December 2020, the group utilized QAR 9,591,371 at the interest rate of 4.5% and repayable within 180 days.

(xiii) The group has obtained Murabaha facilities amounted to QAR 7,700,000 and QAR 2,528,544 from a commercial bank in State of Qatar for financing the procurements of certain fixed assets and the construction of factory premises. The facility amounted QAR 7,700,000 carries floating interest rates with a minimum interest rate of 5.25% and repayable over 16 quarterly installments commencing from September 2020. The last installment falls due on 9 March 2024. The facility amounted QAR 2,528,544 carries interest rate of 5.25% and repayable over 16 quarterly installments commencing from October 2020. The last installment falls due on 28 April 2024.

(xiv) The group has entered into various short-term trade finance facilities secured against the personal guarantee of the shareholders of the ultimate parent with a local bank in Qatar in order to finance operations of the group. These facilities bear interest rate at market rates. These short-term trade finance facilities are repayable within 180 days.

(xv) The group entered a term credit Islamic finance facility on 8 October 2019 with an Islamic bank for purpose of settling liabilities of related parties. The facility carries a profit rate of 4.5% p.a. and repayable over 5 years in 20 quarterly instalments. The current portion of the facility is QAR 1,759,411 and non-current portion is QAR 5,257,694.

(xvi) The group entered into a short-term financing facility amounting to QAR 15,000,000 , with a commercial bank, out of which QAR 9,500,000 is related to finance the purchases of the group, QAR 5,000,000 is allowed as an overdraft facility and the remaining QAR 500,000 is reserved for various guarantees. The facility is payable within 180 days. it carries interest rate of 3.75% per annum.

(xvii) The group has entered into the various short-term trade finance with a commercial bank in order to finance the working capital requirements of the group. These facilities are secured by the personal and corporate guarantee of the owner of the group.

(xviii) The group entered a term credit Islamic finance facility on October 2019 with an Islamic bank for purpose to finance purchase of machinery and equipment. The facility carries a profit rate of 4.5% p.a. and repayable over 5 years in 20 quarterly instalments. The current portion of the facility is QAR 402,413 and non-current portion is QAR 1,486,868.

(xix) Credit facility represent letter of credit facility was obtained from a local bank with a total limit of QAR 50,000,000 to finance the working capital requirements of the group. The credit facility is secured by the personal guarantees of the shareholder. These facilities carry interest at market rate (3.75%) and to be paid within 60 to 120 days from the date utilizing the facility.

16. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED):

(xx) The group has obtained a loan of QAR 132,000 from Barwa bank on 12 July 2020, under the Covid-19 National Response Guarantee Program for the purpose of paying salaries and rental fee. The loan carries an interest rate of 2% plus Qatar Central Bank money market lending rate subject to a minimum of 4.5% per annum after the grace period of 24 months. The repayments of the loan on semi-annual basis by entering into new commodity Murabaha contract replacing the existing contract the loan term of 36 months including 24 months grace period. The loan facility is secured by a personal guarantee from the ultimate owner, Mr. Mohamad M. Raslan Al Khayyat.

(xxi) The Group entered into loans that are utilized to finance its existing projects. These loans are settled within 4 to 10 months from the progress payments paid by the customers and bear an interest rate ranging from 4% to 6.5% (2020: 4% to 6.5%). These loans are secured by corporate guarantees and personal guarantees by the subsidiaries' partners.

(xxii) Import loans represent loans obtained from local banks for the purchase of materials for projects and issuing letters of credit to sub-contractors. These loans bear an average interest rate of 4% to 6.5% (2020: 5% to 6.75%) annually and have maturities ranging from 180 to 270 days. These loans are secured by corporate guarantees and personal guarantees by subsidiaries' partners.

(xxiii) Demand loans represent loans obtained from local banks by the Group to finance working capital requirements of the projects. These loans bear an average interest rate of 4.5% to 5.75% per annum (2020: 4.5% to 5.75%).

(xxiv) Term loans have different maturity dates and bears profit rate ranging from 4% to 6.75% annually (2020: 4% to 6.75%).

(xxv) The Company had obtained a Musawama facility from a local bank to finance the acquisition of the remaining shares from the non-controlling interest in Consolidated Engineering Systems Company W.L.L. The facility will be repaid in semi-annual installments with a fixed profit rate of 6% for 6 years. During the year 2020, the Company decreased the profit rate to 5.5%.

