2021 ANNUAL REPORT

& 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


breaking boundries ...

CONTENTS

BOARD OF DIRECTORS' REPORT & CHAIRMAN'S MESSAGE

Shk. Salman bin H. Al Thani
Chairman of the Board

Dear shareholders.
On behalf of the members of the **Board of Directors** of Mazaya Real Estate Development Company (QPSC), we present to you the **Annual Report** of the company, where we review the **Company's performance** during the year 2021.

The Company faced several challenges during 2021 which had an impact on various levels, and we emerged in the year 2021 from difficult circumstances. In 2020, the Company received a qualified opinion from the external auditors relating to two of our assets. This led us to carrying out a comprehensive re-evaluation of our real-estate portfolio in the aim of ascertaining the correctness of the evaluations. The outcome of the re-evaluation led to a decrease of 11% in the company's assets with an allocation of QR272 million of provisions against our real estate investments as follows:

• Tala Residence Compound was leased to Qatar Foundation on a 10-year contract that will end in August 2022. There will be a significant decrease in the rental value if it is leased in the current market situation compared to the lease with QF. Accordingly, a provision was booked for a decrease in accordance with international accounting standards, amounting to 148 million riyals which make up approximately 54% of the allocations for the year 2021.

• With regards to the Lusail Marina project which faced many challenges, we are currently reviewing the terms of the BOT contract with Qatar Foundation and are looking for ways to change the project's activity to suit developments and changes in the real estate market in general and the Lusail region in particular. Given the uncertainty in the possibility of continuing the project, a provision has been reserved for the full book value of the project. In the event that an agreement is reached and the project is launched, part or all of these provisions can be recovered. The allocation for the Lusail Marina project is approximately 26% of the volume of allocations for the year 2021.

• The company is also currently carrying out comprehensive maintenance works on Gloria Hotel. The Hotel is scheduled to be completed and operating before the end of the 3rd quarter. This is to meet the expectations of the tourism market and Qatar's visitors and the general public during the 2022 FIFA World Cup. To reflect the true value of the Hotel especially during the renovation period, a provision of 20 million riyals was booked, approximately 7.5% of the volume of provisions for the year 2021.

• As for Al Daayen land, in the year 2020, the use of the land was changed from a commercial land to a residential land. Negotiations are being conducted with the concerned authorities to either restore the commercial license or replace it with another land suitable for development. The shareholders will be informed of the outcome once received. In order to hedge any decrease in the value, a provision of 30 million riyals was booked, approximately 11% of the size of the provisions for the year 2021.

At the period ending 31st December 2021, the Company's net loss of QR248,748,415 was recorded compared to the net profit value of QR31,031,818 for the same duration in the previous year.

The loss per share amounted to QR0.21 for the year ending 31st December 2021, compared to the returns per share of QR0.03 for the same duration in the previous year. The loss calculated in this report for the year 2021 was estimated at 11% of assets and 21% of capital.

In order to preserve the rights of the shareholders, Mazaya's executive management have requested from KPMG to undergo a review on the reasons that led to the losses and to submit a comprehensive report and present it to the Board of Directors. A summary of the results of this report will be published on the Company's website to be available to all shareholders and to ensure full transparency.

Dear Shareholders,
During the year 2021, there was a change in the composition of the Board of Directors and the Executive Management of the Company. The new administration, in cooperation with the Board of Directors, is keen to develop a clear strategy for managing the Company's assets and developing its activities. Corrective decisions have to be taken to reflect the current reality of the Company's assets, and the Board will continue to work to achieve growth while reducing risk.

Under the directives of the new management and to reduce expenses, the company undertook major administrative restructuring, which led to a decrease in administrative and operating expenses. Furthermore, the Company restructured its loans for a longer term and a lower profit. The affects of this restructuring will be reflected in the financial statements for the year 2022.

The Company's strategy is:
• Enhance our real estate investments portfolio by QAR 500M. This is already underway, with investments of QAR220 million riyals on properties with fixed income for several years and an estimated return of 7%. The portfolio should be completed within the next two years.

• The company will enhance its activities in real estate development through the selling of housing units. The first of these projects will be launched in 2022.

• The company will also seek to benefit from the growth in the tourism sector, as it is currently working on securing accommodation for visitors during the 2022 FIFA World Cup period in its properties. The Company will also seek to benefit from the facilities provided by the State to stimulate the real-estate market by supporting the growth of tourism and the new policies of golden residency and foreign ownership.

In conclusion, I sincerely express my gratitude to His Highness, the Emir, Sheikh Tamim Bin Hamad Al-Thani. I thank His Highness for his wise vision, valuable guidance, and coherent leadership of building and developing to make Qatar, a pioneering country in humanity, civilization, and progression.

I also extend my gratitude to His Highness, the Father Emir Sheikh Hamad bin Khalifa Al Thani, the establisher of modern Qatar, for his distinctive vision. My appreciation also goes to His Highness Sheikh Abdullah bin Hamad Al Thani, the Deputy Emir, and to the coherent government. Your continuous support and sound directives have strengthened the position of the real-estate market and its contribution to achieving Qatar's National Vision 2030 to build a diversified and sustainable economy.

May Allah's guidance strengthen the company's standing and growth.

Sincerely,

Salman Bin Hassan Al Thani
Chairman

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.

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.

STRATEGY

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

SHK. Salman Bin H. Al Thani
Chairman

SHK. Hamad Bin Mohamad Al Thani
Vice Chairman & Managing Director

Mr. Abdullah Hamad Al Ateiyah
Board Member

Mr. Ibrahim Jaham Al Kuwari
Board Member

Mr. Said Adnan Abu Odeh
Board Member

Mr. Abdullah Ali Al Kuwari
Board Member

Mr. Hamad A. Al Hedfa
Board Member

Mr. Yousef Ahmed Al Sada
Board Member

Mr. Abduaziz Abdallah Al Hemidi
Board Member

FATWA & SHARIA SUPERVISION BOARD REPORT

Dr. Ali Muhiuddin 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 ....

