



BOARD OF DIRECTOR REPORT FOR THE YEAR ENDED DECEMBER 31, 2020

Dear Shareholders

Greeting!

On the Behalf of Board of Directors of AL Khaleej Investments PJSC. We feel immense pleasure to present the consolidated financial statement of AL Khaleej Investment PJSC with its Subsidiaries for the year ended December 31, 2020.

GENERAL OVERVIEW

Since the beginning of 2020, the real estate sector has shown a downward curve, especially in the first half of the year with a relatively steady state look in the second half, as a result of the negative impact of the COVID19 virus pandemic on most sectors and economic activities in the country. Therefore, there was a chance to exploit such circumstances in speeding up the completion of some maintenance activities in some buildings to be ready for the enhancement in the economic activity in the near future.

As for investment activities, despite of the general decline in the shares' prices of the market indexes in general, trading activities have made a remarkable profit. Efforts are intensified to make an overachievement in investment portfolio in the coming future.

FINANCIAL PERFORMANCE

The comparison of reviewed consolidated accounts for the year ended December 31, 2020 with the corresponding period of fiscal year 2019 are given below:

	CONSOLIDATED	
	December 31, 2020	December 31, 2019
	Million (AED)	
Revenue	19.27	23.04
Gross Profit	16.14	18.77
Loss from the Investment held at Fair value through P&L	(5.28)	(22.6)
Loss in revaluation of investment properties	(35.21)	(25.45)
Net Profit	(30.34)	(34.92)
Earnings per share	(0.29)	(0.33)
Shareholders' Equity	247.68	278.36
Occupancy	77.32%	85.84%

Revenues for the year ended in December 31, 2020 were AED. 19.27 million Compared to AED. 23.04 million In the previous fiscal year. Main contributors for such reduction in revenues were the reduction of occupancy because of COVID19 pandemic in addition to the stoppage of facility management subsidiary



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company (cease to exist now). Gross profit was AED. 16.14 million As compared to AED. 18.77 million in the corresponding period.

Gross profit has declines as result of the same reasons reduced the revenues. As a percentage of Revenue, gross profit slightly increased from 81.47% in the corresponding period to 83.76% in the current period. Recorded comparative Losses were mainly in investment held at fair value through P&L during 2020 with a value of 5.28 million which is because of clumsiness of market caused by COVID 19 witch compared to last year loss 22.6 million and around -10 million incremental fair revaluation losses in investment properties.

All of the above mentioned contributed in incurring a net loss of AED 30.34 million in the current year compared to a net loss of AED 34.92 million in the same period last year. Basic earnings per share was - 0.29 fils compared to negative -0.33 fils in the comparative year.

FUTURE OUTLOOK

The main contributor for 2020 full year under performance vs previously budgeted performance is the incurred loss from investment held at fair value though P&L. in addition to the unrealized fair valuation loss resulted from investment properties valuation. BOD expects the continuation of upward slopping in trading activities will decrease the loss from the investment held at fair value though P&L, which in turn will enhance the investment portfolio outlook in particular, and the P&L as well.

ACKNOWLEDGEMENT

The Board of Directors places on record its appreciation for the continued support by its shareholders, valued customers, government agencies and financial institutions which enabled the company to survive during these difficult time. The board would also like to express its appreciation for the services, loyalty and efforts being continuously rendered by the executives and all the staff members of the company and hope that they will continue with the same spirit in future. On behalf of the Board

Abdulaziz Abdulla Salem Jasem Al Zaabi

Chairman

Ahmed Salem Abdulla Salem Alhosani

Vice Chairman

Abdulrahman Jasem Obaid Alabdouli

Managing Director

Mohammed Hasan Mohammed Alshamsi Alawadhi

Board Member

Haytham Ahmed Essa Ahmed Alnaeem

Board Member

Abdullateef A R Alzeer

Board Member

Sultan Khalfan Alghaith Almarri

Board Member


Abdulrahman Jasem Al Abdouli
Managing Director