ANNUAL REPORT 2019

& CORPORATE GOVERNANCE

FOR MAZAYA REAL ESTATE DEVELOPMENT Q.P.S.C.

MAZAYA

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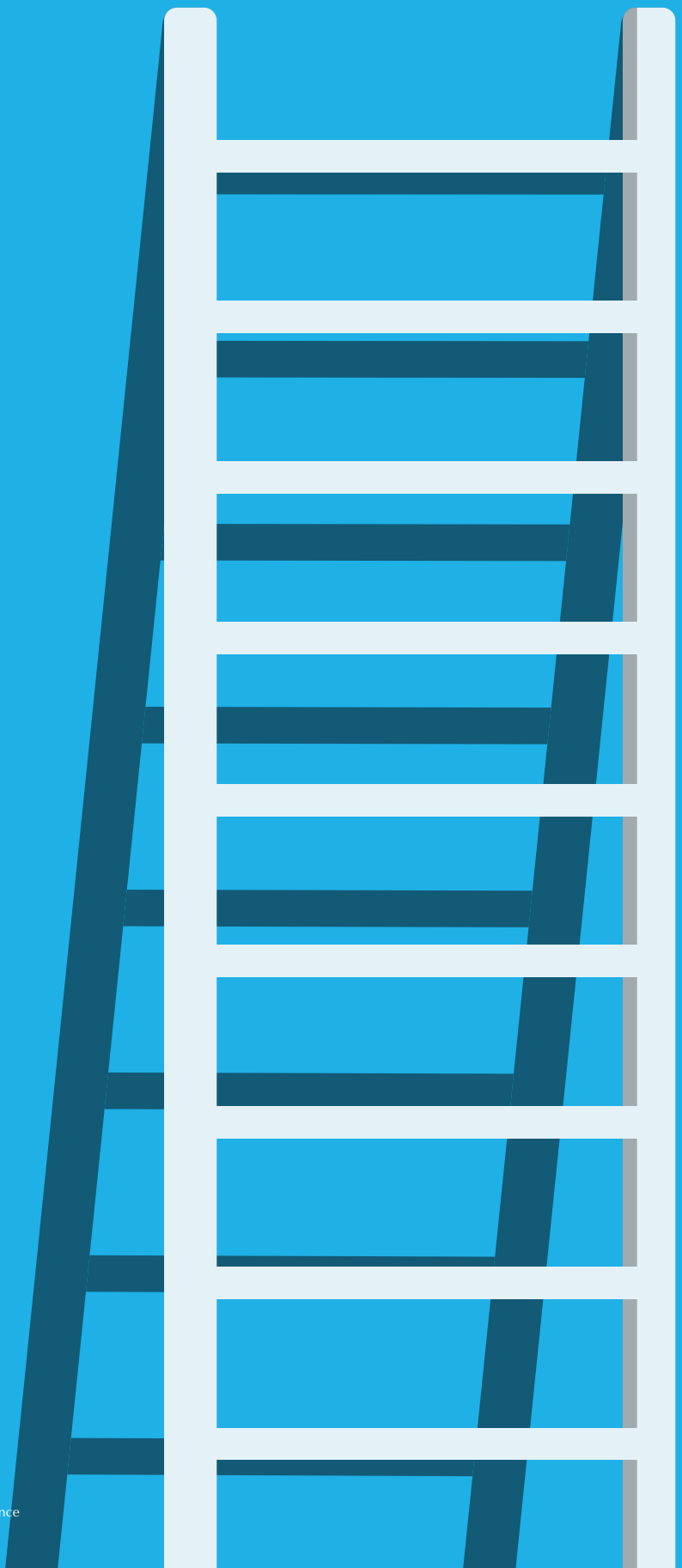
His Highness
Sheikh Tamim Bin Hamad Al Thani
Emir of the State of Qatar

AIM HIGH



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Board Of Directors' Report & CHAIRMAN MESSAGE

Dear shareholders.
First and on behalf of the Board of Directors and myself, I would like to extend my sincere gratitude and appreciation to you the esteemed shareholders on your continuous support to your Company Mazaya Real Estate Development

The past year started with good financial indicator for the company, which reflected in the stock movement after its fragmentation, as it witnessed movement on the stock price even slightly over the course of the year, which reflects the confidence of investors in your company and its performance, as well as attracting new companies and shareholders on the quantitative and qualitative levels, and thus making them maintain its advanced position in the real estate development industry.

We announced last year through the venerable General Assembly, that we are reviewing the opportunity to merge with Al Bandari Real Estate Company, consequently we appointed a consulting firm specialized in this field. The study included several aspects, most notably the feasibility of the merger process and its impact on the company level in the short and long term, and because of the changes that took place and extensive studies, we will not be able to announce the final result of the ongoing study until the merger process is covered from all financial, legal and administrative aspects.

My dear associates, the year 2022 is approaching and all of us are concerned with the State's preparations to receive its guests before, during and after the World Cup Football Tournament, The Ministries and Government Institutions in the State are gratefully seeking to support the private sector through their participation in the development projects in the State, and the most prominent of which are projects related to preparation for the 2022 World Cup championship. In this regard, your company seized opportunities by applying for more than one opportunity to participate in the governmental sector through the PPP system in support of the preparations for this anticipated day (2022).

Amongst the most prominent of these opportunities is the car park project published by Ashghal submitted by Mazaya Real Estate Development Company within a consortium of several companies to win this opportunity. The idea of the project consists of providing several buildings for parking lots in different areas of the country in order to serve large car regiments before, during and after the event.

Mazaya Real Estate Development Company received three different offers from different investors to participate in the investment and development of Al Da'ayen Land owned by Mazaya. These offers varied between the (build - operate - transfer) structure and development partnership structure. The company is currently studying those offers to identify the most appropriate and most valuable for the Company whether at the short or long term.

The diversity of income sources in your Company proves its roots as one of the vital pillars in the real estate development field in our country, and the strategy that has been accomplished to achieve self-sufficiency in all real estate areas, including areas designated for workers housing equipped with the latest equipment and provision of service facilities. From this standpoint, we started looking for real estate development projects, where we started presenting ideas to investors in this vital sector to build an integrated workers housing in the different areas within the State that lack this service, and we are continuing to present and discuss these offers with several investors interested in this sector.

The competition witnessed in the oil and gas sectors globally, and despite the entry of new gas producing countries except that this competition did not affect the lead of the State of Qatar as the largest exporter of liquefied gas in the world, and in support of the continuity of this lead the company began its expansion to keep pace with the requirements of the global market. Where it is expected that the volume of production will reach 110 million tons annually, thus increasing the gross national income growth. The expansion of this industry has a positive impact on many vital sectors in Qatar, the most important of which is the real estate development sector, and we in our role have started preparing for distinguished partnerships in this sector through investment by securing part of the needs of this sector related to real estate.

Your company, Mazaya Real Estate Development, was able to maintain a balance between revenues and expenses during the past year (2019). This balance maintained positively the total assets, which led to their increase by 2% to exceed 2.1 Billion Qatari Riyals.

Dear associates, I have the honor in this occasion to raise our deepest gratitude and appreciation to His Highness Sheikh Tamim Bin Hamad Al Thani, the Emir, may God protect him, renewing loyalty and covenant to His Highness, Praying to Almighty God to grant him lasting health and well-being, and for our country to prosper and progress.

In conclusion, I extend my sincere gratitude to my brothers, the Board of Directors, who shared with me the responsibilities for the past three years and who have sought to invest their expertise in the real estate development industry to achieve the finest outcomes. I also thank Sheikh Dr. Ali Mohiuddin Al-Qarah Daghi, Chairman of the Fatwa and Sharia Supervision Authority, and to the employees of Mazaya Real Estate Development Company, headed by CEO Eng. Hamad bin Ali Al Hedfa, and the gratitude is extended to you our esteemed shareholders for your efforts and continuous support, which contributed directly and indirectly on maintaining the Company's rank and confirming its success

Peace be upon you

Rashid F. Al Naimi
Chairman of the Board

MESSAGE FROM THE CEO

The year 2019 is over and here we meet again to put between your hands the annual report for the year 2019. Mazaya Real Estate Development continued to stimulate its strategy in project management and the development of its administrative and operational capabilities, and the financial return began flowing to the company during the year 2019 after the Sidra residential complex was delivered, where The calculation of the financial return in the company budget began in April 2019 and this reflected positively on the company's profits for this year.

With the 2022 World Cup approaching, the company entered into several tenders that were submitted from the Public Works Authority in preparation for this major event, the most prominent of which is the bid for multi-story car parking in several areas in the West Bay and central Doha in partnership between the public and private sectors, where prequalification documents were provided in relation to this project, and Thank God, we had succeeded in qualifying for this stage. We had started work on preparing for the next stage of the tender, and we pray to Almighty God we win the bid for this project to add for the Company a new imprint within the various projects in the real estate development sector.

Our effort was not limited to these projects only, whereas the company's executive management seeks to search for other diverse and rewarding opportunities in the local and regional market.

We also began to consider and study an exodus from some projects as one of the future options, the most important of which is the Sidra Village Residential Complex, where the executive management of the company appointed one of the largest consulting firms in the country to carry out a thorough study of exodus from this project taking into consideration the best ways to achieve the largest financial returns compared to the current returns. This exodus, and if it occurs, will provide a good financial solvency for the company that can be reinvested again, which enhances the company's assets and consequently its high profits, which in return will contribute in supporting the company strategy in attracting new highly efficient investors to invest in Mazaya Real Estate Development Company for the long term.

Mazaya Real Estate Development continues participation with the State in its annual activities and events, including the sports day for the State of Qatar, which is set on the second Tuesday of February of each year, in which sports activities of various kinds are carried out to enhance the culture of the importance of sport to human health and society. And in order to increase the awareness of employees about the importance of sport, Mazaya organized a sports event for its employees, families and friends in one of the winter camps, where they practiced in various sports competitions, kinetic competitions and mindset competitions for adults and children.

In the past few weeks, our beloved country celebrated its Independence Day which falls on the 18th of December, and as every year, Mazaya company celebrated this anniversary in its own renewable and different way every year to congratulate The State, The Emir, The Government and The Public. We pray to Almighty God, lasting security and stability for this beloved land, and the triumph for our Emir and inspire him with patience and rectitude.

In conclusion, I would like to extend my sincere gratitude to His Excellency Mr. Rashid bin Fahad Al Naimi Chairman of the Board of Directors for all he has offered and is still offering to the company, and I also thank His Excellency Sheikh Hamad bin Mohammed Al Thani Vice Chairman of the Board, and the Board Members for their support and keenness to harness their efforts and their endeavor to the development and the growth of the company. I also thank the shareholders for the continuity of their great confidence in the company, and thanks to all the employees of Mazaya Real Estate Development for their efforts during the year. I pray to Almighty God that I have been successful in managing this company the right way and grant me success to grow it to the ranks of the most advanced and large companies.

May God protect Qatar, The Emir of Qatar and the People.

Peace be upon you

Hamad Al Hedfa
Board Member & CEO

Vision, Mission, OBJECTIVE

VISION

The vision of Mazaya Real Estate Development Q.P.S.C. focuses on the need to meet the requirements of a real estate sector firm that contributes to supporting the country welfare, and establishes a systematic sector that depends on experience and competence in the development of qualitative projects in accordance with international modern standards. Mazaya Real Estate Development Q.P.S.C. collaborates with development partners in order to provide successful solutions that are consistent with the Qatar National Vision 2030, work as one team with different institutions on the basis of partnership in responsibility and success, push forward the wheel of investment in the country, and supplement legislation with ideas on the best possible ways to support Qatar's Civilizational Project, and its leadership in the region.

OBJECTIVE

Mazaya Real Estate Development Q.P.S.C.spares no effort in pursuit of its main objectives, the most of important of which are:

1. Developing projects in harmony with the supreme national interest of the country;
2. Adopting eco-friendly methods and meeting sustainable development standards in the development of real estate projects;
3. Providing the sector with expertise and cooperating with strategic partners in order to ensure the sector's development;
4. Implementing our various strategies, raising growth rates and expanding the company's operations;
5. Looking for attractive opportunities, and establishing partnerships and alliances to fulfill the goals of the company inside and outside the country;
6. Adopting a measured media policy that sheds light on the attraction of investors to the company and the sector; and
7. Examining expansion opportunities into new markets, first with respect to the GCC countries as first step for regional and international expansion.

MISSION

The mission of Mazaya Real Estate Development Q.P.S.C. is clear, strong and direct. In short, it states with confidence: the company seeks, with its strategic partners in the region, to create an integrated concept for urban and real estate development that stems from making the country a vital center with a solid infrastructure for its various institutions, and making it able to attract various global events with a social impact, of investments, sporting events, and technology, tourism and academic activities, all of which makes the real estate sector a key factor in the process of construction and development, and act as a tributary for the development of the State of Qatar.

Board MEMBERS

Mr. Rashid F. Al Naimi
Chairman of the board

Sh. Hamad Mohamad Al Thani
Vice Chairman

Eng. Hamad A. Al Hedfa
Board Member

Mr. Ibrahim Jaham Al Kuwari
Board Member

Sh. Mansoor Khalifa Al Thani
Board Member

Mr. Abdullah A. Al Kuwari
Board Member

Mr. Abdullah Hamad Al Ateiyah
Board Member

Mr. Yousef Ahmed Al Sada
Board Member

Mr. Said Adnan Abu Odeh
Board Member

Fatwa & Sharia Supervision
BOARD REPORT

Dr. Ali Mohiuddin Al Qaradaghi
Chairman of Fatwa
& Sharia Supervision Authority

Praise be to Allah, prayer & peace upon the messenger of mercy to the worlds, and his family and companions and who followed his guidance until the day of judgment ….
And yet,

Dear Shareholders,
In accordance with the assignment letter, The Fatwa and Sharia Supervision Authority of Mazaya Real Estate Development Company (Q.P.S.C.) would like to present its annual report to you:

1. The Fatwa and Sharia Supervision Authority of Mazaya Real Estate Development Company (Q.P.S.C.) has monitored the principles applied and the contracts relating to the transactions and applications put forward by the company during the year ending on 31/12/2019, has also studied the subjects which were referred and answered all the relevant queries and ensured that all Sharia controls are complied with.

2. We have done the required supervision in order to express our opinion whether the company has abided by the provisions of the tolerant Islamic Sharia, as well as decisions and specific instructions that have been issued by the Authority and in its entirety as well.

3. The Authority has supervised the company's business, which included the examination and review of contracts and procedures applied on the basis of examining each type of transactions, and reviewed and discussed the budget and found that its entirety is compatible with the provisions of the Islamic Sharia, which has enabled us to prepare this report for you, knowing that the responsibility for implementation of the Authority decision is on the executive management.

4. The Authority has calculated the percentage of Zakat on each share, knowing that payment of zakat is the responsibility of the shareholders.

And in our opinion:

A) The contracts, operations and transactions drawn up by the Company during the year ended 31/12/2019, which we have seen, have been done in consistency with the provisions and principles of the tolerant Islamic Sharia.

B) The distribution of the profits and losses on the investment accounts is consistent with the basis we adopted in accordance with the provisions and principles of the Islamic sharia. As we offer this report, we express our thanks and appreciation to the Board of Directors, and the management of the company, and to all the shareholders, asking Almighty God to bless all their efforts to serve the Islamic economy and achieve development for the interest of all and to safeguard our dear country Qatar from all harm, and to increase its prosperity and security.

Peace and God's mercy and blessings be upon you,

ZAKAT CALCULATION

Praise be to Allah, prayer & peace upon the messenger of mercy to the worlds, and his family and companions and who followed his guidance until the day of judgment ….
And yet,

Dear Shareholders of Mazaya Real Estate Development Company, we would like to inform you that we have calculated the zakat due on the company for the year ending on 31\12\2019, we found that the Zakat on each share for the shareholder is only 0.0034272 Qatari Riyal,

for example, Zakat of 10,000 shares X 0,0034272 = 34,272 QR.

And as for the speculative and trading stocks, they should be assessed at market value, and multiply the result by 2.5%.

This is what should be clarified.

Peace and God's mercy and blessings be upon you,

Dr. Ali Mohiuddin Al Qaradaghi
Chairman of Fatwa
& Sharia Supervision Authority

FINANCIAL REPORT

Financial Report **2019** | Mazaya Real Estate Development Q.P.S.C.

CONSOLIDATED FINANCIAL STATEMENTS & INDEPENDENT AUDITORS' REPORT

For the year ended, 31 DECEMBER **2019**

CONSOLIDATED FINANCIAL STATEMENTS
& INDEPENDENT AUDITORS' REPORT
For the year ended, 31 DECEMBER **2019**

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INDEPENDENT AUDITORS' REPORT

To The Shareholders
Mazaya Real Estate Development Q.P.S.C.
Doha - Qatar

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Mazaya Real Estate Development Q.P.S.C. (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2019, and its consolidated financial performance and cash flows for the year then ended 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 Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group's financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matters	How our audit addressed the key audit matter
First-time adoption of IFRS 16: Leases	
The Group adopted IFRS 16 Leases with effect from 1 January 2019, which resulted in changes to accounting policies. The Group has elected to restate comparative information in accordance with the transitional provisions contained within IFRS 16. The first time adoption of the standard as at 1 January 2018, resulted in the recognition of project in progress, rights of use of assets and lease liabilities and derecognition of other financial assets with total impact on retained earnings as disclosed in the Note 2.1 of the accompanying consolidated financial statements. The adoption of IFRS 16 has resulted in changes to processes, systems and controls. Because of the number of judgements which have been applied and the estimates made in determining the impact of IFRS 16, this area is considered as a key audit matter. Refer to the following notes of the consolidated financial statements: • Note 2.1 – New and amended standards that are effective for the current year which details the impact of the adoption of IFRS 16; • Note 3 – significant accounting policies on leases; • Note 4 – critical accounting judgements and key sources of estimation uncertainty; • Note 6 – Investment properties • Note 7 – Project in progress; • Note 8 – Right-of-use of assets; • Note 11 – Finance lease receivable; and • Note 17 – Lease liabilities.	We obtained an understanding of the Group's adoption of IFRS 16 and identified the internal controls including entity level controls adopted by the Group for the accounting, processes and systems under the new accounting standard. We assessed the design and implementation of key controls pertaining to the application of IFRS 16. We reviewed and assessed the reasonableness of the inputs used in the lease models. We verified the accuracy of the underlying lease data by agreeing a representative sample of leases to original contracts or other supporting information and checked the integrity and mechanical accuracy of the IFRS 16 calculations for each lease sampled through recalculation of the expected IFRS 16 adjustment. We determined if the disclosures made in the financial statements pertaining to leases, including disclosures relating to the transition to IFRS 16, were in compliance with IFRSs.

