

# ANNUAL REPORT 18

& CORPORATE GOVERNANCE  
For Mazaya Real Estate Development Q.P.S.C.







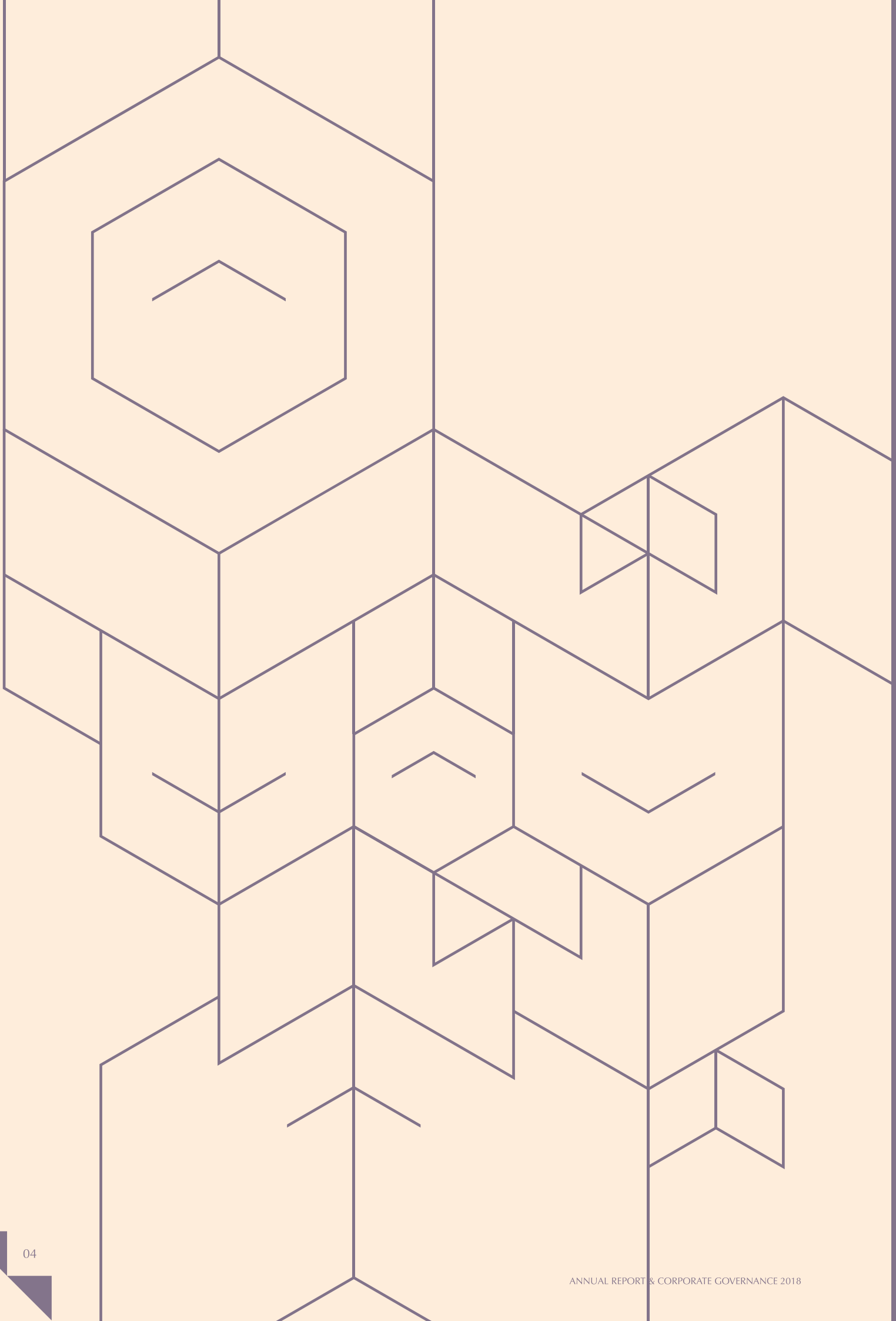
His Highness  
Sheikh Tamim Bin Hamad Al Thani  
Emir of the State of Qatar







# PIONEERS OF CHANGE



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# Board Of Directors' Report & CHAIRMAN MESSAGE

**Dear shareholders,  
The honorable attendance...**

Peace, mercy and blessings of God be upon you.  
I am pleased to meet you today at the General Assembly of Mazaya Real Estate Development Company, and I would like to take this opportunity to thank you for your presence and to thank your confidence in the company and in its position and strength in continuing its development and growth with God's willing.