(xxvi) Murabaha loans represent loans obtained from a local Islamic bank for the purchase of materials and issuing letters of credit to suppliers. These loans bear an average profit rate of 4.5% to 6.5% (2020: 4.5% to 6.5%) annually and have maturities ranging from 270 to 360 days.

17. ACCOUNTS PAYABLE AND OTHER CREDIT BALANCES:

	June 30, 2021 (Reviewed) QAR
Accounts payable	443,780,728
Advances received from customers	340,597,003
Accrued expenses	299,622,466
Due to related parties	112,049,584
Provisions for leave salary and air ticket	49,446,798
Notes payable	18,561,474
Retentions payables	16,390,798
Other payables	15,373,030
Subcontractor payables	6,485,763
Income tax payables	3,124,321
Provisions for maintenance cost	3,117,370
Provisions for foreseeable losses	1,989,194
Staff payable	555,119
Total	**1,311,093,648**

18. REVENUE:

	For the six-months period ended June 30, 2021
	QAR
Revenue from contracts with customers	1,674,452,091
Rental income from investment properties	5,664,480
Total	**1,680,116,571**

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets, major products and service lines and timing of revenue recognition.

	For the six-months period ended June 30, 2021
	QAR
Revenue from contracts with customers	
Contracting revenue	928,991,858
Manpower hire revenue	284,334,773
Trading revenue	234,880,484
Agency revenue	30,499,017
Maintenance revenue	26,931,413
Refilling and servicing revenue	213,892
Facility management services	168,600,654
	1,674,452,091
Timing of revenue recognition	
Products and services transferred over time	673,157,428
Products transferred at a point in time	1,001,294,663
	1,674,452,091
Type of customer	
External parties - Government	293,532,239
External parties - Non-government	362,603,386
Related parties	858,333,131
	1,514,468,756

The transaction price allocated to the remaining performance obligations (satisfied or partially unsatisfied) as at 30 June 2021 are, as following:

	For the six-months period ended June 30, 2021
	QAR
Within one year	1,448,899,350
More than one year	111,367,064
	1,560,266,414

19. DIRECT COST

	For the six-months period ended June 30, 2021
	QAR
Direct materials	532,411,747
Staff costs	418,251,846
Subcontractor costs	265,117,217
Transportation	17,885,253
Professional fees	15,352,191
Depreciation of property and equipment (Note 3 a)	13,607,304
Rent	7,539,001
Depreciation of right to use assets	6,149,956
Repairs and maintenance	2,078,885
Amortization of intangible assets	18,109
Provision for foreseeable losses	(811,466)
Other direct costs	13,512,867
Total	**1,291,112,910**

Notes:

i- Salary expense includes a provision for employees' end of service benefits of QAR 15,740,129.

ii- Provision for loss making contracts is provided for the unavoidable cost to meet the contractual obligations under the onerous contract where the exceeds the expected economic benefits of it.

iii - Provision for maintenance is provided against fully completed projects for covering any future costs that may be incurred on these projects for the rectification of any defects, however, when the projects are complete, and the defect lability period has elapsed provision for cost to complete is released against direct costs.

20. OTHER INCOME:

	For the six-months period ended June 30, 2021
	QAR
Management fee income	1,200,010
Finance income on finance lease	119,603
Gain on sale of property and equipment	99,035
Miscellaneous income	10,329,018
Total	**11,747,666**

21. GENERAL AND ADMINISTRATIVE EXPENSES:

	For the six-months period ended June 30, 2021 QAR
Staff costs	55,901,644
Rent expenses	6,625,146
Professional fees	4,032,341
Depreciation of property and equipment (Note 3 a)	4,651,146
Depreciation of right to use assets	2,726,865
Repairs and maintenance	1,612,239
Communication expenses	476,721
Amortization of intangible assets	390,181
Bank commission and charges	615,120
Provision for slow moving inventories	89,451
Insurance	595,746
Travel expenses	415,878
Marketing and promotion	336,084
Electricity and water	325,046
Immigration and visa charges	202,826
Postage and communication	197,472
Vehicle expenses	129,908
Office supplies	126,739
Miscellaneous expenses	6,941,007
Total	**86,391,560**

Note:
Staff costs includes a provision for employees' end of service benefits of QAR 2,038,772.