Key Audit Matters	How our audit addressed the key audit matter
Valuation of investment properties	
The Group's investment properties represent a significant portion of the total assets of the Group at the reporting date. The Group's investment properties are carried at QR. 734 million, which are measured under the fair value model, with changes in fair value presented in the consolidated statement of profit or loss. Valuations of investment properties are carried out by third party valuers in accordance with the RICS Valuation - Professional Standards and IFRS 13 Fair Value Measurement and take into account, where available, discounted cash flows and evidence of market transactions for properties and locations comparable to those of the Group's properties. The Group's portfolio comprises retail, offices and residential property. Significant judgements were applied and estimates made in determining the fair value of the Group's investment properties and hence, this is considered to be a key audit matter. Refer to the following notes of the consolidated financial statements: • Note 2 – Significant accounting policies on investment properties; • Note 4 – Critical accounting judgement and key sources of estimation uncertainty of valuation of investment properties; and • Note 6 – Investment properties.	We obtained an understanding of the Group's investment properties and the relevant controls over inputs and assumptions used by the Group in the valuation of the investment properties. In addition, our work performed included the below procedures, amongst others on the Group's valuations: • We evaluated the design and implementation over the estimation of the fair value of the investment properties; • We assessed the competence and capabilities of the Valuers and assessed their terms of engagement with the Group to determine if the scope of their work was sufficient; • We utilized our internal specialists to understand and assess, for selected properties, whether the valuation approach and methods used are in accordance with the established standards regulating valuation of properties and whether these methods are suitable for use in determining the fair value of these properties, review the appropriateness of estimates used in the valuation; and • We tested, on a sample basis, the accuracy of the standing data provided by the Group to the Valuers. • We reperformed the mathematical accuracy of the valuations on a sample basis • We agreed the results of the valuation performed by the Valuers to the amount reported in the consolidated financial statements. We have also assessed the related disclosure of this area were adequate in accordance with the requirements of International Financial Reporting Standards.

Emphasis of matter

We draw attention to note 15 of the consolidated financial statements, which describes that the Group has adjusted the previously recognized legal reserve as a consequence of the adoption of IFRS 16 and other adjustments in the Group's consolidated financial statements. Our opinion is not modified in respect of this matter.

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2018 were audited by another auditor who expressed an unmodified opinion on those statements on 27 March 2019.

Other information

The Board of Directors is responsible for the other information. The other information comprises the Board of Directors Report and the Annual Report, which are expected to be made available to us after the date of this auditor's report. The other information does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the Board of Directors Report and the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Board of Directors and Those Charged with Governance for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidate financial statements in accordance with IFRSs and applicable provisions of Qatar Commercial Companies Law, and for such internal control as the Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors 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.

As part of an audit in accordance with ISA's, 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 risk, 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 internal controls.

• 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 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

Further, as required by the Qatar Commercial Companies Law, we are also of the opinion that proper books of account were maintained by the Group and the content of the directors' report are in agreement with the Group's consolidated financial statements. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. To the best of our knowledge and belief and according to the information given to us, no contraventions of the applicable provisions of Qatar Commercial Companies Law and the Company's Articles of Association were committed during the year which would materially affect the Group's financial position or performance.

Doha – Qatar **For Deloitte & Touche**
22 January 2020 Qatar Branch

Midhat Salha
Partner
License No. 257
QFMA Auditor License No. 120156

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Notes	31 December 2019 QR	31 December 2018 (Restated) QR	1 January 2018 (Restated) QR
ASSETS				
Non-current assets				
Property and equipment	5	**109,505**	246,213	381,951
Investment properties	6	**744,194,358**	734,979,899	738,133,446
Project in progress	7	**65,414,594**	65,115,044	892,971,581
Right-of-use of assets	8	**6,283,231**	8,639,443	10,995,655
Investment securities	9	**19,638,516**	19,638,516	19,975,049
Wakala investments	10	**30,677,197**	30,677,197	30,677,197
Finance lease receivable	11	**1,164,709,484**	1,174,407,166	--
		2,031,026,885	2,033,703,478	1,693,134,879
Current assets				
Finance lease receivable	11	**28,362,593**	20,146,978	--
Receivables and prepayments	12	**2,566,285**	4,026,374	1,961,436
Islamic bank balances and cash	13	**72,709,532**	25,806,724	16,579,470
		103,638,410	49,980,076	18,540,906
TOTAL ASSETS		**2,134,665,295**	2,083,683,554	1,711,675,785
EQUITY AND LIABILITIES				
Equity				
Share capital	14	**1,157,625,000**	1,157,625,000	1,157,625,000
Legal reserve	15	**54,902,696**	51,652,408	14,235,026
Retained earnings / (accumulated losses)		**12,056,169**	41,497,396	(294,844,110)
Total equity		**1,224,583,865**	1,250,774,804	877,015,916
Non-current liabilities				
Islamic finance facilities	16	**617,043,303**	615,301,750	679,772,812
Lease liabilities	17	**4,933,351**	7,705,850	9,979,426
Employees' end of service benefits	18	**2,394,239**	1,883,072	2,057,730
		624,370,893	624,890,672	691,809,968
Current liabilities				
Islamic finance facilities	16	**176,813,148**	166,706,005	73,366,801
Lease liabilities	17	**2,772,500**	2,273,577	1,801,632
Payables and other liabilities	19	**106,124,889**	39,038,496	67,681,468
		285,710,537	208,018,078	142,849,901
Total liabilities		**910,081,430**	832,908,750	834,659,869
TOTAL EQUITY AND LIABILITIES		**2,134,665,295**	2,083,683,554	1,711,675,785

Sheikh Hamad Bin Mohamad Al Thani
Vice Chairman

Mr. Ibrahim Jaham Al Kuwari
Managing Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Notes	2019 QR	2018 QR
Finance income	26	**74,042,931**	36,472,777
Rental income	26	**26,012,500**	24,670,833
Revenue from property management	26	**206,013**	3,292,382
Operating expenses		**(7,705,249)**	(8,081,518)
Income from operations		**92,556,195**	56,354,474
Gain from derecognition of other financial assets (i)	32 .2	**--**	361,996,644
Net fair value gain/(loss) on investment properties	6	**9,214,459**	(15,723,000)
Fair value loss on investment securities	9	**--**	(336,533)
Impairment loss on project in progress	7	**--**	(35,705,366)
Other income	21	**330,442**	60,581,332
General and administrative expenses	22	**(18,307,933)**	(20,672,181)
Amortization of rights-of-use	8	**(2,356,212)**	(2,356,212)
Depreciation	5	**(162,012)**	(222,140)
Finance costs	20	**(48,772,056)**	(29,743,195)
Profit for the year		**32,502,883**	374,173,823
Other comprehensive income		**--**	--
Total comprehensive income for the year		**32,502,883**	374,173,823
Basic and diluted earnings per share *(attributable to shareholders of the parent expressed in QR per share)*	23	**0.03**	0.32

The attached notes from 1 to 32 form an integral part of these consolidated financial statements.

(i) Gain from derecognition of other financial assets is a non-cash item and arose on first time adoption of IFRS 16 (refer Note 2 and Note 32 for details).Earnings per share for the year ended 31 December 2018 excluding this gain is QR 0.01.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

	Share capital QR	Legal reserve QR	Retained earnings QR	Total QR
Balance at 1 January 2018 (Audited)	1,157,625,000	66,131,255	256,415,058	1,480,171,313
Effect of adoption of IFRS 16 (Note 2.1)	--	--	(602,130,446)	(602,130,446)
Effect of adoption of IFRS 9	--	--	(1,024,951)	(1,024,951)
Adjustment for the reversal of legal reserve	--	(51,896,229)	51,896,229	--
Balance at 1 January 2018 (Restated)	1,157,625,000	14,235,026	(294,844,110)	877,015,916
Total profit for the year				
As previously stated	--	--	16,597,393	16,597,393
Adjustment	--	--	357,576,430	357,576,430
Total profit for the year (Restated)	--	--	374,173,823	374,173,823
Transfer to legal reserve (Note 15)				
As previously stated	--	1,659,739	(1,659,739)	--
Adjustment	--	35,757,643	(35,757,643)	--
Transfer to legal reserve (Restated)	--	37,417,382	(37,417,382)	--
Social and sports activities fund contribution (Note 24)	--	--	(414,935)	(414,935)
Balance at 31 December 2018 (Restated)	1,157,625,000	51,652,408	41,497,396	1,250,774,804
Profit for the year	--	--	32,502,883	32,502,883
Transfer to legal reserve (Note 15)	--	3,250,288	(3,250,288)	--
Social and sports activities fund contribution (Note 24)	--	--	(812,572)	(812,572)
Dividends declared (Note 25)	--	--	(57,881,250)	(57,881,250)
Balance at 31 December 2019	**1,157,625,000**	**54,902,696**	**12,056,169**	**1,224,583,865**

The attached notes from 1 to 32 form an integral part of these consolidated financial statements.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

	Notes	2019 QR	2018 (Restated) QR
OPERATING ACTIVITIES			
Profit for the year		**32,502,883**	374,173,823
Adjustments for:			
Gain from derecognition of other financial assets		**--**	(361,996,644)
Depreciation		**162,012**	222,140
Amortization of right of use of assets		**2,356,212**	2,356,212
Net fair value (gain)/loss on investment properties		**(9,214,459)**	15,723,000
Fair value loss on unquoted equity investment		**--**	336,533
Provision for employees' end of service benefits		**511,167**	401,075
Impairment loss on project in progress		**--**	35,705,366
Profit from deposits with Islamic banks		**(330,442)**	(172,149)
Finance income		**(74,042,931)**	(36,472,777)
Finance costs		**48,772,056**	29,743,195
Operating profit before working capital changes		**716,498**	60,019,774
Working capital changes:			
Receivables and prepayments		**1,460,090**	(2,064,937)
Payables and other liabilities		**61,100,300**	(28,129,378)
Collection of lease receivables		**75,525,000**	--
Cash flows used in operations		**138,801,888**	29,825,459
Finance costs paid		**(27,622,876)**	(11,727,522)
Employees' end of service benefits paid		**--**	(575,733)
Net cash flows generated from operating activities		**111,179,012**	17,522,204
INVESTING ACTIVITIES			
Short term deposits made		**(59,500,000)**	--
Purchase of property and equipment		**(25,304)**	(86,402)
Additions to project in progress		**(299,550)**	(482,050)
Profit received from deposits with Islamic banks		**330,442**	172,149
Net cash flows from / (used in) investing activities		**(59,494,412)**	(396,303)
FINANCING ACTIVITIES			
Payment of lease liabilities		**(2,765,700)**	(2,304,750)
Payment of islamic finance facilities		**(8,808,360)**	(5,068,004)
Dividends paid		**(52,707,732)**	(525,893)
Net cash flows used in financing activities		**(64,281,792)**	(7,898,647)
INCREASE IN ISLAMIC BANK BALANCES AND CASH		**(12,597,192)**	9,227,254
Islamic bank balances and cash at 1 January		**25,806,724**	16,579,470
ISLAMIC BANK BALANCES AND CASH AT 31 DECEMBER	13	**13,209,532**	25,806,724

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Mazaya Real Estate Development Q.P.S.C. (the "Company") is a Qatari Public Shareholding Company, incorporated in the State of Qatar on 12 February 2008. The Company is registered under commercial registration number 38173. The Company's registered office address is P.O. Box 18132, Doha, State of Qatar.

These consolidated financial statements of the Company and its subsidiaries (together referred to as "the Group") as at and for the year ended 31 December 2019, include the following subsidiaries:

Name of the Company	Share capital QR	Country of incorporation	Effective percentage of ownership	
			as at 31 December 2019	as at 31 December 2018
Qortuba Real Estate Investment Company W.L.L.	200,000	Qatar	**100%**	100%
Gulf Spring Real Estate Investment and Development Company W.L.L.	200,000	Qatar	**100%**	100%
Granada Real Estate Investment Company W.L.L.	200,000	Qatar	**100%**	100%
Mazaya Lebanon for Tourism Development and Real Estate S.A.R.L.	12,000	Lebanon	**100%**	100%

The Group's principal activity is the establishment of residential compounds and projects for rental purposes, investment and real estate development, purchase of land and its development for resale, construction, project feasibility study, project management, real estate marketing and property management, maintenance activities, brokerage activities, commercial and real estate representation, trading of mechanical electrical and construction equipment, import and export (related to the Group's activities). In addition, the Group is also involved in the management of residential compounds.

The consolidated financial statements of the Group for the year ended 31 December 2019 were authorised for issue by the Board of Directors on 22 January 2020.

1.1 Current liability position

The Group's current liabilities exceeded its current assets by QR 182,072,127 as at 31 December 2019. The accompanying consolidated financial statements have been prepared on a going concern basis since management is in the process of negotiating alternative funding sources to enable the Group to meet its obligations as and when they fall due.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.1 New and amended IFRS Standards that are effective for the current year

In the current year, the Group, for the first time, has adopted IFRS 16 Leases (as issued by the IASB in January 2016). The standard replaces the existing guidance on leases, including IAS 17 'Leases", IFRIC 4 'Determining whether an Arrangement contains a Lease", SIC 15 "Operating Leases – Incentives" and SIC 27 "Evaluating the Substance of Transactions in the Legal Form of a Lease".

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in Note 3. The impact of the adoption of IFRS 16 on the Group's consolidated financial statements is described below.

The date of initial application of IFRS 16 for the Group is 1 January 2019.

The Group has applied IFRS 16 using the full retrospective approach, with restatement of the comparative financial information.

(a) Impact of the new definition of a lease

The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4.

The Group applies the definition of a lease and related guidance set out in IFRS 16 to all contracts. In preparation for the first-time application of IFRS 16, the Group has carried out an implementation project. The project has shown that the new definition in IFRS 16 will significantly change the scope of contracts that meet the definition of a lease for the Group.

(b) Impact on Lessee Accounting

Former operating leases
IFRS 16 changes how the Group accounts for leases previously classified as operating leases under IAS 17, which were off-balance-sheet.

Applying IFRS 16, for all leases (except as noted below), the Group:

a) recognises right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of future lease payments;
b) recognises depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss; and
c) separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated statement of cash flows.

Lease incentives (e.g. free rent period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive liability, amortised as a reduction of rental expense on a straight-line basis.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36 Impairment of Assets. This replaces the previous requirement to recognise a provision for onerous lease contracts. For short term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within other expenses in the consolidated statement of profit or loss.

Former finance leases
The main difference between IFRS 16 and IAS 17 with respect to assets formerly held under a finance lease is the measurement of residual value guarantees provided by a lessee to a lessor. IFRS 16 requires that the Group recognises as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by IAS 17. This change did not have a material effect on the Group's consolidated financial statements.

(c) Impact on Lessor Accounting

Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, IFRS 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in the leased assets.

The Group has reassessed the Built, Operate and Transfer Agreement ("agreement") for the residential compound with a related party against the requirements of IFRS 16 and concluded that it falls under IFRS 16 requirements and accordingly applied the requirements of IFRS 16 retrospectively (refer to Note 11). Based on the Group's judgement, the commencement date of the arrangement is July 2018, and accordingly the lease model is developed and the amendments to the consolidated financial statements are incorporated retrospectively and comparatives figures have been restated accordingly.

Based on the above, the Group has restated its comparative consolidated financial statements to effect the above items in the prior year's consolidated financial statements for the year ended 31 December 2018.

Financial impact of initial application of IFRS 16

The tables below show the amount of adjustment for each financial statement line item affected by the application of IFRS 16 for the current and prior years.

	As previously stated QR	Adjustments QR	As restated (only for IFRS 16 impact) QR
Impact on consolidated statement of financial position as at 1 January 2018:			
Other financial assets (a)	1,393,978,264	(1,393,978,264)	--
Project in progress (b)	100,338,360	792,633,221	892,971,581
(Retained earnings) / accumulated losses (c) (post IFRS 9)	(255,390,107)	654,026,674	398,636,567
Legal reserve (d)	66,131,255	(51,896,228)	14,235,027
Rights-of use of assets (j)	--	10,995,655	10,995,655
Lease liabilities (k)	--	(11,781,058)	(11,781,058)

	As previously stated QR	Adjustments QR	As restated (only for IFRS 16 impact) QR
Impact on consolidated statement of financial position as at 31 December 2018:			
Other financial assets (a)	1,393,978,264	(1,393,978,264)	--
Project in progress (b)	100,820,410	--	100,820,410
Investment properties (f)	743,064,446	12,569,453	755,633,899
Finance lease receivable (e)	--	1,194,554,144	1,194,554,144
(Retained earnings) / accumulated losses (c) & (l)	(269,912,826)	177,692,002	(92,220,824)
Legal reserve (d)	67,790,994	10,502,649	78,293,643
Rights-of use of assets (j)	--	8,639,443	8,639,443
Lease liabilities (k)	--	(9,979,427)	(9,979,427)

	As previously stated QR	Adjustments QR	As restated (only for IFRS 16 impact) QR
Impact on consolidated statement of profit or loss and other comprehensive income as at 31 December 2018:			
Finance income (e)	--	36,472,777	36,472,777
Finance costs (g) & (o)	(45,261,032)	15,517,837	(29,743,195)
General and administrative expenses (m)	(22,976,931)	2,304,749	(20,672,182)
Amortisation for rights-of-use of assets (n)	--	(2,356,212)	(2,356,212)
Gain from derecognition of other financial assets (a)	--	361,996,644	361,996,644

	As previously stated QR	Adjustments QR	As restated (only for IFRS 16 impact) QR
Impact on consolidated statement cash flows as at 31 December 2018:			
Finance income (e)	--	(36,472,777)	(36,472,777)
Finance costs (g) & (o)	(45,261,032)	15,517,837	(29,743,195)
Gain on derecognition of other financial assets (a)	--	(361,996,644)	(361,996,644)
Amortisation of rights-of-use of assets (n)	--	2,356,212	2,356,212
Repayment of lease liabilities (k)	--	(2,304,750)	(2,304,750)

	As previously stated QR	Adjustments QR	As restated (only for IFRS 16 impact) QR
Impact on earnings per share as at 31 December 2018:			
*Earnings per share (i) & (q)	0.01	0.31	0.32

* Refer to Note 23 for share split impact on nominal share price and on authorized, issued fully paid up number of shares.