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 **31/12/2021**, 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 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 **31/12/2021**, which we have seen, have been done in consistency with the provisions and principles of 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 ,

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\2021**, we found that the Zakat on each share for the shareholder is only 0.0042 Qatari Riyal,

for example, Zakat of **1000 shares X 0.0029 = 2.9 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

PROJECTS

AL-SADD PROPERTY

The buildings consist of 155 housing units, divided into two types of apartments, including three-bedroom apartments and two-bedroom apartments, and each building contains a swimming pool, two gyms (one for men and another for women), and parking for 165 cars, and the total building area is 6659 square meters. The buildings are located in a vital location in the Al-Sadd area, and this site is distinguished by its proximity to all basic services and the daily needs of the residents. The project is rented out to Governmental Housing for a period of 5 years starting August 2021.

MUAITHER VILLAS

The Project is located in Mu'aizar area, near Aspire. Muaither Compound is a 42 villas-unit project that has been rented to Hamad Medical Center for a three-year contract started september 2021.

TALA RESIDENCE

Mazaya Real Estate Development Company developed Tala Residential Compound specifically for Qatar National Convention Center staff housing, which was delivered in the fourth quarter of 2012.

The project was completed under a memorandum of understanding between Mazaya Real Estate Development Company and Qatar Foundation for Education, Science and Community Development, including an exclusive lease with the Foundation for 10 years from the date of project completion. Tala Residential Compound consists of 346 residential units, the compound also includes health club equipped with the latest sports equipment, swimming pool, various sports activities and service facilities.

SIDRA VILLAGE

Sidra Housing Village contains 1165 residential units covering an area of 145,000 square meters, developed by Mazaya Real Estate Development for Qatar Foundation for Education and Science under Build-Operate-Transfer scheme (BOT) for a period of twenty-one (21) years.

Sidra Housing Village is considered one of the largest residential compounds in the Country in terms of area and number of housing units and facilities. The Village contains 1165 units divided into 2 bedrooms and one-bedroom units, all of which are fully equipped with quality furniture, household appliances, entertainment equipment and housewares. A Masjid is in the center of the Village to perform the five statutes that accommodates 200 prayers supervised by the Ministry of Awqaf and Islamic Affairs, adjacent with a Sports Complex building containing a large swimming pool with a view of the entire village, a large multi-use gymnasium and outdoor playgrounds. The Village also has two fitness centers one for males and the other for females. The sports complex is equipped with the latest technologies and sports equipment.

GLORIA HOTEL

The company is currently carrying out a comprehensive maintenance of the Gloria Hotel and its complete renovation to keep pace with the requirements of the tourism market and meet the needs of visitors to Qatar and the public during the 2022 World Cup.

FINANCIAL REPORT

Financial Report 2021 | Mazaya Real Estate Development Q.P.S.C.

CONSOLIDATED FINANCIAL STATEMENTS & INDEPENDENT AUDITORS' REPORT

For the year ended, 31 DECEMBER 2021

CONSOLIDATED FINANCIAL STATEMENTS
& INDEPENDENT AUDITORS' REPORT
For the year ended, 31 DECEMBER 2021

CONTENTS

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

Qualified 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 2021, 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 notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, and its consolidated financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs').

Basis for Qualified Opinion
Investment properties, which are carried in the statement of financial position at QR 769,030,098 (2020: QR 900,098,548), includes a plot of land with a carrying amount of QR. 200,370,000 (2020: QR. 230,370,000). Management did not state this land using a fair value which is based on the price that would be received to sell the land in an orderly transaction between market participants but stated the plot of based on management's expectation of the fair value of the land should the government grant them a license to use the land, which constitutes a departure from IFRSs. Management did not state this land at its fair value as at 31 December 2020, as required by IFRSs, due to the changes in the municipality plan for the plot mandated by the local authorities during 2020. We were unable to determine the adjustments necessary to this amount. Our opinion in the prior year was also modified in respect of this matter.

Investment properties, which are carried in the statement of financial position at QR 900,098,548 as at 31 December 2020, includes a residential compound with a carrying amount of QR. 332,500,000. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the residential compound as at December 31, 2020 because we could not verify a key judgement applied in determining the fair value of the residential compound. Our audit opinion on the consolidated financial statements for the year ended December 31, 2020 was modified accordingly. Since opening investment properties enter into the determination of the net fair value (loss) / gain reported in the statement of profit or loss and other comprehensive income, we were unable to determine whether adjustments might have been necessary in respect of the loss for the year reported in the consolidated statement of profit or loss and other comprehensive income and the net cash flows from operating activities reported in the consolidated statement of cash flows.

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 consolidated 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 qualified opinion.

Material Uncertainty Related to Going Concern
We draw attention to Note 1.1 in the consolidated financial statements, which indicates that the Group incurred a net loss of QR 248,748,415 during the year ended December 31, 2021 and, as of that date, the Group's current liabilities exceeded its current assets by QR 135,346,617. As stated in Note 1.1, these events or conditions, along with other matters as set forth in note 1.1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matter
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
Valuation of investment properties	
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. 769,030,098, 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 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 including the impact of Covid 19 pandemic on the fair value of the investment properties and hence, this is considered to be a key audit matter. Refer to the following notes to 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 of controls 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 for audit purposes; • 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; • We tested, on a sample basis, the accuracy of the data provided by the Group to the Valuers; • We reperformed the mathematical accuracy of the valuations on a sample basis; and • We agreed the results of the valuation performed by the Valuers to the amount reported in the consolidated financial statements. We have also assessed if the related disclosures in the consolidated financial statements relating to this matter were in accordance with the requirements of IFRSs.

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 Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

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

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

• valuate 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 report the following:

• The Group has maintained proper books of account and the consolidated financial statements are in agreement therewith, and the contents of the director's report are in agreement with the Group's financial statements;
• We obtained all the information and explanations which we considered necessary for our audit; and
• To the best of our knowledge and belief 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 financial performance.
• Reference to Note 3 to the consolidated financial statements, the Group is in the process of assessing the impact of the amendments of the commercial companies law, as per Law No. 8 of 2021. Management believes that the said amendments will not have a material impact on the consolidated financial statements of the Group.