## **VISION**

Qatar's preparations to host the 2022 World Cup is a solid base to create various opportunities to complete all the facilities to host this huge sporting event. In line with the vision of Qatar 2030, the State of Qatar continues to implement its development plans in infrastructure works of all regions of the country and the opening of highways with international standards, the most recent being the "Al Majd Road" linking the north of the country to the south, & new roads such as "Subah Al-Ahmad road", which was recently launched. Some of these examples are a testament to the strength and rigidity of the Qatari economy, despite the obvious fluctuations in the economies of most countries in the region.

In support for Qatar vision 2030 and in line with the preparations for the World Cup 2022 and to achieve the company's strategy to diversify sources of income, the company's management seeks to find new & rewarding sources of income by searching for opportunities in the local and regional market through participation in diverse local tenders, whether in Governmental or private sector, and capturing efficient opportunities in regional markets. In this context, Mazaya has participated in the public schools' project proposed by the Ministry of Education and Higher Education.

It is known that Mazaya Real Estate Development is currently considering the opportunity to merge with Al Bandari Real Estate Company. AL Rayan Investment, a specialized consulting firm has been appointed to study the feasibility of the merger process and its impact on the performance of the company, both in short and long terms. The study is currently in its advanced stages and we will inform you of the final results and the conclusion we reached of the possibility of continuing the process of merging or not at the end of the study.

Based on that, Mazaya Real Estate Development had delayed the launch of its new identity until completion of the merger study. The idea of changing the company's identity came after ending the operational link with Mazaya Holding – Kuwait, while retaining the brand name of the company, "Mazaya Real Estate Development" to take advantage of the hard-sincere work put together to make this brand a leading pioneer in its field.

## **FINANCIAL RESULTS**

**Dear shareholders...**

By mentioning the annual results of Mazaya Real Estate Development in 2018, despite the drop in real estate prices and the company's reductions on the leasing contracts with its strategic partner, Mazaya maintained little profit as the company recorded a decline in its profits estimated at 41%, while maintaining the assets of the company QAR 2.3 billion and shareholders equity QAR 1.5 billion respectively.

## **ACHIEVEMENTS**

### **SIDRA VILLAGE**

The Sidra Housing Village was completed and handed over to Qatar Foundation for Education, Science and Community Development in the last quarter of 2018, where Qatar Foundation inspected the housing units and facilities of the Village to ensure its full readiness to receive the residents and started to move the employees accordingly. By this, Mazaya Real Estate Development had handed over Sidra Housing Village to Qatar Foundation on the first of April of this year, where the results of the project shall be reflected in the second quarter of the year 2019.

### **MARINA MALL**

Due to the steady increase in the construction of shopping malls, the company commenced reassess the project features and structure in order to ensure the highest and most appropriate return for the company and shareholders. We requested Qatari Diar, the main developer of Lusail, to change the concept of the project from a shopping mall to a unique project with various activities such as (Bazaar, a unique health club, hotel services, water games, health center, restaurants and cafés), and we obtained the initial approval of the idea from Qatari Diar and getting the final approval from Qatar Foundation is in process (as the owner of the land) to start the process of licenses required to proceed with implementation. This idea is unique in Qatar and the region and will create new and distinctive content.

## **CONCLUSION**

Looking forward to contributing in the development and reconstruction of our precious country under the leadership of His Highness the Emir Sheikh Tamim bin Hamad Al Thani, May God protect him, thanking His Highness for his wise vision, good guidance and wise leadership.

Finally, I would like to extend my gratitude to the Board of Directors who uninterruptedly exert all efforts to achieve the best results, I would also like to extend my gratitude to Sheikh Dr. Ali Al-Qara Daghi, head of the Fatwa and Shari'a Supervisory, and extend my sincere greetings with best wishes of success to all employees of Mazaya Real Estate Development led by the Chief Executive Officer and also extended to all shareholders for their continuous efforts and support, which contributed directly to maintaining the company's standing and confirming its success.