The tables below show the amount of adjustment for each of the financial statement line item for the current year, as if IFRS 16 was not applied:

	As if previous standards still applied QR	Adjustments QR	As restated (only for IFRS 16 impact) QR
Impact on consolidated statement of financial position as at 31 December 2019:			
Other financial assets (a)	1,393,978,264	(1,393,978,264)	--
Project in progress (b)	65,414,594	--	65,414,594
Finance lease receivable (e)	--	1,193,072,077	1,193,072,077
Rights-of use of assets (j)	--	6,283,232	6,283,232
Lease liabilities (k)	--	(7,705,851)	(7,705,851)
(Retained earnings) / accumulated losses impact		202,328,806	

	As if previous standards still applied QR	Adjustments QR	As restated (only for IFRS 16 impact) QR
Impact on consolidated statement of profit or loss and comprehensive income as at 31 December 2019:			
Finance income (e)	53,000,000	21,042,931	74,042,931
Finance costs (g) & (o)	(47,415,085)	(492,123)	(47,907,208)
General and administrative expenses (m)	(19,452,381)	2,304,749	(17,147,632)
Amortisation for rights-of-use of assets (n)	--	(3,219,510)	(3,219,510)

The Group as lessor

I. Upon reassessment of the arrangement with a related party and concluding that it falls under IFRS 16 requirements with a commencement date of July 2018, the financial impact of changes are as follows:

a. other financial assets related to the agreement has been derecognised under IFRS 9 and the respective gain from derecognition of other financial assets has been recognised on commencement of the lease.
b. all previous revenues and costs recognised from this arrangement were reversed and corresponding cost incurred, related to the construction of compound has been recognised as project in progress.
c. retained earnings have been adjusted to reflect the changes arising due to the application of IFRS 16.
d. legal reserve has been adjusted retrospectively to reflect the impact of the above restatement.
e. finance lease receivable has been recognised based on the requirement of IFRS 16 and the respective finance income recognised.
f. investment properties has been recognised, related to the commercial area of the compound.
g. finance costs directly related to the construction of the compound has been capitalised as cost of project in progress.
h. legal reserve has been changed to effect the impact of above.
i. cash flow effect for finance costs has been changed to effect the impact of above.
j. earnings per share has been changed to effect the impact of the above adjustments on 31 December 2018.

The Group as lessee

II. The application of IFRS 16 to leases previously classified as operating leases under IAS 17 resulted in the recognition of the rights-of use of assets and lease liabilities retrospectively and financial impact of the change is as follows:
k. rights of use assets have been recognised.
l. lease liabilities have been recognised.
m. retained earnings have been adjusted to reflect the changes due to the application of IFRS 16.
n. rent expenses within general and administrative expenses has been derecognised.
o. amortization for rights-of-use of assets have been recognized.
p. finance costs related to lease has been recognised in the consolidated statement of profit or loss.
q. cash flow effect for finance costs, amortisations of rights-of-use of assets and repayment of lease liabilities have been adjusted to effect the impact of above.
r. earnings per share has been changed to effect the impact of the above adjustments on 31 December 2018.

2.2 New and amended IFRS applied with no material effect on the consolidated financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2019, have been adopted in these consolidated financial statements.

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IFRS 9 Prepayment Features with Negative Compensation and Modification of financial liabilities The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the SPPI condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI. The amendment applies to annual periods beginning on or after 1 January 2019, with earlier application permitted. There are specific transition provisions depending on when the amendments are first applied, relative to the initial application of IFRS 9.	*1 January 2019*
Amendments to IAS 28 Investment in Associates and Joint Ventures: Relating to long-term interests in associates and joint ventures. These amendments clarify that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.	*1 January 2019*
Annual Improvements to IFRSs 2015-2017 Cycle Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs *The Annual Improvements include amendments to four Standards.*	*1 January 2019*
IAS 12 *Income Taxes* The amendments clarify that an entity should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.	*1 January 2019*
IAS 23 *Borrowing costs* The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.	*1 January 2019*

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 3 Business Combinations The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, the entity applies the requirements for a business combination achieved in stages, including re-measuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be re-measured includes any unrecognised assets, liabilities and goodwill relating to the joint operation.	*1 January 2019*
IFRS 11 Joint Arrangements The amendments to IFRS 11 clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the entity does not re-measure its PHI in the joint operation.	*1 January 2019*
Amendments to IAS 19 Employee Benefits Plan Amendment, Curtailment or Settlement The amendments to IAS 19 Employee Benefits clarify the accounting for defined benefit plan amendments, curtailments and settlements.	*1 January 2019*
IFRIC 23 Uncertainty over Income Tax Treatments The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers: • Whether tax treatments should be considered collectively; • Assumptions for taxation authorities' examinations; • The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and • The effect of changes in facts and circumstances.	*1 January 2019*

he application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

2.3 New and amended IFRSs in issue but not yet effective and not early adopted

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective.

New and revised IFRSs	Effective for annual periods beginning on or after
Definition of Material - Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, *Changes in Accounting Estimates and Errors* The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'	*1 January 2020*
Definition of a Business – Amendments to IFRS 3 *Business Combinations* The amendments clarify that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. IASB also clarify that a business can exist without including all of the inputs and processes needed to create outputs. That is, the inputs and processes applied to those inputs must have 'the ability to contribute to the creation of outputs' rather than 'the ability to create outputs'.	*1 January 2020*

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to *References to the Conceptual Framework in IFRS Standards* Amendments to References to the Conceptual Framework in IFRS Standards related IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework.	*1 January 2020*
IFRS 7 Financial Instruments: *Disclosures and IFRS 9 — Financial Instruments* Amendments regarding pre-replacement issues in the context of the IBOR reform	*1 January 2020*
IFRS 17 *Insurance Contracts* IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as at 1 January 2022.	*1 January 2020*

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, except as highlighted in previous paragraphs, may have no material impact on the consolidated financial statements of the Group in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance
The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and applicable provisions of Qatar Commercial Companies Law.

Basis of preparation
The consolidated financial statements have been prepared under the historical cost convention, except for investment properties and certain financial instruments that are measured at revalued amounts or fair value at the end of each reporting period.

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

Basis of consolidation
The consolidated financial statements comprise the financial statements of Mazaya Qatar Real Estate Development Q.P.S.C. and its subsidiaries (together referred to as the "Group") as at 31 December 2019. 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 ;
- 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.

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 above mentioned 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 of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, 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 into 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.
- 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.

Revenue recognition
The Group's principal revenues are generated from renting residential compounds and rendering property management services.

Renting residential compounds
Rental income from residential compounds are accounted for under IFRS 16.

Rendering of property management services
The Group is involved in property management services including maintenance of residential compounds owned and leased out by the Group. Revenue is recognised over time using an input method to measure progress towards complete satisfaction of the service, because the entity's performance does not create an asset with alternative use, and the entity has a right to payment for performance completed to date. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services. Under IFRS 15, the total consideration in the service contracts is allocated to all services based on their stand-alone selling prices. The stand-alone selling prices are determined based on the list prices at which the Group sells the services in separate contracts. The fair value and stand-alone selling prices of the services are considered to be broadly similar.

Invoices for property management services are issued on monthly intervals based on the volume of services provided measured in the means of volume of power consumption, usage of consumable materials and hours consumed.

Invoices for property management services are issued on a monthly basis and are usually payable within 30-45 days.

There is no variable consideration attached to the Group's service offerings as the Group does not operate any loyalty program schemes, no significant financing components are embedded in its contract with customers, no rebates are offered based on volume of services offered and by its nature of business, right of return and warranty obligations are not applicable.

Leases
(a) The Group as lessee
The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:
- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

• The amount expected to be payable by the lessee under residual value guarantees;
• The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
• Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:
• The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
• The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
• A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property and Equipment' policy.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(b) The Group as lessor
Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the consolidated statement of comprehensive income. Non-monetary items measured in terms of historical costs in a foreign currency are translated using the exchange rates as of the date of the initial transaction.

Property and equipment
Property and equipment is stated at cost less accumulated depreciation and any impairment in value.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of Computer and equipment.

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

The estimated useful lives of the depreciable assets are as follows:

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

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

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the

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.

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 profit or loss and other 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. Any gain or loss arising on derecognition of the asset is included in the consolidated statement of profit or loss and other comprehensive income in the year the asset is derecognized.

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

Subsequent to initial recognition, investment properties are stated at fair value. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. Valuations reflect, where appropriate; the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting of vacant accommodation and the market's general perception of their credit-worthiness; the allocation of maintenance and insurance responsibilities between lessor and lessee; and the remaining economic life of the property. Any gain or loss arising from a change in fair value is recognized in the consolidated statement of profit and loss and other comprehensive income.

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

Transfers between property categories
Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by:
(a) commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
(b) commencement of development with a view to sale, for a transfer from investment property to inventories;
(c) end of owner-occupation, for a transfer from owner-occupied property to investment property;
(d) commencement of an operating lease to another party, for a transfer from inventories to investment property.

When the Group decides to dispose of an investment property without development, it continues to treat the property as an investment property until it is derecognized (eliminated from the consolidated statement of financial position) and does not treat it as trading property.

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

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

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

Project in progress
Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss.

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 such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units 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 group 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 discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

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 recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot 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 profit or loss unless the asset is carried at revalued amount, in this case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Financial instruments
Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets
All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets
Debt instruments that meet the following conditions are measured subsequently at amortised cost:
• the financial asset is held within a business model whose objective is 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.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):
the financial asset is held within a business model whose objective is achieved by both collecting contractual cash
• flows and selling the financial assets; 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.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:
• the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
• the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below).

(i) Amortised cost and effective interest method
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in the consolidated statement of profit or loss and other comprehensive income and is included in the "finance income" line item.

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:
- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'finance income – other' line item (note 10) in profit or loss.

The Group designated all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition.

(iii) Financial assets at FVTPL
Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see (i) to (ii) above) are measured at FVTPL. Specifically:
- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (ii) above).
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other income' line item. Fair value is determined in the manner described in note 28.

Foreign exchange gains and losses
The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:
- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss ;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss
- Other exchange differences are recognised in other comprehensive income in the investments revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL (expected credit losses) for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk
In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:
(1) The financial instrument has a low risk of default,
(2) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
(3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(ii) Definition of default
The Group employs statistical models to analyse the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Group.

(iii) Credit-impaired financial assets
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:
(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event (see (ii) above);
(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iii) Write-off policy
The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

(iv) Measurement and recognition of expected credit losses
The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity
Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities
All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL
Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognised in the consolidated statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in the consolidated statement profit or loss incorporates any interest paid on the financial liability.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in statement of other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch statement of in profit or loss. The remaining amount of change in the fair value of liability is recognised in statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in statement of other comprehensive income are not subsequently reclassified to statement of profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as at FVTPL are recognised in profit or loss.

Financial liabilities measured subsequently at amortised cost
Financial liabilities that are not designated as FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the 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 the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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

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

Islamic finance facilities
Islamic financing facilities are recognized initially at fair value of the consideration received, less directly attributable transaction costs. Subsequent to initial recognition, those obligations are measured at amortized cost using the effective cost method.

Gains or losses are recognized in the consolidated statement of profit or loss and other comprehensive income when the liabilities are derecognized as well as through the amortization process. Finance cost and other related charges are recognized as an expense when incurred. Installments due within one year are shown as a current liability. Installments due after 1 year are shown as non-current liability.

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

Contingencies
Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable to the Group.

Dividends income
Dividends income is recognised when the Group's right to receive the payment is established.

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

Dividend distribution
Dividend distribution to the Group's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Group's shareholders.

Events after the reporting date
The financial statements are adjusted to reflect events that occurred between the reporting date and the date when the financial statements are authorised for issue, provided they give evidence of conditions that existed at the reporting date. Any post year-end events that are non-adjusting are discussed on the financial statements when material.

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 by the Group.

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

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgments and estimates

The preparation of the consolidated financial statements in compliance with IFRS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Revenue recognition
Management considers recognizing revenue over time, if one of the following criteria is met, otherwise revenue will be recognized at a point in time:
a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
c) the Group's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Business model assessment
Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Significant increase in credit risk
ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

Determining the classification of the Service Concession Arrangement/Lease arrangement
The Group has reassessed the service concession arrangement previously accounted for under IFRIC 12 Service Concession Arrangement. Management has applied its best judgement and concluded that this arrangement falls under the scope and requirements of IFRS 16, hence should be accounted for under the said standard.

Determining of commencement date of the lease
The commencement date of the lease has been determined in relation to the date on which the lessor makes the underlying asset available for use by the lessee. Management has applied its best judgement to determine the actual commencement date.

Determining the lease term
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

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 a going concern. Therefore, the financial statements are prepared on a going concern basis.

Estimates

The key assumptions concerning the future and other sources of estimation uncertainty at the financial position 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 discussed below.

Discounting of lease payments
The lease payments are discounted using the Group's incremental borrowing rate ("IBR") in case of lessee and Internal Rate of Return ("IRR") in case of lessor. Management has applied judgments and estimates to determine the IBR and IRR at the commencement of lease.

Residual value guarantees
The Group initially estimates and recognises amounts expected to be payable under residual value guarantees as part of the lease liability. The amounts are reviewed, and adjusted if appropriate, at the end of each reporting period. Management has applied judgments and estimates to determine the residual value, if any.

Impairment of tangible
The Group's management tests annually whether there is an indication that tangible assets have suffered impairment in accordance with accounting policies stated in note 3. The recoverable amount of an asset is determined based on value-in-use method. This method uses estimated cash flow projections over the estimated useful life of the asset discounted using market rates.

Estimated useful lives of property and equipment
The costs of items of property and equipment are depreciated on a systematic basis over the estimated useful lives of the assets. Management has determined the estimated useful lives of each asset and/ or category of assets based on the following factors:
- Expected usage of the assets,
- Expected physical wear and tear, which depends on operational and environmental factors; and
- Legal or similar limits on the use of the assets.

Management has not made estimates of residual values for any items of property and equipment at the end of their useful lives as these have been deemed to be insignificant.

Classification of investment property
When determining whether property and equipment should be classified as investment property, the Group assesses whether the property is held to earn rentals for capital appreciation or both. The Group follows the guidance of IAS 40 on classifying its investment property. If the property meets the definition, the Group assesses the suitable basis for allocation for the ratio of leased out area in proportion to the total area of the property, either on the basis of floors or square meter area rented out.

Calculation of loss allowance
When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. The Group uses estimates for the computation of loss rates.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Fair value measurements
Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages qualified external valuers to perform the valuation. The management/valuation committee if any works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in respective notes.

Assessment as to whether the right-of-use assets is impaired
In estimating the recoverable amount of the right-of-use asset, the management have made assumptions about the achievable market rates for similar properties with similar lease terms.

5. PROPERTY AND EQUIPMENT

	Computer and equipment QR	Furniture and fixtures QR	Motor vehicles QR	Total QR
Cost:				
At 1 January 2018	1,769,781	1,137,955	580,000	3,487,736
Additions	69,866	16,536	-	86,402
At 31 December 2018	1,839,647	1,154,491	580,000	3,574,138
Additions	21,105	4,199	--	25,304
At 31 December 2019	1,860,752	1,158,690	580,000	3,599,442
Depreciation:				
At 1 January 2018	1,640,596	1,137,860	327,329	3,105,785
Charge for the year	133,022	4,118	85,000	222,140
At 31 December 2018	1,773,618	1,141,978	412,329	3,327,925
Charge for the year	73,069	3,943	85,000	162,012
At 31 December 2019	1,846,687	1,145,921	497,329	3,489,937
Net carrying amount				
31 December 2019	**14,065**	**12,769**	**82,671**	**109,505**
31 December 2018	66,029	12,513	167,671	246,213

6. INVESTMENT PROPERTIES

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

	2019 QR	2018 QR
At 1 January	**734,979,899**	738,133,446
Addition upon adoption of IFRS 16 (Note 2.1)	**--**	12,569,453
Fair value movement during the year	**9,214,459**	(15,723,000)
Balance at 31 December	**744,194,358**	734,979,899

The investment properties includes a property leased out under an operating lease agreement to a related party for an annual rent of QR 22.04 million as at 31 December 2019 (2018: QR 23.27 million). Rental income from the property is pledged against the facilities obtained from an Islamic bank (Note 12).

Fair value
The fair value of the Group's investment properties at 31 December 2019 and 2018 has been arrived at on the basis of a valuation carried out at that date by an independent external valuator not related to the Group. The valuations were prepared by certified valuator, specialized in the valuation of real estate and similar activities. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties and discounted cash flows coupled with market and other evidence. In estimating the fair value of the properties, the highest and best use of the properties is considered to be their current use.

	Total QR	Quoted prices in active markets Level 1 QR	Significant observable inputs Level 2 QR	Significant unobservable inputs Level 3 QR
31 December 2019				
Investment properties	744,194,358	--	274,854,905	469,339,453
31 December 2018				
Investment properties	734,979,899	--	264,786,754	470,193,145

Fair value of investment properties except for the Tala residence, Gloria Hotel and Sidra Village Retail Units are valued using the market comparable approach, due to a high volume of transactions involving comparable properties in the areas during the year. Under the market comparable approach, a property's fair value is estimated based on comparable transactions. The market comparable approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. The unit of comparison applied by the Group is the price per square feet (sq ft).