Doha – Qatar - For Deloitte & Touche
29 March 2021
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 2021

	Notes	2021 QR	31 December 2020 (Restated) QR	1 January 2020 (Restated) QR
ASSETS				
Non-current assets				
Property and equipment	5	**551,366**	522,394	109,505
Investment properties	6	**769,030,098**	900,098,548	744,194,358
Project in progress	7	**–**	65,996,712	65,414,594
Right-of-use assets	8	**1,757,505**	3,927,020	6,283,231
Investment in an associate	9	**18,355,561**	18,705,561	19,638,516
Wakala investments	10	**27,677,197**	29,177,197	30,677,197
Finance lease receivable	11	**1,102,424,267**	1,134,532,248	1,164,709,484
		1,919,795,994	2,152,959,680	2,031,026,885
Current assets				
Finance lease receivable	11	**32,107,981**	30,177,236	28,362,593
Receivables and prepayments	12	**35,830,624**	9,506,526	2,566,285
Islamic bank balances and cash	13	**63,255,393**	79,368,669	72,709,532
		131,193,998	119,052,431	103,638,410
TOTAL ASSETS		**2,050,989,992**	2,272,012,111	2,134,665,295
EQUITY AND LIABILITIES				
Equity				
Share capital	14	**1,157,625,000**	1,157,625,000	1,157,625,000
Treasury shares	14	**–**	(8,983,416)	–
Legal reserve	15	**58,005,878**	58,005,878	54,902,696
(Accumulated losses) / retained earnings		**(233,106,681)**	42,836,137	12,056,169
Total equity		**982,524,197**	1,249,483,599	1,224,583,865
Non-current liabilities				
Islamic finance facilities	16	**800,000,000**	690,083,735	617,043,303
Lease liabilities	17	**–**	2,033,430	4,933,351
Employees' end of service benefits	18	**1,925,180**	2,915,962	2,394,239
		801,925,180	695,033,127	624,370,893
Current liabilities				
Islamic finance facilities	16	**151,879,315**	66,108,368	176,813,148
Lease liabilities	17	**1,713,698**	2,914,008	2,772,500
Income tax payable		**352,738**	379,248	–
Payables and other liabilities	19	**112,594,864**	258,093,761	106,124,889
		266,540,615	327,495,385	285,710,537
Total liabilities		**1,068,465,795**	1,022,528,512	910,081,430
TOTAL EQUITY AND LIABILITIES		**2,050,989,992**	2,272,012,111	2,134,665,295

Sheikh Salman Bin Hasan Al Thani
Chairman of Board of Directors

Sheikh Hamad Bin Mohamad Al Thani
Vice Chairman and Managing Director

This statement has been prepared by the Group and stamped by the Auditors for identification purposes only.

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Notes	2021 QR	2020 QR
Finance income	11	**70,522,764**	72,337,407
Rental income		**32,735,381**	27,549,814
Revenue from property management		**822,987**	–
Operating expenses	20	**(12,866,888)**	(9,650,416)
Income from operations		**91,214,244**	90,236,805
Net fair value (loss) / gain on investment properties	6	**(198,400,000)**	3,654,190
Impairment loss on project in progress	7	**(68,300,099)**	–
Share of loss from investment in associate	9	**(350,000)**	(932,955)
Provision for impairment on Wakala investments	10	**(1,500,000)**	(1,500,000)
Gain on sale of property and equipment		**–**	236,000
Other income	22	**709,744**	516,464
General and administrative expenses	23	**(25,415,813)**	(23,385,863)
Amortization of rights-of-use assets	8	**(1,302,288)**	(2,356,211)
Depreciation	5	**(406,922)**	(177,464)
Finance costs	21	**(44,643,927)**	(34,879,900)
(Loss)/profit for the year		**(248,395,061)**	31,411,066
Income tax	24	**(353,354)**	(379,248)
Net (loss) / profit		**(248,748,415)**	31,031,818
Other comprehensive income		**–**	–
Total comprehensive (loss)/income for the year		**(248,748,415)**	31,031,818
Basic and diluted earnings per share *(attributable to shareholders of the parent expressed in QR per share)*	25	**(0.21)**	0.03