22. OTHER OPERATING EXPENSES

	For the six-months period ended June 30, 2021 QAR
Staff costs	43,099,324
Repairs and maintenance	23,269,294
Depreciation of investment properties	16,850,000
Transportation	5,901,277
Depreciation of property and equipment (Note 3 a)	3,146,241
Rent	1,414,868
Production supplies	1,405,486
Subcontractors cost	159,056
Miscellaneous expenses	2,200,611
Total	**97,446,157**

Note:
Staff costs includes a provision for employees' end of service benefits of QAR 718,960.

23. FINANCE COST:

	For the six-months period ended June 30, 2021
	QAR
Interest expense on loans and borrowings	17,552,468
Interest expense on lease labilities	1,866,121
Interest expense on loans from related parties	554,943
Bank charges	262,844
Total	20,236,376

24. CHANGES IN OWNERSHIP INTEREST IN A SUBSIDIARY:

During the period the Group acquired remaining ownership interest (50%) in steel tech Factory W.L.L. and additional 5% of the ownership interest Yemek Doha Cartering Services W.L.L. The Group has elected to measure the non-controlling interests (NCI) in the acquiree at net assets .

Acquisition of steel tech Factory W.L.L

The Group acquired the non-controlling interest amounted to QAR 60,365, the remaining ownership interest (50%) of Steel Tech Factory W.L.L. from Professional Aluminum W.L.L. for the consideration amounted to QAR 100,000 Through a subsidiary, Steel Tech and Contracting W.L.L.

Acquisition of Yemek Doha Catering Services W.L.L.

On 1 January 2021, the Group acquired additional 5% of the voting shares of Yamek Doha Catering Services W.L.L. The Group acquired the non-controlling interest amounted to QAR 369,054 the additional ownership interest (5%) of Yamek Doha Catering Services W.L.L. from Yemek Istanbul Catering Services Hizmetlri Sanayi for the consideration amounted to QAR 88,000 through subsidiary, Elegancia Catering Services W.L.L.

	For the six-months period ended June 30, 2021
	QAR
Share of net assets acquired from non-controlling interest	
Yemek Doha Catering Services W.L.L.	369,054
Steel Tech Factory W.L.L.	60,365
	429,419
Consideration transferred	(188,000)
Bargain purchase gain on purchase of equity interest from NCI	241,419
Bargain purchase gain on purchase attributable to	
Purchase of equity interest from NCI in Yemek Doha Catering Services W.L.L.	281,054
Loss on purchase of equity interest from NCI in Steel Tech Factory W.L.L.	(39,635)
	241,419

25. DISCONTINUED OPERATIONS:

During the period ended June 30, 2021, the Group disposed is subsidiaries Elegancia International L.L.C. (Formerly Elegancia Hospitality Services and Facility Management L.L.C.) and Elegancia Services and Trading W.L.L.

Result of the subsidiaries for the period are presented below:	For the six-months period ended June 30, 2021 QAR
General and administrative expenses	-
Gain on disposal of subsidiaries	2,351,539
Gain for the period from discontinued operations	**2,351,539**
Total comprehensive income for the period attributable to:	
Equity holders of the parent from discontinued operations	2,351,539

Note:

Details of the disposal of subsidiaries are presented below:	For the six-months period ended June 30, 2021 QAR
Consideration received	2,519,170
Non-controlling interest	(454)
Carrying amount of net assets of the subsidiaries	(167,177)
Gain on disposal of subsidiaries	**2,351,539**

Note (ii): The carrying amounts of assets and liabilities as at the date of disposal of subsidiaries (1 January 2021) were:	Carrying value 2021 QAR
ASSETS	
Trade and other receivables	179,830
Cash and bank balances	48,045
Total Assets	227,875
LIABILITIES	
Trade and other payables	(60,698)
Total Liabilities	(60,698)
Net assets	167,177

Analysis of cash flows on disposal:	Amount QAR
Consideration received	2,519,170
Net cash disposal	(48,045)
Net cash flow on disposal subsidiaries	2,471,125

26. INCOME TAX:

Taxation is provided in accordance with the provisions of the income Tax law No.24 of 2018. The Group is liable to income tax on the profits attributable to the foreign shareholders, i.e. Non-GCC shareholders. The Qatari and GCC shareholders are not subject to income tax in State of Qatar and accordingly the tax provision stated in the unaudited pro forma combined financial statements is related only to the Non-GSS shareholders.