Properties	Estimated land value per sq ft 2019 QR	2018 QR
Plots in Dubai and Qatar	**25-730**	7-730

The fair value of the Tala residence, Gloria Hotel and Sidra Village Retail Units is determined using a discounted cash flow (DCF) method. Under the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The key unobservable inputs for the three properties under DCF method described below are as follows;

Properties	2019	2018
Monthly rental income	**QR 100-175 sq.m**	QR 100-175 sq.m
Rent increment	**5%-15% in every 5 years**	5%-15% in every 5 years
All risk yield – current	**6.75%-8%**	6.75%-8%

6.1 During 2019, management identified certain facts and circumstances which existed at 31 December 2018, but were not taken into consideration in arriving at the fair value estimation of Gloria Hotel. Therefore, management has re-estimated the fair value of Gloria Hotel and restated 2018 financial information to effect the adjustment (Refer to Note 32).

6.2 The related property pertains to the Retail Unit within the Sidra Village which was recognized upon adoption of IFRS 16.

During the year ended 31 December 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements. There were no movements within Level 3 fair value measurements.

The above investment properties include an amount of QR 456,770,000 which represents the fair value of the two properties that are registered in the name of the local bank in Qatar.

7. PROJECT IN PROGRESS

	2019 QR	2018 QR
Balance at 1 January	**65,115,044**	100,338,360
Additions	**299,550**	482,050
Impairment loss	**--**	(35,705,366)
Balance at 31 December	**65,414,594**	65,115,044

Project in progress balance includes the amounts spent on development of one of the Group's projects. The initial infrastructure development work for the project is completed. Further, management has reconsidered the recoverability of the cost related for design, consultation and marketing of QR 35.7 million and noted that there were certain facts and circumstances which existed at 31 December 2018, but were not taken into consideration while assessing the recoverability of the project cost in 2018. Hence, management has restated 2018 financial information and recognized an impairment related to the design, consultation and marketing costs with an amount of QR 35.7 million (Refer to Note 32).

8. RIGHT-OF-USE OF ASSETS

	2019 QR	2018 QR
Balance at 1 January	**8,639,443**	10,995,655
Amortization of right-of-use	**(2,356,212)**	(2,356,212)
Balance at 31 December	**6,283,231**	8,639,443

The related right-of-use of asset pertains to the lease of office premise of the Group.

9. INVESTMENT SECURITIES

	2019 QR	2018 QR
Opening balance	**19,638,516**	21,000,000
Impact of initial application of IFRS 9	**--**	(1,024,951)
Balance at 1 January	**19,638,516**	19,975,049
Fair value loss on unquoted equity investment	**--**	(336,533)
Ending balance	**19,638,516**	19,638,516

Investment securities include unquoted equity investment made in a privately held Company in the State of Qatar. Investment securities is valued using Level 3 measurement techniques as per IFRS 7 and there have been no transfers between Level 2 and Level 3 fair value measurements.

10. WAKALA INVESTMENTS

During 2009, the Group had entered into a Wakala contract amounting to QR 65,000,000 with a GCC Investment Company through an agent. The Investment Company did not settle the amount with its accrued profit on the maturity date.

In 2011, the Group obtained a court ruling in its favor, whereby the outstanding Wakala amount, along with related profit, to be settled by the investment Company during the period from June 2013 to June 2017. During 2013, the Group received the first scheduled payment amounting to QR 3,645,605. In 2014, the Investment Company has not honored the installment due to the Group and therefore the Group has decided to provide impairment allowance for the investment amounting to QR 30,677,198. Based on management assessment, no additional provision is required during the year and the remaining amount is fully recoverable.

	2019 QR	2018 QR
Wakala investments	**61,354,395**	61,354,395
Less: Provision for impairment	**(30,677,198)**	(30,677,198)
	30,677,197	30,677,197

11. FINANCE LEASE RECEIVABLE

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

Prior to the initial application of IFRS 16, the arrangement was accounted for as a concession agreement.
With the application of IFRS 16, related balances were restated as further explained in Note 2 and Note 32 to the consolidated financial statements using the full retrospective approach. The table below shows the balances as at 31 December:

	2019 QR	2018 (Restated) QR
Non-current portion	**1,164,709,484**	1,174,407,166
Current portion	**28,362,593**	20,146,978
	1,193,072,077	1,194,554,144

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

	2019 QR	2018 (Restated) QR
Amount receivable under finance leases:		
Year 1	**100,700,000**	75,525,000
Year 2	**100,700,000**	100,700,000
Year 3	**100,700,000**	100,700,000
Year 4	**100,700,000**	100,700,000
Year 5	**100,700,000**	100,700,000
Onwards	**1,591,060,000**	1,691,760,000
Gross investment in lease	**2,094,560,000**	2,170,085,000
Less: unearned finance income	**(901,487,923)**	(975,530,856)
Present value of minimum lease payments schedule	**1,193,072,077**	1,194,554,144
Impairment loss allowance (ECL)	**--**	--
Net investment in the levase	**1,193,072,077**	1,194,554,144

The finance lease receivable at the end of the reporting period are neither past due nor impaired.

12. RECEIVABLES AND PREPAYMENTS

	2019 QR	2018 (Restated) QR
Prepayments	**631,327**	1,478,537
Accrued income	**--**	1,139,069
Refundable deposits	**550,525**	550,525
Trade receivable	**163,716**	148,716
Other receivables	**2,346,421**	1,835,231
	3,691,989	5,152,078
Less: loss allowance on other receivables	**(1,125,704)**	(1,125,704)
	2,566,285	4,026,374

At 31 December 2019, the other receivables balance of QR 1,125,704 were impaired (2018: QR 1,125,704). During the year, no further loss allowance of receivables were recorded.

13. ISLAMIC BANK BALANCES AND CASH

Islamic bank balances and cash included in the consolidated statement of cash flows include the following amounts:

	2019 QR	2018 QR
Islamic bank balances	**13,189,532**	25,786,724
Time deposit	**59,500,000**	--
Cash in hand	**20,000**	20,000
	72,709,532	25,806,724
Time deposit with maturity of more than 3 month	**(59,500,000)**	--
Cash and cash equivalent	**13,209,532**	25,806,724

The time deposit has an original maturity of more than three months and bears profit at market rate. Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks. Accordingly, management of the Group estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 month ECL. None of the balances with banks at the end of the reporting period are past due, and taking into account the historical default experience and the current credit ratings of the bank, the management of the Group have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

14. SHARE CAPITAL

	2019 QR	2018 QR
Authorized, issued and fully paid		
1,157,625,000 ordinary shares of QR 1 each (2018: 1,157,625,000 shares*)	**1,157,625,000**	1,157,625,000

**Share split*
On May 20, 2019, the Extraordinary General Meeting of the Group approved the par value of the ordinary share to be QR1 instead of QR10, as per the instructions of Qatar Financial Markets Authority (QFMA), and amendment of the related Articles of Association. The share split was implemented on July 3, 2019 and the total number of shares was increased from 115,762,500 to 1,157,625,000 ordinary shares. Consequently, weighted average number of shares outstanding and the computed Earnings per Share (EPS) have been retrospectively adjusted.

15. LEGAL RESERVE

The Qatar Commercial Companies Law No.11 of 2015, requires the Group to transfer 10% of the net profit of the year to a legal reserve. Such transfers may be discontinued at the option of the Group when the legal reserve equates to 50% of the share capital. The reserve is not available for distribution except in the circumstances stipulated in the above mentioned law.

Legal reserve balances as of 31 December 2018 and 1 January 2018 have been adjusted to reflect the changes to prior year financial information as further disclosed in note 32 to the consolidated financial statements.

16. ISLAMIC FINANCE FACILITIES

	Notes	**2019 QR**	2018 QR
Islamic facility 1	(i)	**495,826,851**	522,369,447
Islamic facility 2	(ii)	**187,296,314**	207,339,308
Islamic facility 3	(iii)	**53,521,791**	52,299,000
Islamic facility 4	(iv)	**57,211,495**	--
		793,856,451	782,007,755
Current portion		**176,813,148**	166,706,005
Non-current portion		**617,043,303**	615,301,750
		793,856,451	782,007,755

Notes:
(i) During 2014, the Group entered into an Islamic facility agreement with an Islamic Bank in order to finance a real estate project of the Group for an amount of QR 450 million and subsequently increased the facility to QR 549 million. The agreement carries profit rate at market rates. The facility is repayable in 30 variable quarterly instalments with last instalment due in August 2026. Expected receipts from the Sidra real estate project are pledged against the Islamic facility.

(ii) During 2014, the Group entered into an Islamic facility agreement with an Islamic Bank in order to finance a real estate project of the Group for an amount of QR 274 million. The facility is repayable in 9 annual variable instalments from the end of 2014 till the end of 2021 and a final settlement in 2022. The agreement carries profit rate at market rates. The Islamic facility is secured by a pledge on the rental income from the Tala Residence real estate property.

(iii) During 2017, the Group entered into an Islamic facility agreement with an Islamic Bank in order to finance working capital requirements of the Group for an amount of QR 70 million. The agreement carries profit rate at market rates. The facility is repayable on its maturity at 30 September 2019. However, the Group has not paid the related loan and the restructuring is still under negotiation, thus as of 31 December 2019, the principal and the related interest are considered to be due and demandable.

(iv) During 2019, the Group entered into an Islamic facility agreement with an Islamic Bank in order to finance the Group for an amount of QR 55,000,000. The agreement carries profit rate at market rates. The Group had drawn QR 57,126,243 as of 31 December 2019. The facility is repayable on its maturity at 30 September 2019. However, the Group has not paid the related loan and the restructuring is still under negotiation, thus the principal and the related interest are considered to be due and demandable.

Islamic finance cost for the period amounted to QR 48,279,931 (Restated 2018: QR 29,240,076). Further during 2018, QR 16,020,955 has been capitalized as part of the arrangement up to the construction phase.

17. LEASE LIABILITIES

	31 December 2019 QR	31 December 2018 (Restated) QR	January 1 2018 (Restated) QR
Balance as at	**9,979,426**	11,781,058	11,781,058
Accretion of interest	**492,125**	503,119	--
Payments	**(2,765,700)**	(2,304,750)	--
Balance as at	**7,705,851**	9,979,427	11,781,058
Current	**2,772,500**	2,273,577	1,801,632
Non-current	**4,933,351**	7,705,850	9,979,426
	7,705,851	9,979,427	11,781,058
Maturity analysis			
Not later than 1 year	**2,772,500**	2,273,577	1,801,632
Later than 1 year and not later than 5 years	**4,933,351**	7,705,850	9,979,426
	7,705,851	9,979,427	11,781,058

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

18. EMPLOYEES' END OF SERVICE BENEFITS

	2019 QR	2018 QR
At 1 January	**1,883,072**	2,057,730
Provided during the year	**511,167**	401,075
Paid during the year	**--**	(575,733)
At 31 December	**2,394,239**	1,883,072

19. PAYABLES AND OTHER LIABILITIES

	2019 QR	2018 QR
Deferred rental income	**12,216,667**	10,979,173
Dividends payable	**14,237,641**	9,064,121
Accrued expenses	**8,176,305**	9,496,280
Social and sports activities fund contribution (Note 24)	**8,281,558**	7,468,986
Encashment of bond (Note i)	**59,827,513**	--
Other payable	**3,385,205**	2,029,936
	106,124,889	39,038,496

i This balance relates to the bond encashment related to one of the Group's projects before expiry. Once all the works will be completed and confirmed, the related remaining balance will be part of the final settlement with the contractor.

20. FINANCE COST

	2019 QR	2018 QR
Islamic finance facilities (Note 16)	**48,279,931**	29,240,076
Lease liabilities (Note 17)	**492,125**	503,119
	48,772,056	29,743,195

21. OTHER INCOME

	2019 QR	2018 QR
Compensation from claims (Note (i))	--	60,000,000
Profit from deposits with Islamic banks	330,442	172,149
Miscellaneous income	--	409,183
	330,442	60,581,332

Note (i)
The Group's key project was delayed significantly by its main contractor. The expected completion date of the project was 8 August 2016 and the completion certificate of the project was issued on 26 June 2018.

The Group had assessed the prolongation costs associated with the substantial delay caused by the main contractor throughout the project duration together with the contractual rights for liquidated damages as per the agreement. Accordingly, the Group had appointed an independent assessor to evaluate the validity of claims raised by the main contractor against the Group and the eligibility of the Group for liquidated damages caused by the contract. Further, the Group had obtained advice from its legal counsel on the enforceability of liquidated damages against the main contractor.

During 2018, based on Group's assessment aided by the independent assessor's evaluation and the Group's legal counsel's advice, the Board of Directors had decided to initiate liquidated damages against the main contractor in accordance with the contractual terms of the agreement between Mazaya Qatar Real Estate Development Q.P.S.C. and the main contractor. Accordingly, the Group realized QR 60,000,000 during the year 2018 (100% of the retention money) by executing the retention bond placed with a local bank in the State of Qatar.

22. GENERAL AND ADMINISTRATIVE EXPENSES

	2019 QR	2018 (Restated) QR
Staff costs	12,052,451	13,894,199
Legal and professional expenses	2,985,918	3,456,704
Registration and regulatory fees	1,194,864	965,548
Marketing and advertising	261,265	388,356
Sharia Board fees	90,000	90,000
Business development	39,244	53,172
Other miscellaneous expenses	1,684,191	1,824,202
	18,307,933	20,672,181

23. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributable to shareholders of the parent by the weighted average number of ordinary shares outstanding during the year as follows:

	2019 QR	2018 Restated (ii) QR
Profit attributable to shareholders of the parent	32,502,883	374,173,823
Weighted average number of shares outstanding during the year (i)	1,157,625,000	1,157,625,000
Basic and diluted earnings per share (QR)	0.03	0.32

The weighted average number of shares for the years ended 31 December 2019 and 2018 has been calculated as follows:

	2019 QR	2018 (Restated) QR
Weighted average number of shares at 1 January	**1,157,625,000**	1,157,625,000
Effect of bonus shares issued	**--**	--
Weighted average number of shares at 31 December	**1,157,625,000**	1,157,625,000

There were no potentially diluted shares outstanding at any time during the year and therefore the diluted earnings per share is equal to the basic earnings per share.

(i) As further explained in Note 14 to the consolidated financial statements, the split in share capital, which was implemented in July 2019, has been used retrospectively in the computation of the earnings per share of the Group for the year ended 31 December 2018.
(ii) The earnings per share for the year ended 31 December 2018 reflect the impact of the restatements (refer to Note 32) as follows:

	2018 QR
As previously reported – restated for the impact of the share split	0.01
Impact of adoption of IFRS 16	0.36
Impact of restatement on impairment loss on project in progress	(0.03)
Impact of restatement on net fair value loss on investment properties	(0.02)
As restated	0.32

24. SOCIAL AND SPORTS ACTIVITIES FUND CONTRIBUTION

In accordance with Law No. 13 of 2008, the Group made an appropriation of profit equivalent to 2.5% of the consolidated net profit for the year for the support of sports and social activities.

25. DIVIDENDS

The Board of Directors meeting on 20 March 2019 recommended a dividend of 5% of the share capital equal to QR 0.05 per share totalling to QR 57,881,250 for the year ended 31 December 2018, which was approved by the shareholders during the Annual General Assembly on 16 April 2019.

26. RELATED PARTY BALANCES AND TRANSACTIONS

Related parties represent entities where the Group is one of their founders, major shareholders in the Group, directors and key management personnel 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.

Related party transactions

Transactions with related parties during the year were as follows:

	2019 QR	2018 QR
Finance income	**74,042,931**	36,472,777
Rental income	**26,012,500**	24,670,833
Revenue from property management	**206,013**	3,292,382

Compensation of key management personnel

The remuneration of key management personnel during the year was as follows:

	2019 QR	2018 QR
Salaries and short-term benefits	**4,527,722**	4,599,439
Employees' end of service benefits	**57,100**	115,181
	4,584,822	4,714,620

27. COMMITMENTS AND CONTINGENCIES

Litigations and claims

As of 31 December 2019, the Group was a party to a number of legal cases as defendant or plaintiff. According to the Group's Legal Counsel best estimates, no material liabilities will arise as a result of these cases and accordingly no provisions have been provided against these cases.

28. FINANCIAL INSTRUMENTS

Significant accounting policies

Details of significant policies and methods adopted including the criteria for recognition for the basis of measurement in respect of each class of financial assets and financial liabilities are disclosed in Note 3 to the consolidated financial statements.

Categories of financial instruments

	Financial assets		Financial liabilities		Fair value hierarchy levels			
	FVTPL QR	Amortised cost QR	FVTPL QR	Amortised cost QR	1 QR	2 QR	3 QR	4 QR
31 December 2019								
Islamic bank balances and cash (Note 13)	--	**72,709,532**	--	--	--	--	--	--
Investment securities (Note 9)	**19,638,516**	--	--	--	--	--	**19,638,516**	**19,638,516**
Wakala investments (Note 10)	--	**30,677,197**	--	--	--	--	--	--
Finance lease receivables (Note 11)	--	**1,193,072,077**	--	--	--	--	--	--
Receivables (Note 12)	--	**1,934,957**	--	--	--	--	--	--
Islamic finance facilities (Note 16)	--	--	--	**(793,856,451)**	--	--	--	--
Lease liabilities (Note 17)				**(7,705,851)**				
Payables (Note 19)	--	--	--	**(85,731,918)**	--	--	--	--

	Financial assets		Financial liabilities		Fair value hierarchy levels			
	FVTPL QR	Amortised cost QR	FVTPL QR	Amortised cost QR	1 QR	2 QR	3 QR	4 QR
31 December 2018 (Restated)								
Islamic bank balances and cash (Note 13)	--	25,806,724	--	--	--	--	--	--
Investment securities (Note 9)	19,638,516	--	--	--	--	--	19,638,516	19,638,516
Wakala investments (Note 10)	--	30,677,197	--	--	--	--	--	--
Finance lease receivables (Note 11)	--	1,194,554,144	--	--	--	--	--	--
Receivables (Note 12)	--	2,547,837	--	--	--	--	--	--
Islamic finance facilities (Note 16)	--	--	--	(782,007,755)	--	--	--	--
Lease liabilities (Note 17)				(9,979,427)				
Payables (Note 19)	--	--	--	(18,563,044)	--	--	--	--

(a) Fair value measurements

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Valuation techniques and assumptions applied for the purposes of measuring fair value.