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Share capital QR	Treasury shares QR	Legal reserve QR	Retained earnings QR	Total QR
Balance at 1 January 2020	1,157,625,000	–	54,902,696	11,648,682	1,224,176,378
Profit for the year	–	–	–	31,031,818	31,031,818
Transfer to legal reserve (Note 15)	–	–	3,103,182	(3,103,182)	–
Treasury shares repurchased (Note 14)	–	(8,983,416)	–	–	(8,983,416)
Reversal of previous year's social and sports fund contribution (Note 26)	–	–	–	4,034,614	4,034,614
Social and sports activities fund contribution (Note 26)	–	–	–	(775,795)	(775,795)
Balance at 31 December 2020	1,157,625,000	(8,983,416)	58,005,878	42,836,137	1,249,483,599
Loss for the year	–	–	–	(248,748,415)	(248,748,415)
Dividends for 2020	–	–	–	(34,307,850)	(34,307,850)
Treasury shares sold (Note 14)	–	8,983,416	–	7,113,447	16,096,863
Balance at 31 December 2021	**1,157,625,000**	**–**	**58,005,878**	**(233,106,681)**	**982,524,197**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	Notes	2021 QR	2020 QR
OPERATING ACTIVITIES			
(Loss) / profit for the year		**(248,395,061)**	31,411,066
Adjustments for:			
Depreciation		**406,922**	177,464
Amortization of rights-of-use assets		**1,302,288**	2,356,211
Net fair value loss / (gain) on investment properties		**198,400,000**	(3,654,190)
Share of loss from investment in associate		**350,000**	932,955
Provision for impairment on Wakala investments		**1,500,000**	1,500,000
Impairment of project in progress		**68,300,099**	–
Provision for employees' end of service benefits		**505,540**	442,213
Profit from deposits with Islamic banks		**(298,378)**	(244,419)
Finance income		**(70,522,764)**	(72,337,407)
Finance costs		**44,643,927**	34,879,900
Operating loss before working capital changes		**(3,807,427)**	(4,536,207)
Working capital changes:			
Receivables and prepayments		**(26,324,098)**	(6,940,241)
Payables and other liabilities		**(216,815,222)**	3,580,450
Collection of lease receivables		**100,700,000**	100,700,000
Cash flows (used in) / generated from operations		**(146,246,747)**	92,804,002
Finance costs paid		**(44,643,927)**	(28,375,891)
Employees' end of service benefits paid		**(1,496,322)**	(11,799)
Net cash flows (used in) / generated from operating activities		**(192,386,996)**	64,416,312
INVESTING ACTIVITIES			
Short term deposits made		**–**	59,500,000
Purchase of property and equipment		**(435,894)**	(590,353)
Additions to project in progress		**(2,303,387)**	(582,118)
Profit received from deposits with Islamic banks		**298,378**	(244,419)
Net cash flows (used in) / generated from investing activities		**(2,440,903)**	58,571,948
FINANCING ACTIVITIES			
Payment of principal of lease liabilities		**(2,259,257)**	(2,758,413)
Payment of interest portion of lease liabilities		**(107,256)**	(354,976)
Proceeds from Islamic finance facilities		**984,119,140**	–
Payment of Islamic finance facilities		**(788,431,928)**	(43,813,381)
Sale / (Purchase) of treasury shares		**16,096,863**	(8,983,416)
Dividends paid		**(30,702,939)**	(918,937)
Net cash flows generated from / (used in) financing activities		**178,714,623**	(56,829,123)
(DECREASE) / INCREASE / IN ISLAMIC BANK BALANCES AND CASH		**(16,113,276)**	66,159,137
Islamic bank balances and cash at 1 January		**79,368,669**	13,209,532
ISLAMIC BANK BALANCES AND CASH AT 31 DECEMBER	13	**63,255,393**	79,368,669

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

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 2021 and 2020, include the following subsidiaries:

Name of the Company	Share capital QR	Country of incorporation	Effective percentage of ownership as at 31 December **2021**	Effective percentage of ownership as at 31 December 2020
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, investment in properties. 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 2021 were authorised for issue by the Board of Directors on 17 March 2022.

1.1 Going Concern

The Group's current liabilities exceeded its current assets by QR 135,346,617 (2020: QR 208,442,954), mainly due to current portion of the Islamic finance facilities of QR 151,879,315 (2020: QR 66,108,368), and the Group has accumulated losses amounting to QR 233,106,681 (2020: Nil) and it has incurred losses of QR 248,748,415 (2020: Nil) for the year then ended. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The accompanying consolidated financial statements have been prepared on a going concern basis as management is working on an expansion plan and also negotiating with banks to reschedule the payments due in next year and to increase the overall pay-out period of the existing loans, though , these are not wholly within management's control.

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

2.1 New and revised IFRSs 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 January 1, 2021, have been adopted in these consolidated financial statements.

New and revised IFRSs	Effective for annual periods beginning on or after
Impact of the initial application of COVID-19-Related Rent Concessions beyond June 30, 2021—Amendment to IFRS 16 On May 28, 2020, the IASB issued Covid 19 – related rent concessions – amendments to IFRS 16 Leases, which provides relief to lessees from applying IFRS 16 on lease modification accounting for rent concessions arising as a direct consequence of the Covid 19 pandemic by introducing a practical expedient to IFRS 16. This practical expedient was available to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021. On March 31, 2021, the Board published Covid-19-Related Rent Concessions beyond June 30, 2021 (Amendment to IFRS 16) that extends, by one year until June 30, 2022, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The amendment is effective for annual reporting periods beginning on or after April 1, 2021, with an early application permitted.	Beginning on or after June 1, 2020
Interest Rate Benchmark Reform—Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) The amendments address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to: – changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities; and – hedge accounting.	January 1, 2021

The 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.

2.2 Impact of initial application of other new and amended standards on the financial statements

The Group has not early 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
Amendments to IFRS 3 – Reference to the Conceptual Framework The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.	January 1, 2022
Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.	January 1, 2022 with early application permitted

New and revised IFRSs	Effective for annual periods beginning on or after
Annual Improvements to IFRS Standards 2018–2020 ***The Annual Improvements include amendments to four Standards.*** ***IFRS 1 First-time Adoption of International Financial Reporting Standards*** The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).	January 1, 2022 with early application permitted
IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition on financial liabilities The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.	
IFRS 16 Leases The amendment removes the illustration of the reimbursement of leasehold improvements.	
IAS 41 Agriculture The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement. The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.	
Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories. The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.	January 1, 2022 with early application permitted

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 17 Insurance Contracts IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees. In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after January 1, 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after January 1, 2023.	January 1, 2023
IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied. For the purpose of the transition requirements, the date of initial application is the start if the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.	
Amendments to IAS 8 – Definition of Accounting Estimates The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications: • A change in accounting estimate that results from new information or new developments is not the correction of an error. • The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors	January 1, 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.	January 1, 2023

New and revised IFRSs	Effective for annual periods beginning on or after
Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises: • A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with: – Right-of-use assets and lease liabilities – Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset • The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.	
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.	January 1, 2023. Early application is permitted.
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.	Available for optional adoption/ effective date deferred indefinitely

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 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 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), applicable provisions of Qatar Commercial Companies Law and the Company's Articles of Association.

Basis of preparation
The consolidated financial statements have been prepared under the historical cost convention, except for investment properties that are measured at 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.

The consolidated financial statements comply with the requirements of Qatar Commercial Companies Law No.11 of 2015, whose certain provisions were subsequently amended by Law No.8 of 2021. Management is in the process of taking necessary actions needed to ensure full compliance with the amended law, including amending the Articles of Association of the Company where necessary, and has concluded that any non-compliance as at the reporting date does not have a material impact on the consolidated financial statements.

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 2021. 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.

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.

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

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 method, 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 Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

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.

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

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

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

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

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

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

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 cashflows 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.