27. RELATED PARTY DISCLOSURES:

Related parties represent 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) Transfer of assets

Transfer of assets (to) from:	**Relationship**	**For the six-months period ended June 30, 2021 (Reviewed) QAR**
Urbacon Trading and Contracting W.L.L.	Affiliate	(3,420)

27. RELATED PARTY DISCLOSURES (CONTINUED):

(b) Related party transactions

Transactions with related parties included in the interim consolidated statement of comprehensive income are as follows:

	For the six-months period ended June 30, 2021 (Reviewed)	
	Revenue	Expenses
	QAR	QAR
Shareholders:		
Mr. Rameez MHD Ruslan Al Khayyat	511,794	-
Mr. Mohamad Moataz MHD Ruslan Al Khayyat	313,563	-
Affiliates:		
Urbacon Trading and Contracting W.L.L.	537,979,431	23,105,054
Urbacon Trading and Contracting W.L.L. (WSD Branch)	117,256,464	3,383,244
UCC-Bahadir-Tedeschia Joint Venture	84,345,811	-
Infraroad Trading and Contracting Co. W.L.L.	40,591,638	-
Golden Bay Contracting and Trading W.L.L.	20,827,221	299,176
UCC Promar JV	17,011,465	-
Baladna Food Industries W.L.L.	11,590,703	562,500
Pentagram Design Trading and Contracting W.L.L.	7,201,549	509,592
Assets Real Estate Development W.L.L.	4,975,919	234,810
Aura Hospitality W.L.L.	4,133,488	9,685
Power International Holding Co. W.L.L.	2,564,025	6,423,803
Stark Securities Company W.L.L.	1,668,101	278,581
United Food Services W.L.L.	1,521,226	-
Al-Khayyat Trading and Contracting Co. W.L.L.	1,216,325	636,311
Orient Pearl Restaurant W.L.L.	1,003,222	33,103
Ithaafushi Investment (Private) Limited	788,002	68,304
Aura Entertainment Services W.L.L.	704,306	-
Arab Builders Company W.L.L.	582,831	1,077,492
Profession Aluminum Co. W.L.L.	493,125	690,720
Palma Group W.L.L.	310,676	1,190
Qatar Asyad	303,184	-
Damasca One Restaurant W.L.L.	268,666	-
Highness Architecture and Interiors	127,722	-
International Design and Consultant Company W.L.L.	24,000	3,376,000
Urbacon Trading and Contracting W.L.L. (PMV Branch)	18,674	6,884,787
Joury Tours and Travels W.L.L.	-	6,313,423
Aura Lifestyle W.L.L.	-	2,500,000
Urbacon Holding W.L.L.	-	1,410,754
Loyalty for Business Development and Investment Holding W.L.L.	-	405,477
Highness Holding Co. W.L.L.	-	50,839
Printshop for Printing Services W.L.L.	-	36,250
Credo Trading Co. W.L.L.	-	29,241
Gulfmed Supply Co. W.L.L.	-	12,284
	858,333,131	58,332,620

27. RELATED PARTY DISCLOSURES (CONTINUED):

(c) Related party balances

Balance with related parties included in the interim consolidated statement of financial position are as follows.

	For the six-months period ended June 30, 2021 (Reviewed)
Due from related parties	**QAR**
Shareholders:	
Mr. Rameez MHD Ruslan Alkhayyat	27,900,922
Mr. Mohamad Moataz MHD Ruslan Alkhayyat	27,460,979
Affiliates:	
Urbancon Workshop Department	46,353,475
Infraroad Trading and Contracting Co. W.L.L.	44,521,772
UCC-Bahadir-Tedeschia Joint Venture	43,514,279
Al-Khayyat Trading and Contracting Co. W.L.L.	30,477,742
UCC Promar JV	22,135,023
Golden Bay Contracting and Trading W.L.L.	13,498,615
Aura Hospitality W.L.L.	11,120,223
Pentagram Design Trading and Contracting W.L.L.	8,646,981
Stark Securities Company W.L.L.	8,646,284
Assets Real Estate Development W.L.L.	4,506,278
Urbancon and Infraroad Joint Venture	3,416,522
Orient Pearl Restaurant W.L.L.	3,063,597
United Foods Services W.L.L.	2,214,499
Yemek Istanbul catering Services Hizmetleri Sanayi	2,129,651
Aura Entertainment Services W.L.L.	2,100,098
Ithaafushi Investment (Private) Limited	515,666
UCC Acciona JV	482,718
Arab Builders Company W.L.L.	433,243
Palma Group W.L.L.	419,883
Damasca One Restaurant W.L.L.	327,974
Ithaafushi Investment W.L.L.	161,385
Union Iron and Steel Company L.L.C.	43,871
3D Tech	31,244
Al Hodaifi Group - W.L.L. and its subsidiaries	14,780,796
Others	1,948,571
	320,852,291