1) Fair value measurements recognised in the consolidated statement of financial position

Investment securities of the Group's financial assets are measured at fair value at the end of the reporting period.

(b) Reconciliation of liabilities arising from financing activities

The below table details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes.

	At 1 January 2019 QR	**Financing cash flows QR**	**Non cash changes QR**	**At 31 December 2019 QR**
Islamic finance liabilities	**(782,007,755)**	**(10,220,730)**	**--**	**(792,228,485)**
Lease liabilities	**(9,979,426)**	**2,765,700**	**(492,125)**	**(7,705,851)**

	At 1 January 2018 (Restated) QR	Financing cash flows QR	Non cash changes QR	At 31 December 2018 (Restated) QR
Islamic finance liabilities	(782,007,755)	(10,220,730)	--	(792,228,485)
Lease liabilities	(11,781,058)	2,765,700	(964,068)	(9,979,426)

29. FINANCIAL RISK MANAGEMENT

Risk management framework

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Board of Directors are responsible for monitoring compliance with the Group's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Group.

The main risks arising from the Groups' financial instruments are market risk, credit risk, real estate risk, profit rate 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 risks, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

i.) Credit risk

Credit risk is the risk of financial losses to the Group if a customer or counterparty to financial instruments fails to meet its contractual obligations, and arises principally from the Group's other financial asset, Wakala investments, accrued income, refundable deposits and Islamic bank balances.

With respect to credit risk arising from the financial assets, 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:

	2019 QR	2018 QR
Finance lease receivable	**1,193,072,077**	1,194,554,144
Wakala investments	**30,677,197**	30,677,197
Islamic bank balances	**72,709,532**	25,786,724
Accrued income	**--**	1,139,069
Refundable deposits	**550,525**	550,525
Trade receivable	**163,716**	148,716
Other receivables	**1,220,716**	709,527
	1,298,393,763	1,253,565,902

Trade receivables and accrued income

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. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and necessary measures are taken to collect timely in accordance with established policies.

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 customer segments with similar loss patterns (i.e., by service type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Group has not accounted for any expected credit losses on trade receivables and accrued income as the amounts are considered to be clearly insignificant.

Islamic bank balances

The Group held Islamic bank balances of QR 73,752,603 at 31 December 2019 (2018: QR 25,786,724). The Islamic bank balances are held with bank and financial institution counterparties, which are highly rated, based on internationally accepted credit ratings.

The tables below detail the credit quality of the Group's financial assets, contract assets and financial guarantee contracts, as well as the Group's maximum exposure to credit risk by credit risk rating grades.

31 December 2019	Note	External credit ratings	Internal credit ratings	12 month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Receivables	12	N/A	i	Lifetime ECL	**3,060,661**	**(1,125,704)**	**1,934,957**
Finance lease receivables	11	N/A	i	Lifetime ECL	**1,193,072,077**	**--**	**1,193,072,077**
Wakala investments	10	N/A	i	Lifetime ECL	**61,354,395**	**(30,677,198)**	**30,677,197**
Islamic bank balances	13	BB	N/A	12-month ECL	**72,709,532**	**--**	**72,709,532**

31 December 2018	Note	External credit ratings	Internal credit ratings	12 month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Receivables	12	N/A	i	Lifetime ECL	3,673,541	(1,125,704)	2,547,837
Finance lease receivables	11	N/A	i	Lifetime ECL	1,194,554,144	--	1,194,554,144
Wakala investments	10	N/A	i	Lifetime ECL	61,354,395	(30,677,198)	30,677,197
Islamic bank balances	13	BB	N/A	12-month ECL	25,806,724	--	25,806,724

(i) For receivables, finance lease receivables and wakala investments, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

ii.) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Groups' 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 Groups' reputation.

The Group limits its liquidity risk by ensuring Islamic bank facilities are available. The Groups' terms of service require amounts to be settled within its specified terms in the contracts and invoices. Trade accounts payable are normally settled within the terms of service from the supplier.

The table below summarises the maturities of the Groups' undiscounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates.

31 December 2019	Less than 3 months QR	3 to 12 months QR	1 to 5 years QR	> 5 years QR	Total QR
Accounts payable	**63,212,719**	**--**	**--**	**--**	**63,212,719**
Lease liabilities	**--**	**2,772,500**	**4,933,350**	**--**	**7,705,850**
Social and sports activities fund contribution	**--**	**8,281,558**	**--**	**--**	**8,281,558**
Islamic finance facilities	**--**	**176,813,148**	**617,043,303**	**--**	**793,856,451**
Dividends payable	**--**	**14,237,641**	**--**	**--**	**14,237,641**
Total	**63,212,719**	**202,104,847**	**621,976,653**	**--**	**887,294,219**

As at 31 December 2018 (Restated)	Less than 3 months QR	3 to 12 months QR	1 to 5 years QR	> 5 years QR	Total QR
Accounts payable	2,029,937	--	-	--	2,029,937
Lease liabilities	--	2,273,577	7,705,849	--	9,979,426
Social and sports activities fund contribution	--	7,468,986	-	--	7,468,986
Islamic finance facilities	--	166,706,005	615,301,750	--	782,007,755
Dividends payable	--	9,064,121	-	--	9,064,121
Total	2,029,937	185,512,689	623,007,599	--	810,550,225

The Group has exposure to liquidity risk as its current liabilities exceeded its current assets by QR 182,072,127 as of 31 December 2019, however, management is in the process of negotiating alternative funding sources to enable the Group to meet its obligations as they fall due.

iii.) Market risk

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

iv.) Currency risk

Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities.

In the opinion of the management, the Group's exposure to currency risk is minimal as the Group does not have any foreign currency denominated balances due to or due from as of the reporting date.

v.) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market profit rates. The Group adopts a policy of ensuring that profit rates on short term deposits and finance cost rate on Islamic financing borrowings exposures are reviewed monthly, and that finance cost rates are not subject to present fluctuations in profit rates. The Group's policy ensures that most of the exposure on profit rates on borrowings are on a fixed basis or are based on Qatar Central Bank rate REPO rates , unless, the variable basis are in favourable terms to the Group.

Further, the Group does not account for any financial assets and liabilities at fair value through profit or loss, and the Group has not entered into derivative instrument agreements, therefore the changes to Islamic bank profit rates at the reporting date would not adversely affect the profit or loss.

At the reporting date the profile of the Group's profit bearing financial instrument was:

	2019 QR	2018 QR
Islamic finance facilities	**793,856,451**	782,007,755

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

	Net effect on profit or loss +25b.p QR
At 31 December 2019	**1,984,641**
At 31 December 2018	1,955,019

The Group has identified the following risks associated with the real estate portfolio:

• The cost of the development schemes may increase if there are delays in the planning process. The Group employs experts in the specific planning requirements in the scheme's location in order to reduce the risks that may arise in the planning process, and utilizes the accumulated experience in contracting for the purpose of reducing development costs as compared to the relevant market.

• A major tenant may become insolvent causing a significant loss of rental income and a reduction in the value of the associated property (refer to credit risk). To reduce this risk, the Group reviews the financial status of all prospective major tenants and decides on the appropriate level of security required via rental deposits or guarantees.

• The exposure of the fair values of the portfolio to market and occupier fundamentals.

vii.) Other risks

Other risks to which the Group is exposed are regulatory risk, legal risk, and reputational risk. Regulatory risk is controlled through a framework of compliance policies and procedures. Legal risk is managed through the effective use of internal and external legal advisers. Reputational risk is controlled through the regular examination of issues that are considered to have reputational repercussions for the Group with guidelines and policies being issued as appropriate.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of unquoted equity investment by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The fair value of fair value of unquoted equity investment held by the Group are as follows:

	Fair value measurement using			
31 December 2019	**Total QR**	**Quoted prices in active markets Level 1 QR**	**Significant observable inputs Level 2 QR**	**Significant unobservable inputs Level 3 QR**
Unquoted equity investment	**19,638,516**	**--**	**--**	**19,638,516**
	19,638,516	**--**	**--**	**19,638,516**

	Fair value measurement using			
31 December 2018	Total QR	Quoted prices in active markets Level 1 QR	Significant observable inputs Level 2 QR	Significant unobservable inputs Level 3 QR
Unquoted equity investment	19,638,516	--	--	19,638,516
	19,638,516	--	--	19,638,516

During the year ended 31 December 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements. There were no movements within Level 3 fair value measurements.

30. SEGMENT INFORMATION

The Group has only one business segment, that is investment and development operations of real estate properties. The Group operates mainly in the State of Qatar and United Arab Emirates in Dubai. In 2019, there have been no material Dubai operations that needs to be considered as reportable segment.

31. CAPITAL RISK MANAGEMENT

Management's policy is to maintain a strong capital base so as to maintain the trust of investors and creditors and to sustain future development of the business. The management monitors the capital, which the Group defines as share capital and retained earnings.

The Group manages its capital structure and makes adjustments to it, in light of changes in business conditions and owners' expectations. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or increase capital. No changes were made in the objectives, policies or processes during the year ended 31 December 2019 and 2018.

The Group's main objectives when managing capital are:

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

Further, the Board seeks to maintain a balance between higher targeted returns that might be possible with higher levels of borrowings, and the advantages and security afforded by the strong capital position of the Group.

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

	2019 **QR**	2018 (Restated) QR
Total liabilities	**910,106,430**	832,908,750
Less: Islamic bank balances and cash	**(72,709,532)**	(25,806,724)
Net debt	**837,396,898**	807,102,026
Total equity	**1,224,558,865**	1,250,774,804
Net debt to equity ratio at 31 December	**68%**	65%

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

The Group's borrowing to fair value of investment properties ratio at the reporting date is as follows:

	2019 **QR**	2018 (Restated) QR
Islamic finance facilities	**793,856,451**	782,007,755
Fair value of investment properties	**744,194,358**	743,064,446
Borrowing to fair value ratio at 31 December	**107%**	105%

32. RESTATEMENT

In accordance with the requirements of IAS 8, "Accounting policies, changes in accounting estimates and errors", the Group has restated its comparative figures to rectify the following items in the prior year's consolidated financial statements as follows:

a) During 2019, management identified certain facts and circumstances which existed at 31 December 2018 but were not taken into consideration in arriving at the fair value estimation of Gloria Hotel. Hence, management has re-estimated the fair value of Gloria Hotel and restated the financial information during 2018.

b) During 2019, management has reconsidered the recoverability of the cost related for the design, consultation and marketing and identified certain facts and circumstances which was not taken into consideration while assessing the recoverability of the project cost in 2018. Hence, management has impaired the cost related for the design, consultation and marketing and restated the financial information during 2018.

c) With reference to Note 2 and Note 11 to the consolidated financial statement, the Group has restated prior year comparatives at 1 January 2018 and 31 December 2018 numbers to reflect the retrospective impact of the initial application of IFRS 16.

	As previously stated QR	Adjustment (a) & (b) QR	IFRS 16 Impact (c) QR	As restated QR
As at 1 January 2018:				
Consolidated statement of financial position				
Other financial assets	1,393,978,264	--	(1,393,978,264)	--
Project in progress	100,338,360	--	792,633,221	892,971,581
Retained earnings/(accumulated losses) (post adoption of IFRS 9)	255,390,107	--	(550,234,218)	(294,844,111)
Legal reserve	66,131,255	--	(51,896,229)	14,235,026
Rights of use of assets	--	--	10,995,655	10,995,655
Lease liabilities	--	--	11,781,058	11,781,058

	As previously stated QR	Adjustment (a) & (b) QR	IFRS 16 Impact (c) QR	As restated QR
As at 31 December 2018:				
Consolidated statement of financial position				
Other financial assets	1,393,978,264	--	(1,393,978,264)	--
Finance lease receivable	--	--	1,194,554,144	1,194,554,144
Investment properties	743,064,446	(20,654,000)	12,569,453	734,979,899
Rights of use of assets	--	--	8,639,443	8,639,443
Project in progress	100,820,410	(35,705,366)	--	65,115,044
Lease liabilities	--	--	(9,979,427)	(9,979,427)
Legal reserve	67,790,994	(5,635,937)	(10,502,649)	51,652,408
Retained earnings	269,912,826	(50,723,429)	(177,692,002)	41,497,395

	As previously stated QR	Adjustment (a) & (b) QR	IFRS 16 Impact (c) QR	As restated QR
For the year ended 31 December 2018:				
Consolidated statement of profit or loss and other comprehensive income				
Net fair value gain/(loss) on investment properties	4,931,000	(20,654,000)	--	(15,723,000)
Impairment (loss) on project in progress	--	(35,705,366)	--	(35,705,366)
Finance income	--	--	36,472,777	36,472,777
Finance (cost)	(45,261,032)	--	15,517,837	(29,743,195)
General and administrative expenses	(22,976,931)	--	2,304,749	(20,672,182)
Amortisation for rights-of-use of assets	--	--	(2,356,212)	(2,356,212)
Gain on derecognition of other financial assets	--	--	361,996,644	361,996,644

	As previously stated QR	Adjustment (a) & (b) QR	IFRS 16 Impact (c) QR	As restated QR
For the year ended 31 December 2018:				
Consolidated statement of cash flow				
Net fair value (gain)/loss on investment properties	(4,931,000)	20,654,000	--	15,723,000
Impairment loss on project in progress	--	35,705,366	--	35,705,366
Finance income	--	--	(36,472,777)	(36,472,777)
Finance costs	45,261,032	--	(15,517,837)	29,743,195
Amortisation for rights-of-use of assets	--	--	2,356,212	2,356,212
Payment of lease liabilities	--	--	(2,304,750)	(2,304,750)
Gain on derecognition of other financial assets	--	--	(361,996,644)	(361,996,644)

Mazaya Real Estate Development Q.P.S.C

CORPORATE GOVERNANCE

FOR THE YEAR **2019**

CONTENTS

BOARD OF DIRECTORS' REPORT

on Internal Controls over Financial Reporting

The Board of Directors of Mazaya Real Estate Development Q.P.S.C. and its consolidated subsidiaries (the "Group") is responsible for establishing and maintaining adequate internal control over financial reporting (ICOFR). The internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Group's consolidated financial statements for external reporting purposes in accordance with International Financial Reporting Standards (IFRS).

The Group is still in process of completing the documentation and testing of the design and implementation of its internal control system as at 31 December 2019, based on the criteria established in the Internal Control - Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO Framework")

The Group's assessment of its internal control system will include:
- A description of the controls in place within the Components of Internal Control as defined by the COSO Framework;
- A description of the scope covering material business processes and entities in the assessment of Internal Control over Financial Reporting;
- An assessment of the design, implementation and operating effectiveness of Internal Control over Financial Reporting; and
- An assessment of the severity of design, implementation and operating effectiveness of control deficiencies, if any noted, and not remediated.

INDEPENDENT ASSURANCE REPORT

To the Shareholders of Mazaya Real Estate Development Q.P.S.C.
(the "Company") and its subsidiaries (referred together as the "Group")
on the Board of Directors' Report on Compliance with the applicable Qatar Financial Markets Authority Laws
and relevant legislations including the Governance Code for Companies & Legal Entities Listed on the Main Market

In accordance with Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority ("QFMA") Board pursuant to Decision No. (5) of 2016, we have carried out:
• a limited assurance engagement over the Board of Directors' Report (the "Report") on compliance of the Group with the applicable QFMA Laws and relevant legislations including the Governance Code for Companies & Legal Entities Listed on the Main Market (the " Code") as at 31 December 2019.

Responsibilities of the directors and those charged with governance
The Board of Directors of the Group is also responsible for preparing the Report that covers, at the minimum, the requirements of Article 4 of the Code.

In Section 2 of the Annual Corporate Governance Report, the Board of Directors provides its Report on compliance with the applicable QFMA Laws and relevant legislations including the Code.

Our Responsibilities
Our responsibilities are to issue a limited assurance conclusion on whether anything has come to our attention that causes us to believe that the Report included in Section 2 of the Company's Annual Corporate Governance Report does not present fairly, in all material respects, the Group's compliance with the QFMA Laws and relevant regulations including the Code.
We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB').

This standard requires that we plan and perform our procedures to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Report, taken as a whole, is not prepared in all material respects in accordance with the Code. The applicable QFMA Laws and relevant legislations including the Code comprises the criteria by which the Group's compliance is to be evaluated for purposes of our limited assurance conclusion.

Independent Assurance Report, to the Shareholders of Mazaya Real Estate Development Q.P.S.C. (the "Company") and its subsidiaries (referred together as the "Group") on the Board of Directors' Report on Compliance with the applicable Qatar Financial Markets Authority Laws and relevant legislations including the Governance Code for Companies & Legal Entities.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We did not perform procedures to identify additional procedures that would have been performed if this were a reasonable assurance engagement.

Our limited assurance procedures comprise mainly of inquiries of management and inspection of supporting policies, procedures, and other documents to obtain an understanding of the processes followed to identify the requirements of the applicable QFMA Laws and relevant legislations including the Code (the 'requirements'); the procedures adopted by management to comply with these requirements; and the methodology adopted by management to assess compliance with these requirements. When deemed necessary, we observed evidences gathered by management to assess compliance with the requirements.

Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

Because of the inherent limitations of certain qualitative criteria in the application of the relevant QFMA Laws and relevant legislations including the Code, many of the procedures followed by entities to adopt governance and legal requirements depend on the personnel applying the procedure, their interpretation of the objective of such procedure, their assessment of whether the compliance procedure was implemented effectively, and in certain cases would not maintain an audit trail.

Our Independence and Quality Control

In carrying out our work, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and the ethical requirements that are relevant in Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the Annual Corporate Governance Report (but does not include the Directors' Report on compliance with applicable QFMA Laws and relevant legislations including the Code presented in Section 2, which we obtained prior to the date of this auditor's report.

Independent Assurance Report, to the Shareholders of Mazaya Real Estate Development Q.P.S.C. (the "Company") and its subsidiaries (referred together as the "Group") on the Board of Directors' Report on Compliance with the applicable Qatar Financial Markets Authority Laws and relevant legislations including the Governance Code for Companies & Legal Entities

Our conclusion on the Directors' Report on compliance with applicable QFMA Laws and relevant legislations including the Code does not cover the other information and we do not, and will not express any form of assurance conclusion thereon.
In connection with the other information, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Report or our knowledge obtained in the engagement, or otherwise appears to be materially misstated.