(ii) Equity instruments designated as at FVTOCI
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 'other income' line item (note 22) 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 finance lease receivable, Wakala Investments, Islamic bank balances and trade and other receivables 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 and other receivables, finance lease receivable and Wakala Investments. 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 in the consolidated statement of in profit or loss and other comprehensive income. The remaining amount of change in the fair value of liability is recognised in consolidated statement of profit or loss and other comprehensive income. 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 consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Events after the reporting date
The consolidated financial statements are adjusted to reflect events that occurred between the reporting date and the date when the consolidated 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 consolidated financial statements when material.

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.

Taxation
Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax provisions as prescribed by the Qatar's Income Tax Law.

Deferred tax
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates and laws prescribed by the Qatar's Income Tax Law. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in the consolidated statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

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.

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 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 current liabilities exceeded its current assets by QR 135,346,617 (2020: 208,442,954), mainly due to current portion of the Islamic finance facilities of QR 151,879,315 (2020: QR 66,108,368), and the Group has accumulated losses amounting to QR 233,106,681 (2020: Nil) and it has incurred losses of QR 248,748,415 (2020: Nil) for the year then ended. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The accompanying consolidated financial statements have been prepared on a going concern basis as management is working on an expansion plan and also negotiating with banks to reschedule the payments due in next year and to increase the overall pay-out period of the existing loans, though , these are not wholly within management's control.

Replacement of land in investment properties
Management of the Group is under negotiation with the Government to have an alternative land (refer note 6) in replacement of one of the existing land owned by the Group. Management is still assessing the option received and believe that the alternative land will be substantially equal to the carrying value of land in the consolidated financial statements as at 31 December 2021.

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.

Impairment of tangible assets
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.

During the year, the Group recognized an additional provision amounting to QR 1,500,000 (2020: QR 1,500,000) for Wakala investment. Management is of the opinion that the investment will be recovered and collected by the Group in the future.

Fair value measurement of investment properties
The investment properties of the Group are measured at fair value for financial reporting purposes. In estimating the fair value of investment property, 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. 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 2020	1,860,752	1,158,690	580,000	3,599,442
Additions	447,203	–	143,150	590,353
Disposals	(1,169,719)	(1,118,805)	(580,000)	(2,868,524)
At 31 December 2020	1,138,236	39,885	143,150	1,321,271
Additions	435,894	–	–	435,894
At 31 December 2021	1,574,130	39,885	143,150	1,757,165
Depreciation:				
At 1 January 2020	1,846,687	1,145,921	497,329	3,489,937
Charge for the year	80,626	3,970	92,868	177,464
Disposals	(1,169,719)	(1,118,805)	(580,000)	(2,868,524)
At 31 December 2020	757,594	31,086	10,197	798,877
Charge for the year	374,332	3,960	28,630	406,922
At 31 December 2021	1,131,926	35,046	38,827	1,205,799
Net carrying amount				
31 December 2021	**442,204**	**4,839**	**104,323**	**551,366**
31 December 2020	380,642	8,799	132,953	522,394

6. INVESTMENT PROPERTIES

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

	2021 QR	2020 QR
At 1 January	**900,098,548**	744,194,358
Addition	**67,331,550**	152,250,000
Net fair value movement during the year	**(198,400,000)**	3,654,190
Balance at 31 December	**769,030,098**	900,098,548

The investment properties includes a property leased out under an operating lease agreement to a third party for an annual rent of QR 22,037,500 as at 31 December 2021 (2020: QR 22,037,500). Rental income from the property is pledged against the facilities obtained from an Islamic bank (Note 16).

Fair value

The fair value of the Group's investment properties at 31 December 2021 and 2020 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 2021				
Investment properties	769,030,098	–	–	**769,030,098**
31 December 2020				
Investment properties	900,098,548	–	–	**900,098,548**

Fair value of investment properties except for the Al Sadd Building, Tala residence, Gloria Hotel and Sidra Village Retail Units and Muaither Compound are valued using the market comparable approach, due to a moderate 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	
	2021 QR	2020 QR
Plots in Dubai	28-80	25-80
Plot in Qatar	730	730

The fair value of the Tala residence, Al Sadd Building, 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;

Key unobservable inputs	**2021**	2020
Monthly rental income	QR 33-99 sqm	QR 33-99 sqm
Rent increment	5%-15% in every 5 years	5%-15% in every 5 years
All risk yield – current	6.5%-8.25%	6.5%-8.25%

During the year ended 31 December 2021, 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 Group is in process of evaluating the options related to the best use of a residential property with a fair value of QR 184,100,000 (2020: QR 332,500,000), after the expiry current lease agreement in September 2022. The property is valued with the assumption that the current lease agreement will not be renewed and accordingly a comparable market rent was used in 2021. During 2020, the property was valued with the assumption that the current lease agreement will be renewed with the same terms and conditions after the expiry. This property is registered in the name of the local bank in Qatar.

During 2020, the municipality plan has been changed for the area in which the Group owns a land with carrying amount of QR 200,370,000 (2020: QR 230,370,000). Management is under negotiation with the Government to have an alternative land in replacement. During 2020, management received an offer from the authorized party to exchange the land with alternative land in Doha-Qatar. Management is in process of assessing the offer received and the fair value of alternative land. The Group has not performed an assessment for the fair value of this land as at 31 December 2021 and carried in the Group's consolidated statement of financial position at carrying value of QR 200,370,000 (2020: QR. 230,370,000). Management has recognized a fair value loss of QR. 30,000,000 with regards to the subject investment property in the current year.

Management understands the basis of such preparation, which primarily intends to highlight future uncertainty and a higher degree of caution. Management have considered this in respect of key sources of estimation uncertainty and have concluded based upon the Group's investment property portfolio inherent characteristics and trends observed, relative to the wider real estate market in the State of Qatar, that the events of COVID-19 do not give rise to new course of key estimation uncertainty, nor do they impact the potential sensitivity level of a reasonable and possible change that may occur within the next 12 months.