Peace be upon you





**Rashid F. Al Naimi**  
Chairman of the Board

# MESSAGE FROM THE CEO

**Peace and God's mercy and blessings be upon you,  
Peace and blessings be upon his noble messenger,**

Mazaya Real Estate Development presents to you with the best greetings and wishes. We put on your hands the annual report for the year 2018, which contains a detailed explanation of the latest updates and developments in the company's existing projects and highlights the company's performance during the past year.

During the year 2018, Mazaya Real Estate Development witnessed several important achievements. In the field of projects, Sidra Housing Village was handed over to Qatar Foundation for Education, Science and Community Development. The project will be managed by the company for 21 years as a BOT (Build, operate and Transfer) with an annual rental value of more than QR 106 million.

On the other hand, after the court ruled in the appeal filed by Mazaya Real Estate Development against the operator of Gloria hotel (back then), for the benefit of our company irrevocable final judgment and we received the building (the hotel) and we started renewing all the licenses of the hotel from all governmental bodies "Security Systems, Civil Defense, Ministry of Municipality and Environment, the General Authority for Tourism ..." and the execution of all maintenance works and renewal to meet all the conditions required to renew the licenses, and to qualify the hotel building to be put into operation or to sell. With the praise to Allah, the renewal of the licenses of the security systems and civil defense has been officially completed and the operation of the hotel is ongoing.

Mazaya Real Estate Development is also looking to restructure some of the existing investments as well as new strategies and partnerships locally and internationally.

Mazaya is currently changing the concept of the Marina Mall project, obtaining initial approvals from the management of Lusail City on the proposed new idea and waiting for the approval of the Qatar Foundation (owner of the land) and then begin work on final studies and decision making and will be announced in due course "GOD willing".

The company also intends to enter the competition for winning the tender for the construction of public schools offered by the Ministry of Education and Higher Education and the Public Works Authority and other government agencies, which are in the system (construct - operate - Transfer) for over 25 years. The project is divided into several packages and each package contains approximately 6-8 schools. Winning one of the packages is an achievement for Mazaya and is a strong and guaranteed long-term income source.

Despite the fluctuation in the regional and international markets in various fields, Mazaya Real Estate Development has maintained its operations due to its strong, diversified and long-term property portfolio, where real estate portfolio account for 90% of the company assets.

In line with the Board's vision for expansion, Mazaya Real Estate Development is currently studying the idea of its merger with Al-Bandari Real Estate Company (Qatari Company) and considering the positive impact on the company and its shareholders. Where the study has reached an advanced stages and will be announced in due course "GOD willing".

In conclusion, I would like to extend my sincere gratitude to His Excellency Mr. Rashid bin Fahed Al Naimi, Chairman of the Board of Directors, and to His Excellency Sheikh Hamad Bin Mohammed Al Thani, Vice Chairman of the Board of Directors, and to the members of the Board for their support and keenness for the company's progress and success, also I would like to thank the esteemed shareholders for their ongoing trust and confidence in the company, while the appreciation is extended to all employees of Mazaya Real Estate Development for their efforts during the Year.

I pray to Almighty GOD that we have been able to provide a comprehensive report on the most important work and developments of the company during the year 2018 with all transparency and credibility for the benefit of the company and shareholders.

We plead to Almighty GOD to grant us devotion for work to the benefit and achieving the goals of shareholders and the Board of Directors, GOD willing.