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

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Conclusions

Based on our limited assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Report included in Section 2 of the Annual Corporate Governance Report on compliance with the applicable QFMA Laws and relevant legislations including the Code, is not, in all material respects, fairly stated as at 31 December 2019.

Other Matter

Without qualifying our opinion, we draw attention to Appendix 1 in the Corporate Governance Report of the Group. The Group is still in the process of documenting its policies, procedures, and related controls related to the compliance with the relevant regulations of QFMA. As such, our opinion in the previous paragraph does not address the Group's compliance with such regulations.

Doha – Qatar
03 February 2020

For Deloitte & Touche
Qatar Branch

Midhat Salha
Partner
License No. 257
QFMA Auditor License No. 120156

Corporate governance system and listed legal entities

Preamble:

Corporate governance is an integral part of Mazaya Real Estate Development Company ("Mazaya") and its business practices. The Corporate Governance of Mazaya aims to achieve the following objectives:

• **Transparency:** Openness in the business and in its operations,

• **Accountability:** It is a shareholder's right to hold the regulatory authority accountable for its performance. This is a right guaranteed by the law and the company's articles of association.

• **Equality:** equality between minor and major investors, both locals and foreigners.

Mazaya real estate development Company Article of Association guarantees this principle in terms of equal rights to nomination, voting, accountability, and access to information.

compliance with the relevant QFMA legislation including the provisions of the corporate governance system and the legal entities listed on the main market ("The Code")

Based on the review of the executive management and the Company's Board of Directors, with the exception of the matters mentioned in Annex A for this report, which the Company is currently completing, Mazaya Real Estate Development has complied with the system requirements as of December 31, 2019.

Corporate Governance Framework

Mazaya is committed to implementing the highest standards of corporate governance in its daily dealings by fully complying with the Corporate Governance laws listed on the Qatar Exchange, which are regulated and supervised by the Financial Markets Authority. Corporate Governance is one of the main pillars upon which Mazaya relies on to establish a culture of transparency and clarity in its commercial and administrative transactions, in order to protect the rights of investors, the rights of other stakeholders and the rights of minority shareholders locally and internationally.

The Governance framework of Mazaya is provided by the Corporate Governance System and the legal entities listed in the main market issued by the Board of Directors of Qatar Financial Market Authority No. (5) of 2016, which was published in the Official Gazette on 15 May 2017, in addition to the applicable laws and other regulations in Qatar and Qatar Exchange.

Mazaya has always been keen to ensure compliance with all relevant laws and regulations, especially with regard to governance and its applications. The company is constantly updating its internal regulations and systems to reflect the directives of updating, modifying or issuing new laws imposed by regulators. Mazaya is committed to implementing the corporate governance system and the legal entities listed in the main market. Accordingly, the Board of Directors of the Company has formed a Corporate Governance Committee and established a Corporate Governance Framework in order to comply with the requirements of Qatar Financial Markets Authority and work towards applying best practices in this field.

The Corporate Governance Committee is formed as follows:

	Name	Designation
1	Sh. Mansoor Khalifa Al Thani	Chairman of the Committee
2	Eng. Hamad Ali Al Hedfa	Member
3	Mr. Said Abu Odeh	Member

Number of current Corporate Governance Committee meetings during the year 2019:

Meeting # / Year	Date
1/2019	19 March 2019
2/2019	21 October 2019

The Corporate Governance Committee reviews the Company's governance code to ensure that the Company complies with the requirements set forth herein. The Committee also informs the Board of Directors of the new developments in governance, makes appropriate recommendations and directly supervises the implementation of these recommendations as well as supervises corporate governance matters, And governance policies.

Mazaya also discloses the compliance in applying the provisions of the Corporate Governance Code in the annual report.

Compliance with Governance Principles

Mazaya's Corporate Governance Committee regularly reviews and updates corporate governance applications and complies with the best corporate governance principles.

During the year 2019, Mazaya has updated the corporate governance system to comply with the latest requirements of the Qatar Financial Market Authority and the corporate governance code, reflecting the best international practices in this regard.

This amendment comes as Mazaya real estate development seeks to modernize its systems to support the achievement of its objectives and principles, to facilitate the procedures and processes followed, and to ensure that the company's operations are performed in more efficient and flexible ways and at the lowest possible cost and time, while ensuring transparency and protect the rights of investors and minor shareholders, and other parties with interest.

Mazaya also reviewed and updated the Article of Association comply with the provisions of the Governance Law issued by the Board of Directors of the Qatar Financial Market Authority No. (5) of 2016 and reconciling their positions during the Extraordinary General Assembly held on 20/5/2019 and the amendments were approved/notarized under No. 23344/2019 dated 03/07/2019.

The Board of Directors of the company was keen to add an article to the articles of association, which confirms the company's commitment to the requirements of governance for Stock split. (Article 13 of the company's Article of Association).

The Governance Committee also discussed Article No. (3), which states "the periodic and regular review of the Board charter and its committees, the policy of related parties, and the insider trading Guidelines policy." at Least annually.

Corporate Governance

The Corporate Governance report is an integral part of the company's annual report and, as such, the Governance report includes Mazaya's disclosure of its commitment to the implementation of the Governance system and all information related to the application of its principles and provisions, as the Board of Directors adopted the general framework of Governance, including policies and procedures set out in the Governance system to ensure compliance with the principles of this system as well as to update the Board's charter which includes the Board's responsibilities. The Board also looked forward to the procedures followed by the company regarding the application of the provisions of this Code, in particular the disclosure of information concerning the members of the Board and its committees, the disclosure of defects in the application of the internal control system and the disclosure of the Company's compliance with the rules and conditions governing disclosure and listing in the market. The Board also looked forward to the disclosure of the procedures for risk management, internal control, the work of the committees, the number of meetings and the disclosure of transactions entered into by the company with any "related party". The Board also stressed on the identification of risks and evaluation of the performance of the board and the company's senior executive management, their competencies, responsibilities and actions during the year, and their rewards.

Disclosures

Mazaya's Corporate Governance system comprises a number of strategic policies، procedures، systems، processes and mechanisms)"Policies"(set by the Board of Directors or its committees that are key to the functioning of the Company. They are subject to periodic reviews whereas amendments are recommended for Board approval to ensure they remain updated and relevant. Adherence to Board approved Policies is monitored by the control functions whereas periodic reports are submitted to the Board regarding any breaches to the Policies for appropriate action. A number of critical Policies are published on the Company's website. The key Policies are as follows:

- Board Charter
- Audit Committee Charter
- Nomination & Remuneration Committee Charter
- Board and Committees Performance Evaluation Framework
- Audit Rotation and Independence Policy
- Disclosure Policy
- Terms of Reference – Secretary of the Board
- Terms of Reference – Chief Executive Officer
- Terms of Reference – Chairman
- Code of ethics
- Remuneration policy
- Related parties policy
- Conflict of interest policy
- Insider trading policy
- Whistle Blowing Policy
- Board Induction and training policy
- Investors relation policy

Board remunerations must be based on the outcome of the Board performance assessment exercise without any kind of discrimination related to race، religion، gender or otherwise; That is presented to the Nominations and Remunerations Committee to recommend rewarding members.

Board remuneration is cash–based only and comprises the annual remunerations of the Board and committees' meetings. The board of directors' remunerations، including annual remunerations and for board and committee meetings، are Submitted to the annual general assembly for approval.

- The Board of Directors monitors compliance with the remuneration policy once a year.
- The Nominations and Remuneration Committee provides a summary of all board members and the Board is preparing to deal with wage issues.
- A specific charter has been established for the Nominations and Rewards Committee that separates the composition of membership، duties and authority.
- Board members receive a fixed annual fee. Board members are not covered by incentive programs
- The basic remuneration of board members is determined to be equal to other companies in the local market. It reflects the required qualifications and contribution to each board member, the size of responsibilities and the number of board meetings
- The remuneration is determined by the Board of Directors to not exceed 10% of net profit after discounting all reserves.
- Retirement is defined by either benefit plans or specific contribution plans.
- The performance of executive management members is assessed once a year based on a written agreement that includes financial performance and non-financial objectives
- These goals reflect the company's "objectives" to create value, both in the short term and in the long term.
- Compensation of committee members: Members of the Board of Directors who participate in the membership of other committees of the Board may benefit from the compensation system in accordance with the decision of the Board of Directors

No violations, breaches or penalties took place in Mazaya within the meaning of the provisions of Article (4)- clause (2) of the QFMA Code or that may impact the financial position of the Company as at 31 December 2019.

The company is in the process of implementing in terms of risk identification, methods of evaluation, and management, comparative analysis of the risk factors faced by the company and discussion of approved systems to address radical or unexpected changes in the market.

The Company discloses its compliance with the rules and conditions governing disclosure and listing through the mechanism mentioned in the Company's policy.

The Company discloses its financial reports at the end of each quarter in accordance with applicable laws and regulations as well as all information about the chairman, members of the board, committees and senior management, including the number of shares owned by the major shareholders who own 5% or more of the capital. The company directly or indirectly on the company's website and in the annual governance report.

In addition, the Board has adopted a disclosure policy relating to disclosure and transparency in accordance with sensitive information to shareholders and the market and to ensure accurate, transparent and timely disclosure, which addresses how to deal with rumors, and the Company discloses the agenda of board meetings, and all decisions of a sensitive nature, including the financial reports of the Qatar Stock Exchange before and after each board meeting. In addition, the company is keen to keep all shareholders informed of all its new activities, services and business by periodically publishing press releases in local newspapers and on the company's website and reporting a copy of it to the market and relevant regulators. During the regular and extraordinary General Assembly meetings, the Company is keen to give shareholders the opportunity to exercise their right to ask any question about the status of the company and its business. The disclosure and transparency policy can be found on the company's website. The Board of Directors discloses the interim or final financial statements after the necessary audits and based on the independent auditor's report and the recommendation of the Audit Committee and senior management that the information disclosed is accurate, correct and not misleading in all fundamental respects. As for other disclosures of any non-financial information, they are subject to the Board's disclosure and transparency policy, which sets specific procedures for reviewing any press information or statements prior to public release and requires the approval of more than one party, including the Department of Compliance and Legal Affairs, in accordance with the circumstances, and the approval of the CEO and/or chairman of the Board of Directors to ensure their accuracy and accuracy. The audited financial reports are distributed to all shareholders in the annual report, which is prepared and distributed to shareholders at the annual General Assembly meeting, and financial statements are published in local newspapers and are permanently available on the company's website and on the Qatar Stock Exchange. The company also discloses the awards of the Board of Directors and senior executive management in the audited annual reports and discloses the work, activities and achievements of the Board of Directors each year in the report of the Board of Directors, which is presented to the Annual General Assembly and the work of senior management is also disclosed by presenting a profile of the company's achievements in the annual report distributed to shareholders in each annual general assembly. In general, the Company performs all disclosures required in applicable laws and regulations either on its website or in the annual report. For more details, please check the company's website.

Meetings and attendance

Member	Board meeting	Governance Committee	Audit Committee	& Nomination Remuneration Committee
	11 Meetings	2 meetings	6 meetings	1 meeting
Mr. Rashid Fahad Al Naimi	9/11	N/A	N/A	N/A
Sh. Hamad Mohamed Al Thani	11/11	N/A	6/6	N/A
Mr. Abdallah Hamad Al Attiya	4/4	N/A	N/A	N/A
Mr. Ibrahim Jaham Al Kuwari	11/11	N/A	N/A	1/1
Eng. Hamad Ali Al Hedfa	4/11	0/2	N/A	N/A
Mr. Said Abu Odeh	11/11	2/2	6/6	N/A
Mr. Abdallah Ali Al Kuwari	1/11	N/A	N/A	N/A
Mr. Yousef Ahmed Al Sadah	8/11	N/A	2/6	N/A
Sh. Mansoor Khalifa Al Thani	4/11	2/2	N/A	1/1

Highlights of actions and decisions

Board of Directors:
- Approval of interim and final financial statements for fiscal year 2019
- Approval of financial plans, strategic directions and liquidity control
- Determining the distribution of dividends and recommending that the General Assembly approve them
- Approval of the company's general budget for 2019
- Nominating the external auditor for the year 2020 and recommending to the General Assembly for approval
- Approval of the restructuring of all the company's debts for 18 years to be implemented in 2020.
- Approval of the appointment of the Director of Communication and Investor Relations
- Review the latest updates on the laws and the instructions of regulatory bodies and take action on them.

Corporate Governance:
- Review policies, regulations and procedures.
- Decision on the delegation of the committees' functions and the duration of their devolution, provided that the responsibilities and duties of the committees are written and clear and that there is a determination of the period of time for that mandate for the purpose of taking responsibility for the committee concerned. The Governance Committee recommended that this item be submitted to the Board of Directors for decision.

Audit Committee
- Review internal audit reports
- Recommendation for restructuring to finance Sidra project
- Re-categorize the comparison figures in the general budget
- Evaluation of al-Bandari's portfolio for the merger.

The application of the internal control system

The company has not encountered any defects in the application of the internal control system in whole or in part or weaknesses in its application, disclosure of emergencies that have affected or may affect the company's financial performance, and the procedures taken by the company in dealing with failures in the application of the internal control system (especially Problems disclosed in the company's annual reports and financial statements.

Also, there have been no emergencies that may affect the company's financial performance, and the company's procedures in addressing failures in the internal control system (particularly the problems disclosed in the company's annual reports and financial statements).

Performance Evaluation

At the board level, the Nominations and Remuneration Committee shall conduct an annual assessment of the board's performance and its committees in accordance with a specific evaluation mechanism that takes into account,

Among other things, attendance and participation in board and committee meetings, the Committee submits its recommendations on this subject to the Board of Directors as a community to take the necessary action to improve and develop performance. In addition, the Chairman of the Board of Directors meets with each member in private to discuss ways to develop the Board and its committees. The results, according to the latest assessment conducted as of December 31, 2019, showed that the procedures and mechanisms in place at the level of the Council and its committees

It works well and there are no serious concerns about this. At the senior management and staff level, a system has been developed to measure the overall performance of the company through a self-assessment of each employee and then submit the report to the Director of Management for review and feedback and then submit all evaluations to the CEO.

Board of Directors

The Board shall abide by the conditions to be met by the board member as stipulated in company's Article of Association and the Corporate Governance Code as follows:

- The Candidate shall not be less than twenty-one years of age and should possess the required knowledge and skills.
- He has not been convicted of a crime in breach of honor or honesty.
- To be a shareholder, owning upon election or within thirty days from the date of election of or a number of shares determined by the Article of Association.
- It is their responsibility to ensure the company's performance and strategic activities, supervising the management of the company in an appropriate manner and ensure maximization of the shareholders wealth and rights as specified in the approved Charter of the Board of Directors, and in accordance with articles (37) and (43) of the company's Article of Association.
- The Board of Directors shall, during its meetings and the meetings of its committees, oversee the work of the Executive Management, consider the reports submitted and discuss the topics for appropriate decision-making.

Board Composition

Article (28) of the company's Article of Association states the mechanism of forming the Board of Directors, which stipulates at least one third of the Board Members should be independent members and the majority should be non-executives. The current situation indicates that independent members reach up to 44.44% and non-executives reach up to 77.77%. The company's Article of Association also states the possibility of granting one or more seats of the board to represent the minority, another to represent the employees of the company and the company did not allocate any of these seats. The Article also states that one or more members should not have control over the issuance of the decisions.

The members of the Board of Directors shall be elected for a period of three (3) years, However the first appointed Board of Directors shall remain in duty for a period of five years. A member of the Board of Directors may be re-elected more than once, unless the member lacks one of the conditions stipulated in Article (97) of the Commercial Companies Law and Article (29) of this Code. A Member may withdraw from the Board provided that it is in a timely manner or otherwise will be held responsible by the company.

Subject to the provisions of Articles (107, 108, 109, 110 and 111) from the Commercial Companies Law, the Board of Directors shall have the ultimate necessary power to carry-out the work required for the purpose of the Company and shall within the limits of his proficiency, delegate one of the members to perform one or more specific tasks or supervise the company's activity. The Chairman, Vice chairman and the member or the delegated members are the authorized signatories on behalf of the company together or Individually, in accordance with the decision issued by the board of directors in this regard. The Board of Directors may appoint one or more managers in the Company and shall also be entitled to sign on behalf of the Company individually or together.

Without disruption to the powers of the General Assembly, the Board of Directors may authorize to form one or more committees to carry out some of their functions or other tasks, provided that the decision of forming will include the nature of tasks, The ultimate responsibility and decision making of the Company remains with the Board, even if formed committees or authorized other parties perform some of their functions. And the Board shall avoid the issuance of general or indefinite mandates. The recent Board of Directors was elected on 12 April 2017 in accordance with the transparency criteria adopted by the company and the implementation of the principle of justice and equality among all candidates. Whereby the Nomination Committee announced the opening of the nomination for membership for the new Board of Directors from 20 March 2017 till 30 March 2017. A total of 13 candidates applied for nomination while the committee confirmed their compliance with all the required legal conditions and adopted their nomination papers. The names of the candidates were announced on the company's website, and informed the Ministry of Economy and Commerce, Qatar Financial Markets Authority and Qatar Exchange have also announced the list of candidates.

Mazaya held the General Assembly meeting on 12 April 2017, in which the shareholders voted in secret ballot in the election fund in the presence of the representatives from the Ministry of Economy and Trade, the external auditor, the decision of the meeting and the vote collector. After the voting process, the voting cards were sorted and checked, and the votes of the candidates were recorded in accordance with the provisions of Article 96 of the Commercial Companies Law No. 11 of 2015, which states that " each share shall have one vote given by the shareholder to whomever he chooses from the nominees. A shareholder may divide his voting shares between more than one nominee. A share may not vote for more than one nominee, and resulted in the election of the following members listed below:

Name	Designation
Mr. Rashid Fahad Al Naimi	Chairman of the Board
Sh. Hamad Mohamed Al Thani	Vice President
Mr. Abdallah Hamad Al Attiya	Board Member
Mr. Ibrahim Jaham Al Kuwari	Board Member and Managing Director
Eng. Hamad Ali Al Hedfa	Board Member and CEO
Mr. Said Abu Odeh	Board Member
Mr. Abdallah Ali Al Kuwari	Board Member
Mr. Yousef Ahmed Al Sadah	Board Member
Sh. Mansoor Khalifa Al Thani	Board Member

On April 17, 2017 the Board of directs held a meeting where the Board elected Mr. Rashid Fahad Al Naimi as Chairman of the Board and another meeting held on October 24, 2018 where elected Sh. Hamad Al Thani as a vice Chairman.