7. PROJECT IN PROGRESS

	2021 QR	2020 QR
Balance at 1 January	**65,996,712**	65,414,594
Additions	**2,303,387**	582,118
Impairment during the year	**(68,300,099)**	–
Balance at 31 December	**–**	65,996,712

Project in progress balance includes the amount incurred on development of one of the Group's projects. The initial plan for the project is to construct a mall, however subsequently the customer changed the plan of the project to residential and retail development. Based on the recent discussion with the customer and change in the feasibility of the project, management is expecting not to recover the costs already incurred and therefore recorded an impairment loss of QR 68,300,099 during the year ended December 31, 2021.

8. RIGHT-OF-USE OF ASSETS

	2021 QR	2020 QR
Balance at 1 January	**3,927,020**	6,283,231
Amortization of right-of-use	**(1,302,288)**	(2,356,211)
Remeasurement of right-of-use assets	**(867,227)**	–
Balance at 31 December	**1,757,505**	3,927,020

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

9. INVESTMENT IN AN ASSOCIATE

The Group has the following investment in an associate:

	Country of incorporation	2021 QR	2020 QR	Principal activity
Nishan Investments and Real Estate Development	**Qatar**	11.43%	11.43%	Real Estate

Movements in the investment in an associate are as follows:

	2021 QR	2020 (Restated) QR
At January 1	**18,705,561**	19,638,516
Share of loss for the year	**(350,000)**	(932,955)
At December 31	**18,355,561**	18,705,561

The summarized financial information of the Group's investments in an associate are as follows:

	2021 QR	2020 (Restated) QR
Current assets	**14,189,110**	12,029,782
Non-current assets	**17,061,906**	13,462,536
Current liabilities	**(1,229,189)**	(6,771,771)
Non-current liabilities	**(11,666,266)**	(14,986)
Total liabilities		
Net Assets	**18,355,561**	18,705,561

	2021 QR	2020 (Restated) QR
Share in the associates' revenue and results		
Revenues	**185,995**	2,958,926
Share of loss for the year	**(350,000)**	(932,955)

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. 32,177,198.

In 2019, the Group received a court ruling in their favor for an amount of QR.15,000,000 to be paid to the Group along with the interest due. The Court assigned Central Bank of Kuwait to handle the liquidation process.

During the year, the Group recognized an additional provision amounting to QR 1,500,000 (2020: QR. 1,500,000).

	2021 QR	2020 QR
Wakala investments	**61,354,395**	61,354,395
Less: Provision for impairment	**(33,677,198)**	(32,177,198)
	27,677,197	29,177,197

11. FINANCE LEASE RECEIVABLE

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

The table below shows the balances as at 31 December:

	2021 QR	2020 QR
Non-current portion	**1,102,424,267**	1,134,532,248
Current portion	**32,107,981**	30,177,236
	1,134,532,248	1,164,709,484

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

	2021 QR	2020 QR
Amount receivable under finance leases:		
Year 1	**100,700,000**	100,700,000
Year 2	**100,700,000**	100,700,000
Year 3	**100,700,000**	100,700,000
Year 4	**100,700,000**	100,700,000
Year 5	**100,700,000**	100,700,000
Onwards	**1,389,660,000**	1,490,360,000
Gross investment in lease	**1,893,160,000**	1,993,860,000
Less: unearned finance income	**(758,627,752)**	(829,150,516)
Present value of minimum lease payments schedule	**1,134,532,248**	1,164,709,484
Impairment loss allowance (ECL)	**–**	–
Net investment in the lease	**1,134,532,248**	1,164,709,484

The effective interest rate contracted is approximately 6.25% (2020: 6.25%) per annum, which resulted in finance income of QR 70,522,764 (2020: QR 72,337,407). The finance lease receivable at the end of the reporting period are neither past due nor impaired.

12. RECEIVABLES AND PREPAYMENTS

	2021 QR	2020 QR
Prepayments	**34,788,443**	8,066,356
Refundable deposits	**600,525**	600,525
Trade receivable	**163,716**	163,716
Other receivables	**1,403,644**	1,801,633
	36,956,328	10,632,230
Less: loss allowance on other receivables	**(1,125,704)**	(1,125,704)
	35,830,624	9,506,526

At 31 December 2021, the other receivables balance of QR 1,125,704 were impaired (2020: 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:

	2021 QR	2020 QR
Islamic bank balances	**63,235,393**	43,734,457
Time deposits	**–**	35,614,212
Cash in hand	**20,000**	20,000
Cash and cash equivalent	**63,255,393**	79,368,669

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

	2021 QR	2020 QR
Authorized, issued and fully paid 1,157,625,000 ordinary shares of QR 1 each		
	1,157,625,000	1,157,625,000

During 2020, the Group repurchased 14,030,000 number of ordinary shares at as cost of QR. 8,983,416. During the year, the Group sold all of these treasury shares and recognized gain of QR. 7,113,447 directly in retained earnings in the consolidated statement of changes in equity.

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.

No such transfer was made during the current year as the Group incurred net loss for the year ended December 31, 2021.

16. ISLAMIC FINANCE FACILITIES

	NOTES	2021 QR	2020 QR
Islamic facility 1	(i)	–	591,304,477
Islamic facility 2	(ii)	**151,879,315**	170,059,815
Islamic facility 3	(iii)	**800,000,000**	–
		951,879,315	761,364,292
Deferred financing arrangement cost		–	(5,172,189)
		951,879,315	756,192,103
Current portion		**151,879,315**	66,108,368
Non-current portion		**800,000,000**	690,083,735
		951,879,315	756,192,103

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. During April 2020, the Group agreed with the bank to restructure this loan including other Islamic facilities for a total facility value of QR 800 million which carries profit rate of 4.2%. The loan has six months of grace period with quarterly profit to be paid by the Group. The loan period is for 18 years and the last installment will be in April 2038. During 2021, the Group entered into an agreement with another local bank and fully settled this facility balance. The Group has released the unamortized deferred financing cost, related to this loan, in the consolidated statement of profit of loss amounting to QR. 5,028,075.