27. RELATED PARTY DISCLOSURES (CONTINUED):

(c) Related party balances (Continued)

Due to related parties	For the six-months period ended June 30, 2021 (Reviewed) QAR
Affiliates:	
REE Asyad JV	38,175,721
Urbancon Trading and Contracting W.L.L.	26,828,973
Urbacon Trading and Contracting W.L.L. (PMV Branch)	10,154,150
Aura Lifestyle W.L.L.	6,285,913
Urbancon Holding W.L.L.	4,850,635
Baladna Food Industries W.L.L.	4,538,587
Loyalty for Business Development and Investment Holding W.L.L.	3,000,000
Joury Tours and Travels W.L.L.	2,760,444
International Design & Consultant Company W.L.L.	2,571,869
Gulfmed Supply Co. W.L.L.	2,037,833
Highness Holding Co. W.L.L.	1,275,900
Power International Holdings Co. W.L.L.	1,043,485
Printshop for Printing Services W.L.L.	503,636
Joury Logistic Company W.L.L.	204,249
Profession Aluminum Co W.L.L.	61,404
Global Security System Co W.L.L.	44,540
Credo Trading Co W.L.L.	29,241
Foodmania Restaurant W.L.L.	15,750
Louloat Alsharq Restaurant W.L.L.	9,095
Al Hodaifi Group - W.L.L. and its subsidiaries	2,593,147
Others	5,065,012
	112,049,584

(d) Compensation of key management personnel

The remuneration of directors and other members of the key management personnel during the period were as follows:

	For the six-months period ended June 30, 2021 (Reviewed) QAR
Salaries and short-term benefits	3,370,526
Employees' end of services benefits	358,230
	3,728,756

Terms and conditions of transactions with related parties

Transactions with trelated parties are approved by the management. All the related party receivables balances are payable on demand and in local currency. The related parties are unded common controlled by its owners of the Company and the recorded amounts of due from related parties are all secured by guarantee from the owners of the Company, thus management believes that the Group has no exposure on expected credit loss and this condition is being yearly monitored based on the financial decision and economic condition of the owners of the Company. For the year ended June 30, 2021, the Group has not recorded any impairment relating to amounts due from related parties.

27. RELATED PARTY DISCLOSURES (CONTINUED):

c) Related party loan

On September 2020, Credo Trading Co. W.L.L. provided an interest-free loan to the group amounted to QT. 33,016,959 as a part of the restructuring of the amounts due to Loyalty for business development and investment holding W.L.L. amounted to QAR 20,357,769, Credo Trading Co. W.L.L. amounted to QAR 652,216 and Mohamad Moataz MHD Ruslan AlKhayyat amounted to QAR 12,006,974. This loan is payable on five equal annual installments that amounted to QAR 6,603,392 from 28 February 2022 until 28 February 2026.

Movement of the loan from a related party as follows:	For the six-months period ended June 30, 2021 (Reviewed) QAR
Transfers resulting from business combination	29,366,599
Interest expense for the period (Note 23)	554,943
Payment during the period	(1,757,451)
As 30 June 2021	28,164,091

28. CONTINGENCIES:

The group had the following contingent liabilities from which it is anticipated that no material liabilities will arise.

	For the six-months period ended June 30, 2021 (Reviewed) QAR
Performance guarantees	160,587,106
Letter of guarantees	97,991,375
Bank guarantees	92,872,115
Contingent commercial loans	55,058,870
Letter of credit	37,416,198
Tender bonds	8,468,560
Performance bond	1,296,000
Security cheque	120,000
	453,810,224

29. FINANCIAL RISK MANAGEMENT:

Objectives and policies

The group's principal financial liabilities comprise of interest-bearing loans and borrowings, staff payables, subcontractors payables, lease liabilities, retention payable, accrued expenses, due to related parties other payables and bank overdraft. The main purpose of these financial liabilities is to manage group's working capital requirements.