Brief Details about the Board of Directors and Chief Executive Officer

1. Mr. Rashid Fahad Al Naimi – Chairman of the Board

Educational Qualifications:

- Bachelor of Science in Economics from Indiana State university, USA
- Master's Degree in Business Administration from Oxford University in United Kingdom.

Current Positions:

- Chief Executive officer of Investments at Qatar Foundation for education, Science and Community Development.
- Managing Director of Vodafone Qatar.
- Holds executive positions in several companies including Meeza, in addition to several local and international companies.

2. Sh. Hamad Mohamad Al Thani –Vice President

Educational Qualifications:

- Bachelor of Arts in Business Management from Heriot Watt University

Current Positions:

- Vice President of Investment Qatar Insurance Company
- Board Member of Al Jazeera Finance
- Managing Director of Epicure Investment Management

3. Mr. Abdullah bin Hamad Al Attiyah – Board Member

Educational Qualifications:

- MSc in Chemical Engineering from the University of Nottingham, United Kingdom
- Bachelor's degree in mechanical engineering from Cardiff University, United Kingdom.

Previous Positions:

- Acting Program Management Office Executive Director at the Supreme Committee for Delivery and Legacy.
- Director of the Technical Office at Public Works Authority "Ashghal"
- Assistant President - Public Works Authority "Ashghal"
- Acting Chief Executive Officer - Qatar Primary Materials Company

Current Positions:

- Vice Chairman - Qatar Primary Materials Company
- Board Member - Qatari Diar Real Estate Investment Company
- Chief Executive Officer - Qatari Diar Real Estate Investment Company

4. Mr. Ibrahim Jaham Al Kuwari – Board Member & Managing Director

Educational Qualifications:

- Bachelor of Science in Industrial & System Engineering from University of Southern California, USA
- Professional certificates in various fields and sectors locally and internationally

Current Positions:

- Board Member and CEO of Qatar Solar Technologies

5. Eng. Hamad Ali Al Hedfa – Board Member and Chief Executive Officer

Educational Qualifications:

- Bachelor's Degree in engineering with Hons. from Texas A&M University, USA
- Advance Diploma in Project Management
- Holds Hons. degrees and certificates from All-American Scholars
- Holds various professional/vocational certificates across many sectors

Current Positions:

- Chief Executive Officer of Mazaya Real Estate Development Company
- Board Member of Nishan Investments and Real Estate Development

6. Said Adnan Abu Odeh – Board Member

Educational Qualifications:

- Advanced Management Program, Harvard Business School Boston, Massachusetts, USA
- Master's in engineering administration, George Washington University, Washington D.C, USA
- Bachelor's Degree in engineering, Purdue University West Lafayette Indiana, USA

Current Positions:

- Chief Operating & Business Development Officer, Qatar Investment & Projects Development Holding Company (QIPCO Holding),
- Board Member of Future Pipe Industries
- Director of BlackCat Construction & Engineering Company EPIC Company
- Director of special Projects Services Company
- Director of Specialty Nutrition Company
- General Manager of Tornado Company

7. Mr. Abdallah Ali Al Kuwari – Board Member

Educational Qualifications:

- Bachelor's Degree in architectural engineering

Current Positions:

- Chief Executive Officer of Qatar Real Estate investment Company

8. Mr. Yousef Ahmed Al Sada – Board Member

Educational Qualifications:

- Bachelor of Science from Qatar University

Current Positions:

- Head of Office for the Dean of Science Faculty - Qatar University
- Director of Financial and Administrative Affairs, Faculty of Arts and Sciences - Qatar University
- Director of Department of University Housing - Qatar University
- Advisor to the Vice President - Qatar University
- Executive Director - Dar Al Baraka Trading & Contracting

9. Sh. Mansoor Khalifa Al Thani – Board Member

Current Positions:

- Chairman of Mansour Bin Khalifa Holding Company
- Chairman of Qatar Aviation Company
- Chairman of Al Wajba Information Security
- Chairman of Intelist
- Chairman of the Information Experts Group
- Chairman of the Board of the Ruling Family Council Affairs

Prohibition of Combining positions

With the exception of the above, regarding positions held by members of the Board of Directors, the company ensures the provisions of the law in prohibiting the combining of positions, where no member of the Board of Directors serves as Chairman or Vice-Chairman of more than two companies which their headquarters located in the State, and not a board member in more than three companies which their headquarters located in the State, and not to be a managing director of more than one company whose main office is in the State and not to combine membership of the boards of directors of two companies that practice a homogeneous activity.

Mr. Abdullah Hamad Al Attiyah is currently a member of the Board of Directors of Mazaya (listed real estate company) as a representative of M/s Qatar Investment Authority as well as a member of the Board of Directors of Barwa Real Estate (listed real estate company) as a representative of Qatari Diar, which should be mentioned and disclosed.
The Chairman and members of the Board shall submit an annual declaration to be kept by the Secretary in the portfolio prepared for that purpose, in which each of them shall agree not to combine the positions which are prohibited to be combined in accordance with the law and the provisions of this Law.
And a number of the members of the council have signed a written declaration declaring that he will not assume any position that prohibits it legally from being combined with membership of the council. The company is currently obtaining the remaining declarations.

The Board of Directors also confirms the prohibition of combining the chairing of the Board and any executive position in the Company, where the Chairman of the Board does not act as a member of any of the Committees of the Council. Therefore, the board of directors of Mazaya is prohibited from combining the chairing of the Board and any executive position in the company. Moreover, the position of the Chairman of the Board was separated from the position of CEO were Mr. Rashid Fahad Al Nuaimi is the Chairman and Mr. Hamad Ali Chief Executive Officer.

Key Functions and tasks of the Board

The Board functions within written Terms of References ("TORs") developed and approved by the Board and reviewed by an independent consultant to ensure that they are compliant with the applicable laws, regulations, the company's Articles of Association and best practices. The Board TORs describe the composition and selection of the Board members and Chairman, the organization of the meetings, the training of the Board and Board Committees, the remuneration, and the responsibilities and functions of the Board. They equally comprise a broad description of matters required to be considered by the Board, including, but not limited to, setting-up strategies, defining risk levels, developing policies as well as matters that constitute events of conflict of interest and disqualifications for the Board. The Board TORs are available and accessible on Mazaya website.

Responsibilities of the Board

The Board of Directors is responsible for the governance of the Company. Accordingly, the Board of Directors of the Company has developed a generframework for corporate governance, in order to comply with the requirements of the Qatar Financial Market Authority and to work towards applying best practice in this area.

The Board of Directors is responsible for managing the company. In accordance with Article (36) and Article (28) from the Articles of Association of the Company, the Board shall, during its meetings and the meeting of its committees, supervise the work of the senior management and consider the reports presented to it and discuss the issues to be taken for appropriate decisions therein. The Board has also set up a Remuneration committee to determine the rewards of the Management and their performance and to ensure the planning / succession of the company's management.

The Board's Charter sets out its responsibility to ensure compliance with the Governance code. The Board takes into consideration, for example, the approval of the Company's strategic objectives, appointment and replacement of Directors, remuneration, management performance review, etc. All these committees operate in accordance with their own written charters that have been approved by the Board. All reports shall be submitted to the Board for discussion and decision-making. In accordance with the Articles of Association of the Company, the Board may delegate some of its powers to the sub committees derived from it as follows:

- The Audit Committee
- Committee on Governance
- Remuneration Committee
- Nomination Committee

The Company has adopted a policy of dealing with related parties which includes:

- Policy governing and regulating business transactions with related parties, potential conflicts of interest, with reference to the definition of related parties in the Qatar Financial Market Authority Law.
- Disclosure of interests by board members and senior management, if any, to facilitate monitoring of conflicts of interest.

Duties of the Board Chairman

The Chairman of the Board of Directors shall lead the Board to formulate, establish and achieve the vision, mission and objectives of the Company as well as to develop the overall strategy of the Executive Management, which emphasizes the maintenance of the company's position morally and materially and be the primary responsible for achieving the interest of the company and partners through providing long-term profits for the shareholders.

The Chairman is also responsible for engaging and exchanging information with Board members in all transparency and clarity in a timely manner and ensuring effective communication between the company and its shareholders. He also urged the active participation of non-executive members and ensuring constructive relationships between executive and non-executive members. The Chairman also discusses in detail the strategies, annual general budget, and review of operational plans. The Chairman also plays an active leadership role, working closely with the CEO and reviewing the agendas and programs of the meetings of each committee with its chairman.

In the absence of the Chairman, the Vice-Chairman shall be acting on his behalf, and the Chairman may delegate other members of the Council to some of his powers.

Duties of non-executive board members

The Non-Executive Board Members use, exploit and employ their diverse expertise and make them available to the Chairman of the Board and the remaining members and committees through periodic meetings, which reflect positively on the company's productivity and profitability, benefiting the company and the shareholder.

The non-executive board members are keen to develop proposals related to the company's overall strategy and its development. They also monitor the operation of the company and supervise the performance of the executive management in achieving the company's objectives

Board members Performance evaluation

The Nomination and Remuneration Committee shall monitor the performance of the members of the Board of Directors. Therefore, the Committee shall ensure that the members of the Board of Directors fulfill their duties and responsibilities in full, on an annual basis in line with the methodology adopted by the Board of Directors. Board members undertake self-assessment and peer review, which is reviewed by the Nominations and Remuneration Committee.

The results of this assessment are presented to the Board of Directors. This assessment helps to provide better performance to the Board members during the term of office.

The Governance Committee also made sure that it was necessary to disclose the evaluation of the board's performance and the extent to which its members are committed to the interests of the company, to carry out the work of the committees, to attend board meetings and committees, and to disclose the evaluation of the performance of senior executive management on the application of internal control and risk management, including the determination of the number of grievances, complaints, proposals, communications, and the way in which the Board handled regulatory issues.

The Governance Committee recommended that violations should be disclosed, i.e. that there must be a mechanism for reporting any grievances, complaints, proposals, or communications periodically or at least once a year and the manner in which they are addressed, whether at the employee level or at the company level as a whole. Furthermore, it was noted that there was no grievance or complaints at the employee level or at the company level as a whole.

The board members assessed the annual performance and the evaluation was submitted to the Nominations Committee to be submitted to the Board of Directors in the first year of 2020 before the General Assembly, all of which were satisfactory

Compliance of the Board of Directs and Invitation for meeting

The Board of Directors of the Company shall meet at the invitation of its Chairman, on a regular and effective basis and whenever necessary, in accordance with the provisions of Article (35) of the Articles of Association of the Company. Where the board of directors met 11 times in 2019.

The Board has complied with the governance requirement in Article 14, which states that "it may not last three months without a board meeting", except for meeting 6 and 7, and the company has not been able to abide by the time period between them. All members of the Board of Directors are presence in regular basis during the meetings except for some cases beyond their control. Members also employ their expertise and qualifications for the Board and its committees through attendance and active participation.

The decisions of the Board of Directors are issued based on the majority of the votes of the present members and the representatives. When the votes are equal, the president's side is likely to follow and the member who has not approved any decision taken by the Board shall have the right to prove his objection in the minutes of the meeting. In case of necessity and for reasons of urgency, some resolutions are passed and taken through circulation and will be presented at the next Board meeting and will be included in the minutes of the meeting.

Number of current Board meetings during the year 2019 and the number of members attending each meeting

Meeting # / Year	Date
1/2019	7 January 2019
2/2019	17 January 2019
3/2019	10 March 2019
4/2019	20 March 2019
5/2019	27 March 2019
6/2019	24 April 2019
7/2019	7 August 2019
8/2019	20 August 2019
9/2019	23 October 2019
10/2019	18 November 2019
11/2019	15 December 2019

Secretary of the Board

Mazaya is committed to appoint a secretary to the Board of Directors. Mr. Mohamed Mansour was appointed as Secretary of the Board by a decision of the Board of Directors on 29 October 2014. The Secretary of the Board has professional experience in addition to a university qualification that qualifies him for this position. The company has adopted the Term of Reference (TOR) for the secretary of the board, which determines the course of his work and includes but is not limited to:
The Secretary is responsible for:

- Preparations of the Board's meetings and;
- Send notices and inform stakeholders about the timeline for the board's meetings and provide them with copies of the Board's meetings topic papers.
- Create the board's meeting minutes and reports and develop any special decision's projects.
- Ensure accurate and full minutes of meetings are taken and approved. Requirements of minutes should include at a minimum:

a. Date, time, location of meeting;
b. List of those present and absent;
c. List of items discussed;
d. List of reports presented;
e. Text of motions presented and description of their disposition.

The Secretary of the Board of Directors shall contact all members of the Board directly and assist them and respond to any queries that may arise. The Secretary of the Board of Directors has met all the members of the Board (apart from the Board meetings) more than once during the year.

Committees of the Board

The Board of Directors formed its committees as set out in the Governance Code for Companies and Legal Entities Listed on the main market at its meeting on 16 February 2019.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of Mazaya consists of three members. It is their responsibility to establish transparent procedures in several functions, including:

- Supervising the evaluation of the board and senior management
- Conducting an annual self-evaluation for the performance of the Board of Directors
- Determination of bonuses in the company in general, and in particular the senior executive management.
- Determine the remuneration for the Chairman and members of the Board of Directors and raise its recommendation to the General Assembly

Within a framework in-line with the guidelines set out by the Board of Directors.

Nominations and Remuneration Committee is formed as follows:

	Name	Designation
1	Mr. Ibrahim Jaham Al Kuwari	Chairman
2	Sh. Mansoor Khalifa Al Thani	Member
3	Mr. Abdallah Hamad Al Attiya	Member

Number of current Corporate Governance Committee meetings during the year 2019

Meeting # / Year	Date
1/2019	19 March 2019

Committees of the Board

The Board of Directors has delegated part of its powers to a number of committees: The Audit Committee, the Governance Committee, Nominations and Remuneration Committee.

Audit Committee

The Board of Directors formed an audit committee to review and monitor the integrity of data and financial reports, internal control systems, macro risk control and hedging systems

As well as the financial control system and the accounting and financial practices of the company and take over all matters related to the external auditor and internal audit.

It is composed of three independent members, all members of the Committee are non-executive and are chaired by Sheikh Hamad al-Thani and the Committee is comprised of Mr. Saeed Abu Odeh and Mr. Yusuf Al-Sada, who have the necessary financial expertise and auditing.

The Committee has met six times over the past year, with appropriate decisions being taken in matters that have been scrutinized, including but not limited to quarterly and annual reports.

The Committee operates in accordance with its own charter, which is approved by the Board of Directors that clearly defines its responsibilities and functions, and written minutes are recorded in all its meetings and decisions and kept in the company's records. The Audit Committee's charter can be found on the company's website. Through its regular meetings in 2019, the Committee considered the internal control system and the risks associated with senior management, and the Committee is constantly considering any issues relating to internal control symbiosis controls and associated risks and taking the necessary measures to strengthen or correct any defects in them, The Committee for The Supervision of Financial, Accounting and Internal Security monitors on a regular basis. The internal check provides direct reports to the Commission of The Check on the Independence of these internal controls. The Committee also recommends to the Council for adoption at the annual general assembly meeting and to manage them.

The audit committee covers different areas of the company's operations. The Internal Auditor has at all times access to all accounts, books, records, systems, property and individuals in order to fulfil their audit responsibilities.

The Audit Committee is formed as follows:

	Name	Designation	Member independence
1	Sh. Hamad Mohamad Al Thani	Chairman	Independent
2	Mr. Said Adnan Abu Odeh	Member	Independent
3	Mr. Yousef Ahmed Al Sada	Member	Independent

Number of meetings of the Audit Committee during the year 2019 and number of members attending each meeting

Meeting # / Year	Date
1/2019	18 March 2019
2/2019	19 March 2019
3/2019	23 April 2019
4/2019	28 July 2019
5/2019	23 October 2019
6/2019	16 December 2019

The Company's Control System

Internal Audit

The company has an internal audit department with experience and competence in financial auditing, performance appraisal and risk management, which is fully independent. The Internal Audit Department assists the Company in finding the best ways to complete its business, in addition to its role in verifying adherence to policies and procedures. The audit also focuses on the effectiveness of the work systems, internal control and identification of weaknesses and submits its reports and recommendations directly to the Audit Committee to take required action to reduce or avoid risk. It also provides suggestions for correcting any defect and to assist the executive management in improving risk management tools.

Mazaya had appointed an independent external consulting firm for the purpose of designing an internal control Over Financial Reporting (ICFR), and that the company is in the process of implementing this approach in 2020 and evaluating internal control over financial statements.

Risk Management

The Board of Directors is fully responsible for the management of the Company and to enhance risk assessment practices in the Company, the risk process and implementation steps have been identified by documenting the systems, policies and procedures relating to those risks and ensuring that a comprehensive risk assessment, including identification and implementation of risk limits, The Board retains the responsibility for monitoring and controlling risks, with the support of the Audit Committee and the Board of Directors. The company also takes into account the requirements of the corporate governance system and the legal entities listed in the main market to establish an independent risk assessment and risk management unit. The Company will establish an administrative committee to carry out these tasks and report to the Audit Committee.

External Audit

External Auditor

The Company has complied with the criteria for the appointment of the External Auditor. During the Ordinary General Assembly Meeting of the Company, that was held on 16 April 2019, which approved the appointment of M/s. Deloitte & Touche Audit firm for the year 2019.

The Company has also updated the audit requirements to comply with Article (24) of the Governance Code for Companies and Legal Entities listed in the Main Market in line with the requirements of the Governance Code for Companies and Legal Entities listed in the Main Market.