**Thank you for participating in this success, Peace be Upon you and GOD Mercy and Blessings,**



**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.

# MISSION

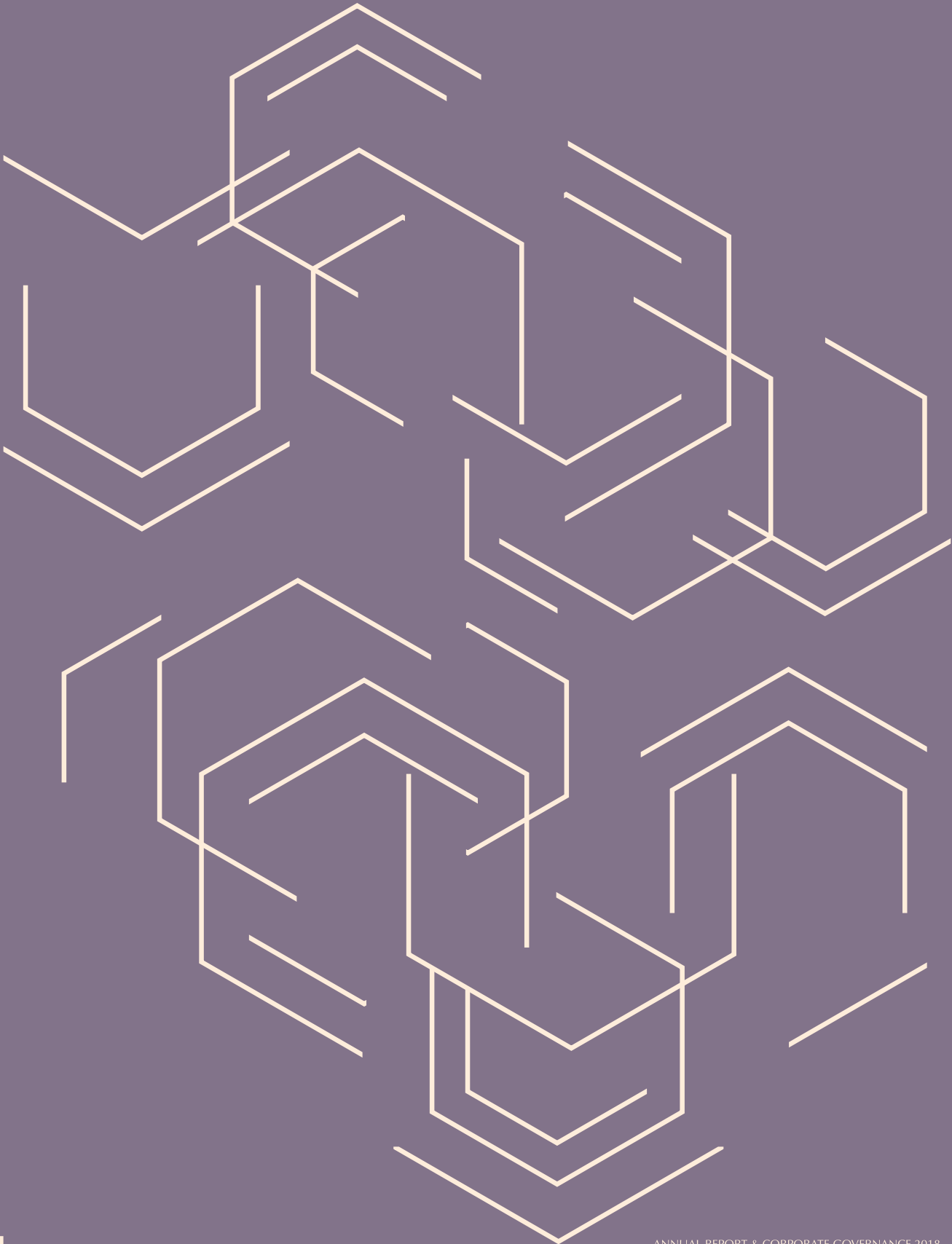
The mission of Mazaya Real Estate Development Q.P.S.C. is clear, strong and direct. In short, it states with confidence: the company seeks, with its strategic partners in the region, to create an integrated concept for urban and real estate development that stems from making the country a vital center 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.

# 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.

# Board MEMBERS







**Mr. Rashid F. Al Naimi**  
Chairman of the board



**Sh. Hamad Mohamad Al Thani**  
Vice Chairman



**Sh. Mansoor Khalifa Al Thani**  
Board Member



**Mr. Ibrahim Jaham Al Kuwari**  
Board Member



**Eng. Hamad A. Al Hedfa**  
Board Member



**Mr. Said Adnan Abu Odeh**  
Board Member



**Mr. Yousef Ahmed Al Sada**  
Board Member



**Mr. Mohamed Ahmed Makki**  
Board Member



**Mr. Abdulla A. Al Kuwari**  
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 31/12/2018, 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 31/12/2018, 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\2018, we found that the Zakat on each share for the shareholder is only 0.0615 Qatari Riyal,

for example, Zakat of 1,000 shares X 0,0615 = 61.5 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