The group has various financial assets such as contract assets, retention receivables, trade receivables, due from related parties, deposits, note receivables, finance lease receivables, staff receivables, cash at bank and other receivables, which arise directly from its operations.

29. FINANCIAL RISK MANAGEMENT (CONTINUED):

The main risks arising from the group's financial instruments are market risk, credit risk and liquidity risk. This note presents information about the group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk. further quantitative disclosures are included throughout these pro forma unaudited combined financial statements. The management has the overall responsibility for the establishment and oversight of the group's risk management framework. The group's risk management policies are established to identify and analyze the risks faced by the group and to monitor risks.

Market risk
Market risk is the risk that changes in market prices, such as foreign exchanges rates or interest rate will affect the group's income or the value of its holdings of financial instruments. The main risks arising from the group's financial instruments are interest rate risk, foreign currency risk, credit risk, and liquidity risk. The shareholders review and agree on policies for managing each of these risks which are summarised below:

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market interest rates. The group is exposed to interest rate risk on its short-term loans and borrowings and bank overdraft.

Currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate due to changes in foreign exchange rates. The group does not hedge its exposure to currency risk. As Qatari Riyal is pegged to the US Dollar and currencies of GCC countries (except for Kuwaiti Dinar), currency risk arising from exposure to fluctuations in the US Dollar and currencies of GCC counties is expected to be minimal.

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The group is exposed to credit risk from its financial assets including bank balance, trade receivables, note receivables, retention receivables, refundable deposits, due from related parties, contract assets, staff receivables and other receivables.

With respect to credit risk arising from the financial assets of the group, the group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments as follows:

	For the six-months period ended June 30, 2021 (Reviewed) QAR
Trade receivables	610,086,450
Contract asset	620,228,606
Due from related parties	320,852,291
Retentions receivables	210,194,279
Bank balances	142,225,980
Notes receivables	70,276,845
Finance lease receivables	3,226,294
Deposits	4,068,803
Staff receivable	1,097,120
Other receivables	68,627,269
	2,050,883,937

29. FINANCIAL RISK MANAGEMENT (CONTINUED):

Impairment of financial assets

Trade receivables

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customers with similar loss patterns. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The provision matrix is initially based on the group's historical observed default rates. The group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the construction sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLS is a significant estimate.

The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions.

The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Due from related parties

All the related party receivable balances are payable on demand and in local currency. The related parties are all under common controlled by its shareholder and the recorded amounts of due from related parties are all secured by guarantee from the shareholder,this management believes that the Group has no exposure on expected credit loss and this condition is being yearly monitored based on the financial decision and economic condition of the shareholder.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet obligations as they fall due .The Group's approach to managing liquidity risk is to ensure,as far as possible,that it will always have sufficient liquidity to meet its liabilities when due,under both normal and stressed condition,without incurring unacceptable losses or risking damage to the Group's operations.The table below summarises the maturity profile of the Group's financial liabilities at 30 June based on contractual, undiscounted payments:

At 30 june 2021 (Reviewed)	less than 3 months	3 to 12 months	more than 1 year	Total
	QAR	QAR	QAR	QAR
Trade payables	-	443,780,728	-	443,780,728
Interest bearing loans and borrowings	-	590,333,806	469,249,370	1,059,583,176
Accrued expenses	-	299,622,466	-	299,622,466
Lesae liabilities	-	20,161,447	60,737,722	80,899,170
Bank overdraft	-	128,451,653	-	128,451,653
Due to related parties	-	112,049,584	-	112,049,584
Notes payables	18,561,474	-	-	18,561,474
Retentions payables	-	2,125,165	386,257	2,511,422
Other payables	-	18,497,351	-	18,497,351
Subcontractor payables	6,485,763	-	-	6,485,763
Staff payable	555,118	-	-	555,118
Total	**25,602,355**	**1,615,022,200**	**530,373,349**	**2,170,997,905**

29. FINANCIAL RISK MANAGEMENT (CONTINUED):

Captital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder's value. The Group manages it's capital structure and makes adjustments to it in light of changes in economic conditions. No changes were made in the objectives,policies or processes the period ended 30 June 2021.The capital comprises share capital, legal reserve, retained earnings, other reserves and non-controlling interest is measured at QAR 3,975,619,088.

30. FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of contract assets, retention receivable, trade receivables, due from related parties, deposits, note receivables, finance lease receivable,staff receivable, cash at bank and other receivables.

Financial liabilities consist of interest-bearing loans and borrowings,staff payables,subcontractor payables, lease liabilities retention payable,accured expenses, due to related parties other payables and bank overdraft.

The fair values of financial instruments are not materially different from their carrying values.

31. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES:

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed regularly.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affect both current and future. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Provision for expected credit losses of trade receivables, retention receivables and contract assets

The Group uses a provision matrix to calculate ECLs for its financial assets. The provision rates are based on days past due for groupings of various customers with similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the ready-mix concrete sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

31. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (CONTINUED):

Provision for expected credit losses of trade receivables, retention receivables and contract assets (Continued)

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Useful lives of property and equipment

The Group's management determines the estimated useful life of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted, where the management believes the useful lives differ from previous estimates

Impairment of inventories

Inventories are held at lower of cost or net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed on anticipated selling prices. At the reporting date, gross inventory was QAR 342,990,434 with provision for slow moving inventories of QAR 20,389,284. Any difference between the amounts actually realised in the future periods and the amounts expected will be recognised in the interim pro forma unaudited combined statements statement of profit or loss and other comprehensive income.

Estimating the incremental borrowing rate on leases

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group 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 assets in similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Allowance for impairment losses on non-financial assets

The management assesses impairment on non-financial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable of an asset may not be recoverable. The factors that the management considers important which could trigger an impairment review include the following:

- Significant underperformance relative to the expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- Significant negative industry or economic trends.

An impairment loss is recognized whenever the carrying amount of an assets exceeds its recoverable amount.

As at 30 June 2021, there was no indication of impairment loss on the Group's non-financial assets.

Percentage of completion-based contract assets

Contract assets on percentage of completion-based contracts is stated at cost, plus attributable profit, less progress payments received and receivable. Cost includes material, labour and other direct costs plus an appropriate allocation of overheads. For individually significant amounts this estimation of impairment is performed on an individual basis. Provision is made for contingencies and any anticipated future losses. At the end of reporting period, contract assets amounted to QAR 620,228,606.

32. GOING CONCERN:

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that 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 interim pro forma unaudited combined financial statements continue to be prepared on a going concern basis.

EFFECT OF COVID-19:

The outbreak of Novel Coronavirus (COVID 19) continues to progress and evolve. Therefore, it is still challenging to predict the full extent and duration of its business and economic impact. The Group has been closely monitoring the latest developments in the current evolving situation and has carried out an assessment based on the observable information as at 30 June 2021

The Group is carefully monitoring the evolving situation around the spreading of the COVID-19 and its impact on the business. The Group has performed an assessment of whether it is a going concern in the light of current economic conditions. The Shareholder support the operation of the Group. Accordingly, the management is satisfied that the Group has sufficient liquidity to meet its current liabilities and working capital requirements. As a result, these interim pro forma unaudited combined financial statements have been appropriately prepared on a going concern basis.

Further, the management has assessed whether there is an indication that other non-financial assets may be impaired as at 30 June 2021. However, no indications were noted.

The Group will continuously monitor the ongoing situation and continue to provide conservatively for any downside risk.