Functions and Responsibilities of the External Auditor

The Company's External Auditor M/s Deloitte and Touche presented their report to the General Assembly, and read it, which explained the company's compliance with its Article of Association, the provisions of the law and the relevant legislation of the Authority, and its commitment to apply the best international auditing and financial reporting systems and their compliance with international accounting and auditing standards. Their report was discussed at the Ordinary General Assembly by the shareholders, clarifying the issues contained therein, responding to all inquiries, and indicating the extent of the company's cooperation in enabling them to access the information necessary to complete their work.

Disclosure

Mazaya Real Estate Development Company is committed to the implementation of all disclosure requirements and the publication of financial reports according to the laws, regulations and procedures. These information's are also being published on the company's website. The company also complies with transparency standards as stipulated in the Governance Code for Companies and Legal Entities listed in the Main Market. The following are tables showing the number of shares owned by the Chairman and members of the Board, the Senior Executive Management, and the major shareholders or controlling shareholders.

Furthermore, the Board of Directors has adopted a Disclosure and Transparency Policy that complies with the Qatar Stock Exchange ("QSE") rules and ensures disclosure of sensitive information to the market in a timely, accurate and transparent manner. The policy also sets the framework for dealing with rumors. Mazaya discloses the agenda of its Board meetings and all resolutions of a sensitive nature to the QSE before and after each Board meeting. In addition, Mazaya keeps its shareholders informed of all new products and business through periodic press releases published in the local newspapers and on the website of the company and notifies QSE and relevant regulators of the same beforehand. During General Meetings, the shareholders enjoy their rights to ask any questions about the company's position and business. The Disclosure and Transparency Policy is available and accessible on the company's website

Number of shares owned by the member of the board of director in their personal capacity and as representatives of legal persons until 31 December 2019

Board Member	No. of Shares Owned			Total Shares	% ownership	Independency	Executive/ Non-Executive
	Company	Personal	subsidiaries				
Mr. Rashid Fahad Al Naimi	245,253,840	-	-	245,253,840	21.19%	Non-Independent	Non-Executive
Mr. Abdullah bin Hamad Al Attiyah		-	-			Non-Independent	Non-Executive
Mr. Said Adnan Abu Obeh	1,653,750	-	-	1,653,750	%0.14	Independent	Non-Executive
Eng. Hamad Ali Al Hedfa	N/A	500,000	N/A	500,000	0.04319%	Non-Independent	Executive
Mr. Abdallah Ali Al Kuwari	15,467,040	-	46,305,000	61,772,040	5.34%	Non-Independent	Non-Executive
Mr. Yousef Ahmed Al Sada	N/A	4,000,000	6,000,000	10,000,000	0.86%	Independent	Non-Executive
Sh. Mansoor Khalifa Al Thani	N/A	-	N/A	-	-	Independent	Non-Executive
Sh. Hamad Mohamed Al Thani	N/A	525,810	N/A	525,810	0.0454%	Independent	Non-Executive
Mr. Ibrahim Jaham Al Kuwari	N/A	525,000	N/A	525,000	0.0454%	Non-Independent	Executive

Based on the above, the Board of Directors includes the majority of non-executive members and includes four independent members.

Number of shares owned by the Executive Management until 31 December 2019

	Name of Executive/Senior Managers	Designation	No. of Shares Owned
1	Ibrahim Jaham Al Kuwari	Managing Director	525,000
2	Hamad Ali Al Hedfa	Chief Executive officer	500,000
3	Joseph Al Hamod	Senior Manager – Finance & Admin	-

Number of shares owned by major shareholders or controlling shareholders until 31 December 2019

	Major shareholders or controlling shareholders	No. of Shares Owned	No. of Shares Owned
1	Qatar Investment Authority	245,253,840	21.19%
2	Sh. Mohamad Khalid Hamad Abdallah Al Thani*	98,245,131	8.4868%
3	Qatar Real Estate Investment Company*	61,772,040	5.3361%

*Direct and indirect ownership

Senior Management remuneration

Senior management remuneration is disclosed in note (22) from the Company financial statements.

Transactions with related parties

The Company is complying with the disclose of transactions with related parties as described in Note (22) in the Company's financial statements.

Dispute or litigation

The main contractor of one of the company's core projects filed a lawsuit claiming an amount of QR 212 million plus QR 10 million in compensation.

The company also filed a sub-lawsuit and obliged the main contractor and demanded an amount of QR 225 million because of the contractor's delay in the delivery of the project and the damage to the company, and the case is still pending in the Court of First Instance.

One of the contractors also filed a lawsuit against the company demanding 250,000 QR and no final judgment was issued, and the case is still pending in the Court of First Instance.

Conflict of interest and transparency

Mazaya is committed to disclosing transactions concluded by the Company with any related party. In the event of any conflict of interest or commercial dealings with any of the related parties, such transactions will happen only after presenting to shareholders during the General Assembly meeting and the approval on them in the General Assembly Meeting and the application of the principles of transparency and disclosure, in accordance with the laws and procedures.

Mazaya successfully complet¬ed the development and adoption of in¬ternal policies and procedures necessary to comply with this article by completing the following:

Adoption of the company's governance framework containing the rules of profes¬sional code of conduct that reflects the company's values and policies and other internal procedures so that the Board members and staff of the com¬pany and its advisors adhere to. The internal policies and procedures include the following:

- Code of professional conduct
- Related Parties Charter
- Insider Trading Guidelines Policy
- Whistle Blowing Policy

Mazaya is committed that neither the Chairman or the Members of the Board of Directors must not have any interest whether directly or indirectly in the contracts, projects and undertakings that Mazaya Real Estate Development has committed to implement. In the event of any matter of conflict of interest or any commercial transaction between the Company and a member of its Board of Directors or any related party of the Board of Directors of Mazaya Real Estate Development Company during the Board meeting, the matter is discussed in the absence of the concerned member who is never entitled to participate in voting on the transaction, and in which transaction is carried out according to market prices and on a purely commercial basis, and does not include conditions that violate the company's interest.

For reasons of transparency, all ownership of the members of the Board of Directors are listed in this report. Before the date of the Assembly, the Board is required to make available to the shareholders a detailed description of transactions and to disclose them in the financial reports.

The stakeholders' Rights

Shareholders equality in Rights

The company is committed to the standards stipulated in the corporate governance code and the legal entities listed in the main market for the rights of stakeholders and the equality of shareholders where each shareholder is entitled to attend meetings of the General Assembly, and has a number of votes equivalent to the number of shares, and decisions are issued by an absolute majority of the shares represented at the meeting. Minors and detainees shall be represented by a legal representative

The power of attorney may be exercised in the presence of the General Assembly meetings provided that the agent is a shareholder and that the power of attorney is private and fixed in writing. The shareholder may not delegate any of the members of the board of directors to attend meetings of the General Assembly on his behalf. In all cases, the number of shares held by the representative should not exceed (5%) of the Company shares. Except for judicial persons, a shareholder may not have more than 25% of the votes cast for the shares represented at the meeting.

Each shareholder shall have the right to discuss the matters on the agenda of the General Assembly and to ask questions to the members of the Board of Directors. Members of the Board shall answer the questions to the extent that they do not jeopardize the Company's interest.

The shareholder may refer to the General Assembly if he finds that the answer to his question is insufficient and the General Assembly resolution shall be enforceable.

Any provision of the Company's Articles of Association shall be superseded otherwise.

Shareholders' Rights Related to General Assembly and their Participation

Subject to the provisions of Articles (124) and (125) of the Commercial Companies Law No. 11 of 2005, Mazaya Real Estate Development Company is committed to hold the General Assembly at least once a year at the invitation of the Board of Directors and at the time and place determined by the Board after the approval of the Companies Control Department. The meeting must be held within the first four months following the end of the financial year of the company. The Board of Directors, shareholders or shareholders holding at least 10% of the Company's capital shall have the right to call for the General Assembly whenever the need arises.

When a number of shareholders representing at least 10% of the company's capital request to include matters on the agenda, the Board of Directors must include them. Otherwise, the Assembly may decide to discuss these matters at the meeting.

Dividends distributions and the rights of minority shareholders

The Company is committed to distribute a percentage of shareholders' net profits after deducting the statutory reserve and voluntary reserve. The shareholder shall be entitled to his share of the profits in accordance with the system and controls in force of the Authority and the financial market in which the shares are listed.

And the right to receive profits which the General Assembly decides to distribute, whether cash or shares, to registered shareholders at the depository at the end of the trading day of the General Assembly.

The Company is committed not to prejudice the rights of the shareholders in general and the minority in particular, if the company enters into significant transactions that may harm their interests or prejudice the ownership of the company's capital, provided that the company is committed to disclose its capital structure and any agreement it makes, and the shareholders that owns (5%) or more of the company's shares either directly or indirectly.

Shareholders' Rights Related to Board Members Elections

The company also allocates on its website to inform shareholders a special section (called Investors relations), documents and information about the company, including corporate governance report, the Charter of the Board of Directors, the conflict of interest policy, the guidelines and the policy of insider trading Guidelines policy, Related parties policy, Nomination and Remuneration Committee Charter, wages policy, Audit Committee Charter, Audit Rotation and Independence Policy, Codes of ethics, Code of Professional Conduct, Disclosure Policy, investor relations policy, information about the candidates to the membership of the Board of Directors before the election, including a description of the professional and technical candidates skills and experience and other qualifications, and the Companies Supervision Department in the Ministry of Economy & Commerce and Qatar Financial markets Authority has the right to see these data and get a copy. The company also has to have staff to answer shareholder's questions that is provided on the company's site his address and how to contact him.

Shareholders' Right Regarding to major Transactions

In compliance with the provisions of the law in this regard, the Board of Directors is committed to the principles of the system of governance and to the disclosure of transactions and major transactions concluded by the company. The current Article of Association does not contain a specific mechanism for protecting shareholders' equity when major deals are made, and the company will comply with the requirements of the corporate governance code and the legal entities listed in the main market.

The Stakeholders' Rights (Non-Shareholders)

The Company shall be committed to preserving and respecting the rights of the stakeholders. Any interested party in the Company, whether shareholder or non-shareholder, may request the information relevant to his interest, accompanied by a request to prove his identity. The Company shall provide the required information in a timely manner and to the extent that it does not threaten the interests of others or harms their interests.

The Community's Right

As a part of the Qatari community, Mazaya is working hard to consolidate this concept by actively participating in all events, community events, national events and initiative in all that serves the country, the citizen and the resident. As part of its efforts to support national products, Mazaya Real Estate Development Company has made recommendations and instructions by the executive management of the company.

The Board of Directors of the company recommended urging the preservation of the environment in all forms, especially cleanliness. In this context, the company has introduced a method of garbage collection, which in one of its projects is devoted to the separation of containers to avoid mixing of waste. The phenomenon of waste has become one of the most polluting problems of the environment. Waste recycling mainly contributes to reducing pollution, by reducing the accumulation of waste, which contributes significantly to environmental pollution, and waste recycling plays an important role in reducing economic expenses.

Appendix A

Mazaya Real Estate Development Corporate Governance Report for the year 2019

• The company is in the process of documenting the governance code as required under Article 8 - Section 3.

• The Board of Directors is currently reviewing and updating the "internal policies and charters", as a number of these policies and charters have been prepared and approved in previous years.

• The Company has disclosed the responsibility of the Board of Directors for risk management, but the Company is in the process of preparing a comprehensive risk management framework approved by the Board of Directors as required by Article 4 - Section 4 of the Code.

• The Company is in the process of preparing written procedures documenting the company's verification of candidates for board membership as required under Article 5 - Section 2 of the code.

• The Company is in the process of preparing a manual that has the implementation of the company's strategy and objectives and will be presented to the Board for approval, and is in the process of naming a liaison officer as required under Article 8 - Section 1.6 of the code.

• The Company is in the process of documenting the annual review by the Board of Directors of the effectiveness of the company's internal control systems as required by Article 8 - Section 2.5 of the code.

• The Company is in the process of documenting the mechanism of dealing with financial and other service providers as required under Article 8 - Section 9 of the code.

• The Company is in the process of documenting the adoption of a written policy that defines the basis and method of calculating the remunerations of board members and the incentives and rewards of executive management and employees, as required under Article 18 - II - Section 1 of the code.

• The Company is in the process of documenting the adoption of a written policy governing the contracting with the rellated parties as required under Article 8 - Section 12 of the code.

• Although there are performance evaluation models for the Board, the Board is in the process of adopting grounds and criteria for evaluating the Board's performance as required under Article 8 - Section 13 of the code.

• The Company is in the process of developing procedures to inform the new board members of the company's work and related matters as required under Article 9 - Section 4 of the code.

• The Company will receive Declarations from board members not to combine positions as required under Article 17 - Section 8 of the code.

• The company is in the process of developing a succession plan for the management of the company as required under Article 18 - First - Section 8 of the code.

• The Nominations Committee has not submitted a report to the Board that includes a comprehensive analysis of the Board's performance, as required under Article 18 - I - Section 7 of the Code. However, the Nominations Committee is in the process of preparing and submitting its annual reports to the Board of Directors.

• The Company is in the process of reviewing and updating the internal control system as required under articles (20) and (18-III-1) of the Code.

• The company is in the process of developing policies on risk review and management, preparing training programs for this topic, and preparing periodic reports on the subject as required by the following articles (18-III), (13), (14) and (15) of the Code.

• Board committees have not submitted annual reports to the Board of Directors on their relevant work and recommendations as required under Article 19, but board committees are in the process of preparing and submitting their annual reports to the Board of Directors.

• The Company is in the process of preparing a profit distribution policy as required by Article 36 of the Code.

• The Company is in the process of establishing a written mechanism that defines the way and the basis for dealing with complaints filed by stakeholders as required under Article 38 of the Code.

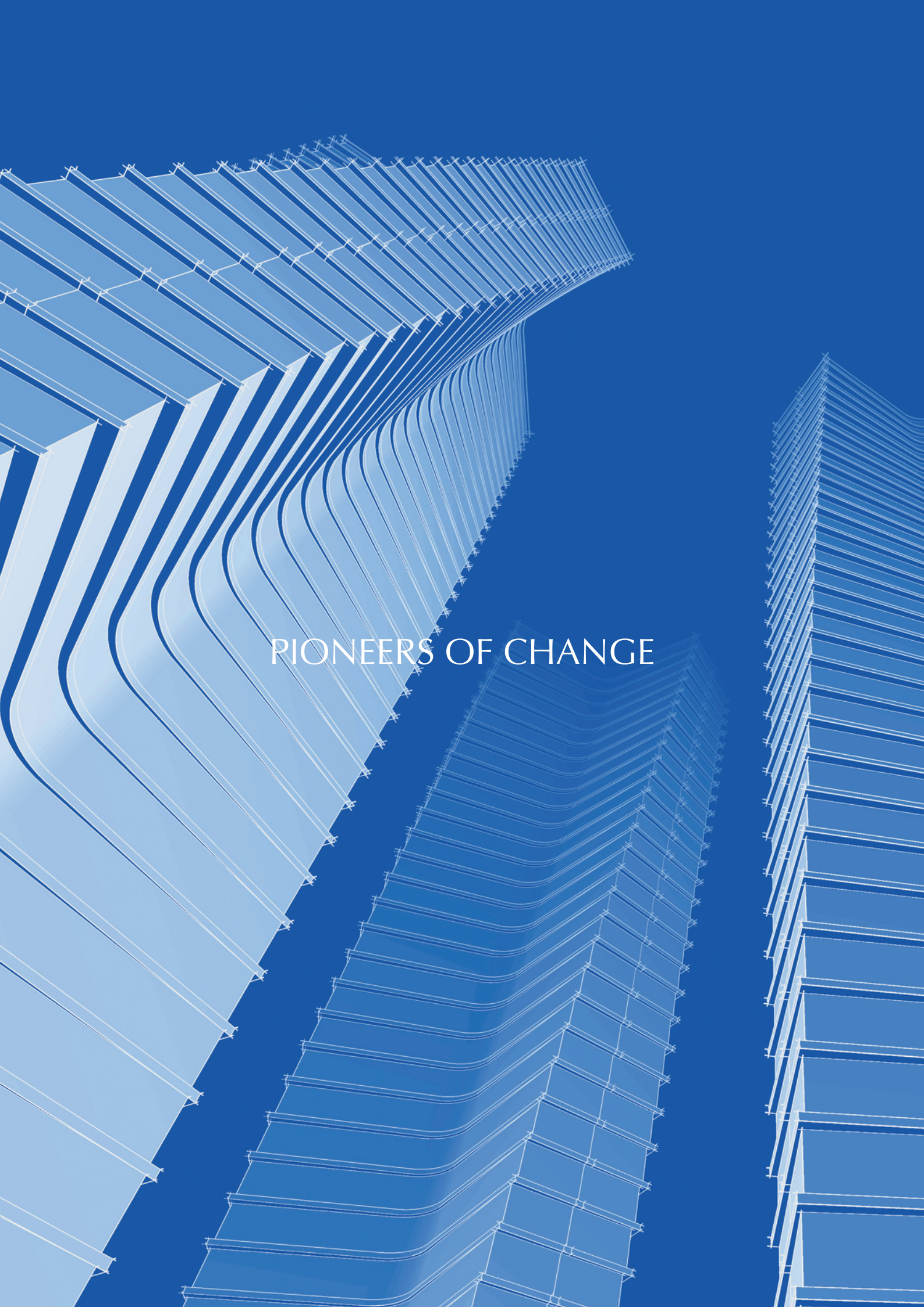
• In the subject of Prohibition of combining positions as described in the same paragraph in this report, there are some exceptions that the company intends to address with the upcoming elections.

• The Company is currently updating the Charter of the Board to include some of the key functions mentioned in the code, particularly those contained in Article 8 - Section 1.7, 5.1, 5.2, 9 and 13 of the code.

• The Company is in the process of adopting the guide to the implementation of the company's strategy and objectives, which is prepared by the senior executive management, as required by Article 8 - Section 1.6 of the code.

• Although the Company has adopted a trading policy by insiders in previous years, it is currently updating and documenting procedures for disclosing all trading by board members and executive management as required by Article 28 of the code.

• The company is currently documenting procedures, policies and internal control regulations related to periodic review of compliance with the relevant QFMA legislation, although within the information available to the Board of Directors, there were no violations of this legislation during the year.



PIONEERS OF CHANGE