(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 with minimum profit of 5.25% per annum. The Islamic facility is secured by a pledge on the rental income from the Tala Residence real estate property.

(iii) During April 2021, the Group entered into an agreement with a local bank to refinance the outstanding balance of Islamic facility 1. The loan facility 3 has 15 months of grace period which carries profit rate of 3.5% with quarterly profit to be paid by the Group. The loan is repayable within 18 years and the last installment will be on April 2039. Expected receipts from the Sidra real estate project are pledged against the Islamic facility.

Islamic finance cost for the period amounted to QR 44,643,927 (2020: QR 34,524,924).

17. LEASE LIABILITIES

	2021 QR	2020 QR
Balance as at beginning of the year	**4,947,438**	7,705,851
Accretion of interest	**107,256**	354,976
Remeasurement of lease liabilities	**(867,227)**	–
Payments	**(2,473,769)**	(3,113,389)
Balance as at end of the year	**1,713,698**	4,947,438
Current	**1,713,698**	2,914,008
Non-current	**–**	2,033,430
	1,713,698	4,947,438

	2021 QR	2020 QR
Maturity analysis		
Not later than 1 year	**1,713,698**	2,914,008
Later than 1 year and not later than 5 years	**–**	2,033,430
	1,713,698	4,947,438

The Group leases its office space for a lease term of five years and used 5.5% (2020: 5.5%) as the incremental borrowing rate.

18. EMPLOYEES' END OF SERVICE BENEFITS

	2021 QR	2020 QR
At 1 January	**2,915,962**	2,394,239
Provided during the year	**505,540**	442,213
Paid during the year	**(1,496,322)**	(11,799)
Transfers	**–**	91,309
At 31 December	**1,925,180**	2,915,962

19. PAYABLES AND OTHER LIABILITIES

	2021 QR	2020 QR
Accounts payable	**2,049,883**	154,223,546
Encashment of bond (Note i)	**59,827,513**	59,827,513
Accrued expenses	**18,681,287**	16,494,037
Deferred rental income	**14,691,667**	13,454,167
Dividends payable	**17,344,514**	13,318,703
Social and sports activities fund contribution (Note 26)	**–**	775,795
	112,594,864	258,093,761

(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. OPERATING EXPENSES

Operating expenses mainly include maintenance, security charges, facility management and other operational expenses directly attributable to the properties and projects.

21. FINANCE COST

Operating expenses mainly include maintenance, security charges, facility management and other operational expenses directly attributable to the properties and projects.

	2021 QR	2020 QR
Islamic finance facilities (Note 16)	**44,536,671**	34,524,924
Lease liabilities (Note 17)	**107,256**	354,976
	44,643,927	34,879,900

22. OTHER INCOME

	2021 QR	2020 QR
Profit from deposits with Islamic banks	**298,378**	250,674
Miscellaneous income	**411,366**	265,790
	709,744	516,464

23. GENERAL AND ADMINISTRATIVE EXPENSES

	2020 QR	2019 QR
Staff costs	**15,755,202**	15,968,488
Legal and professional expenses	**2,020,584**	3,185,174
Repairs and maintenance*	**–**	1,662,810
Registration and regulatory fees	**235,520**	922,348
Marketing and advertising	**590,121**	434,660
Sharia Board fees	**90,000**	90,000
Business development	**–**	23,025
Write off of prepayments	**4,412,716**	–
Other miscellaneous expenses	**2,311,670**	1,099,358
	25,415,813	23,385,863

* Related to the Group's project in progress' repairs and maintenance expenses.

24. INCOME TAX

	2021 QR	2020 QR
Current income tax		
Current income tax charge	**353,354**	379,248
Income tax included in the statement of profit or loss	**353,354**	379,248

	2021 QR	2020 QR
(Loss) / profit before tax	**(247,895,061)**	31,031,818
Adjustments for:		
Effect of (loss) / income not subject to tax	**278,778,402**	10,083,715
Taxable income	**30,883,341**	41,115,533
Exempt income - Qatari shareholders	**(27,350,291)**	(37,323,053)
Taxable income subject to tax	**3,533,050**	3,792,480
Income tax @ 10%	**353,305**	379,248

25. 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:

	2021 QR	2020 QR
(Loss) / profit attributable to shareholders of the parent	**(248,748,415)**	31,031,818
Weighted average number of shares outstanding (excluding treasury shares) during the year	**1,157,625,000**	1,148,693,437
Basic and diluted earnings per share (QR)	**(0.21)**	0.03

The Group did not issue any bonus shares for the years 2021 and 2020.

The weighted average number of shares for the years ended 31 December 2021 and 2020 has been calculated as follows:

	2021 QR	2020 QR
Weighted average number of shares at 1 January	**1,157,625,000**	1,157,625,000
Effect of treasury shares purchased	**–**	(8,931,563)
Weighted average number of shares at 31 December	**1,157,625,000**	1,148,693,437

During the year, the Group sold 14,030,000 treasury shares, which have been taken into consideration in arriving at the weighted average number of shares for the year.

(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.

26. SOCIAL AND SPORTS ACTIVITIES FUND CONTRIBUTION

In accordance with Law No. 13 of 2008, the Group is required to make an appropriation of profit equivalent to 2.5% of the consolidated net profit for the year for the support of sports and social activities. The Group incurred net loss for the year therefore no transfer was made in current year.

27. DIVIDENDS

The Board of Directors proposed a 3% cash dividend of the Paid up share capital of QR. 0.03 per share amounting to QR. 34,728,750 for the year 2020, which was later approved by the shareholders at the Annual General Assembly.

28. 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.

Compensation of key management personnel

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

	2021 QR	2020 QR
Salaries and short-term benefits	**2,825,079**	4,739,068
Employees' end of service benefits	**94,170**	99,711
	2,919,249	4,838,779

29. COMMITMENTS AND CONTINGENCIES

	2021 QR	2020 QR
Letter of guarantee	–	1,000,000

Litigations and claims

The Group's key project was delayed significantly by its main contractor. The expected completion date of the project was August 8, 2016 and the completion certificate of the project was issued on June 26, 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 June 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 the Company and the main contractor. Further, the Board of Directors have decided to realize 50% of the initial retention balance of the contract.