ANNEX VIII
COMMITTEE OF COMPETITION AND PROHIBITION OF MONOPOLISTIC PRACTICES APPROVAL

Committee of Competition
and Prohibition of
Monopolistic Practices

وزارة التجارة والصناعة
Ministry of Commerce and Industry

لجنة حماية المنافسة
ومنع الممارسات
الاحتكارية

الرقم: ل.ح.م/2022/ 2

الدوحة في: 2022/01/27

السيد/ خالد غانم سلطان الكواري المحترم

رئيس مجلس إدارة مجموعة استثمار القابضة

الدوحة - قطر

السلام عليكم ورحمة الله وبركاته ،،،

الموضوع: مشروع اندماج

مجموعة استثمار القابضة مع شركة اليغنسيا جروب

تهديكم لجنة حماية المنافسة ومنع الممارسات الاحتكارية أطيب تحية وتقدير، وبالإشارة إلى الموضوع أعلاه، وبناء على الإخطار الذي تقدمتم به إلى اللجنة للحصول على موافقتها لإتمام عملية اندماج مجموعة استثمار القابضة مع شركة اليغنسيا جروب، عملا بأحكام المادة (10) من القانون رقم (19) لسنة 2006 بشأن حماية المنافسة ومنع الممارسات الاحتكارية التي تنص على ما يلي: **"على الأشخاص الذين يرغبون في تملك أصول أو حقوق ملكية أو انتفاع أو شراء أسهم أو إقامة اتحادات أو اندماجات أو الجمع بين إدارة شخصين معنويين أو أكثر على نحو يؤدي إلى السيطرة أو الهيمنة في السوق، إخطار اللجنة، التي تتولى فحص الإخطار وإصدار قرار بشأنه خلال مدة لا تجاوز تسعين يوماً من تاريخ وصول الإخطار إليها. فإذا انقضت تلك المدة دون البت فيه اعتبر ذلك موافقة. وفي جميع الأحوال لا يجوز إتمام التصرفات التي تم الإخطار عنها إلا بعد صدور قرار اللجنة، أو انقضاء المدة المشار إليها دون البت في الطلب."**

وبعد فحص الإخطار واستعراض الوثائق المرفقة به خلال اجتماع اللجنة المنعقد بتاريخ 2022/01/27، فقد تبين أنّ مشروع الاندماج ليس له آثار سلبية على المنافسة في السوق المعنية وبالتالي لا يتعارض مع أحكام القانون رقم 19 لسنة 2006 بشأن حماية المنافسة ومنع الممارسات الاحتكارية.

وعليه، نخطركم **بموافقة اللجنة على إتمام مشروع الاندماج بين مجموعة استثمار القابضة وشركة اليغنسيا جروب في حدود ما أقرّه القانون رقم (19) لسنة 2006** المشار إليه أعلاه.

وتنوّه اللجنة إلى أنّ هذه الموافقة لا تُغنيكم عن استكمال الحصول على باقي التراخيص التي أقرتها القوانين الجاري بها العمل بالدولة.

وتفضلوا بقبول فائق الاحترام والتقدير.

خليفه بن جاسم بن محمد آل ثاني

رئيس اللجنة

الرئيس التنفيذي المحترم
للإجراء

Certificate of the Legal Adviser

Al Tamimi

We hereby confirm that, to the best of our knowledge, this Shareholders' Circular and the Transaction comply with all applicable laws and regulations of the State of Qatar in force as of the date of this Shareholders' Circular. This confirmation is made for and at the request of Investment Holding Group Q.P.S.C. and is not intended to be relied upon by any other person or entity.

Investment Holding Group Q.P.S.C. 17th Floor, Qatar Tower, Majles Al-Taawon Street, West Bay, Doha, Qatar PO Box 3988 Doha – Qatar	**Elegancia Group W.L.L** The Eighteen Tower, Lusail Building 230, Street 303, Zone 69 Marina District 2, P.O. Box 201184 Doha, Qatar
FINANCIAL ADVISER TO IHG QNB Capital LLC Sikkat Alwadi Street, Mshereib Downtown Building No: 4 Street No: 800 Zone No: 03 PO Box 1000 Doha - Qatar	FAIRNESS OPINION PROVIDER TO IHG QNB CAPITAL LLC Sikkat Alwadi Street, Mshereib Downtown Building No: 4 Street No: 800 Zone No: 03 PO Box 1000 Doha - Qatar
LEGAL ADVISER TO IHG Al Tamimi & Company Tornado Tower, 19th Floor Majlis Al Taawon Street PO Box 23443, West Bay Doha, Qatar	LEGAL ADVISER TO ELEGANCIA White & Case LLP 7th Floor, Alfardan Office Tower West Bay, POBox 22027 Doha, Qatar Sharq Law Firm 22nd Floor, Alfardan Office Tower West Bay, POBox 6997 Doha, Qatar
EVALUATOR TO IHG Rödl Middle East LLC 2nd Floor Building No. 49 D Ring Road (Old Airport) Street 250 Zone 45 PO Box 39453 Doha, Qatar	EVALUATOR TO ELEGANCIA Consulting Haus LLC 16th Floor, Tower 2 The Gate Mall West Bay – PO Box: Doha, Qatar