The case is still ongoing as at 31 December 2021, as per management's assessment the Group has a good sound position for this case.

As of 31 December 2021, 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.

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.

All the financial assets of the Group are measured using Level 3 inputs.

Categories of financial instruments(Continued)

(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.

(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 2021 QR	Financing cash flows QR	Non cash changes QR	At 31 December 2021 QR
Islamic finance liabilities	**756,192,103**	**195,687,212**	**–**	**951,879,315**
Lease liabilities	**4,947,438**	**(2,366,513)**	**(867,227)**	**1,713,698**

	At 1 January 2020 QR	Financing cash flows QR	Non cash changes QR	At 31 December 2020 QR
Islamic finance liabilities	793,856,451	(43,813,381)	6,149,033	756,192,103
Lease liabilities	7,705,851	(3,113,389)	354,976	4,947,438

31. 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.

30. FINANCIAL INSTRUMENTS

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, finance lease receivables, Wakala investments, trade receivables, refundable deposits and Islamic bank balances.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Doubtful	Amount is >90 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
In default	Amount is >180 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery	Amount is written off

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:

	2021 QR	2020 QR
Finance lease receivable	**1,134,532,248**	1,164,709,484
Wakala investments	**24,964,381**	29,177,197
Islamic bank balances	**63,255,393**	79,368,669
Refundable deposits	**600,525**	600,525
Trade receivable	**163,716**	163,716
Other receivables	**277,940**	675,929
	1,223,794,203	1,274,695,520

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. 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 63,255,393 at 31 December 2021 (2020: QR 79,348,669). 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 2021	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	**2,167,885**	**(1,125,704)**	**1,042,181**
Finance lease receivable	11	N/A	i	Lifetime ECL	**1,134,532,248**	**–**	**1,134,532,248**
Wakala investments	10	N/A	i	Lifetime ECL	**61,354,395**	**(33,677,198)**	**27,677,197**
Islamic bank balances	13	BB	N/A	12-month ECL	**63,255,393**	**–**	**63,255,393**

31 December 2020	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	2,565,874	(1,125,704)	1,440,170
Finance lease receivable	11	N/A	i	Lifetime ECL	1,164,709,484	–	1,164,709,484
Wakala investments	10	N/A	i	Lifetime ECL	61,354,395	(32,177,198)	29,177,197
Islamic bank balances	13	BB	N/A	12-month ECL	79,368,669	–	79,368,669

(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.

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 2021	Less than 3 months QR	3 to 12 months QR	1 to 5 years QR	> 5 years QR	Total QR
Accounts payable	–	**61,877,396**	–	–	**61,877,396**
Lease liabilities	–	**1,713,698**	–	–	**1,713,698**
Islamic finance facilities	**8,750,000**	**178,591,375**	**197,089,641**	**567,448,299**	**951,879,315**
Dividends payable	–	**17,344,514**	–	–	**17,344,514**
Total	**8,750,000**	**259,526,983**	**197,089,641**	**567,448,299**	**1,032,814,923**

31 December 2020	Less than 3 months QR	3 to 12 months QR	1 to 5 years QR	> 5 years QR	Total QR
Accounts payable	214,051,059	–	–	–	214,051,059
Lease liabilities	713,580	2,200,428	2,033,430	–	4,947,438
Social and sports activities fund contribution	–	775,795	–	–	775,795
Islamic finance facilities	15,701,147	50,407,221	334,396,145	355,687,590	756,192,103
Dividends payable	–	13,318,703	–	–	13,318,703
Total	230,465,786	66,702,147	336,429,575	355,687,590	989,285,098

i.) 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.

ii.) 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 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.

iii.) 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:

	2020 QR	2019 QR
Islamic finance facilities	**951,879,315**	756,192,103

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 2021	**2,379,698**
At 31 December 2020	1,890,480

i.) Real estate risk
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.

ii.) 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.

During the year ended 31 December 2021, 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.

32. 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 2021 and 2020, there have been no material Dubai operations that needs to be considered as reportable segment.

33. 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 2021 and 2020.

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 for shareholders 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:

	2021 QR	2020 QR
Total liabilities	**1,068,465,795**	1,022,528,512
Less: Islamic bank balances and cash	**(63,255,393)**	(79,368,669)
Net debt	**1,005,210,402**	943,159,843
Total equity	**982,524,197**	1,249,483,599
Net debt to equity ratio at 31 December	**102%**	75%

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:

	2021 QR	2020 QR
Islamic finance facilities	**951,879,315**	756,192,103
Fair value of investment properties	**769,030,098**	900,098,548
Borrowing to fair value ratio at 31 December	**124%**	84%

34. RESTATEMENT

During the year, the Group reassessed investment in Nishan Investments and Real Estate Development considering the representation in the Board of Director of Nishan. The Group concluded that the investment should be classified as an associate. The reclassification has been reflected retrospectively in the consolidated financial statements as per IAS 8 "Accounting policies, Changes in Accounting Estimates and Errors".

In accordance with IAS 1, "Presentation of Financial Statements", the Group has reclassified its comparative figures for December 31, 2020 and January 1, 2020 in its consolidated financial statements with regards to the presentation for Investment in associates as follows

(a) Consolidated Statement of financial position

	As at December 31, 2020 - as previously stated QR	Adjustments QR	As at December 31, 2020 - as restated QR
Investment securities	**18,355,561**	(18,355,561)	–
Investment in an associate	–	18,355,561	18,355,561

	As at January 1, 2020 - as previously stated QR	Adjustments QR	As at January 1, 2020 as restated QR
Investment securities	**19,638,516**	(19,638,516)	–
Investment in an associate	–	19,638,516	19,638,516

(b) Consolidated Statement of profit or loss and other comprehensive income

	For the year ended December 31, 2020 - as previously stated QR	Adjustments QR	For the year ended December 31, 2020 - as restated QR
Fair value loss on investment securities	**(932,955)**	(932,955)	–
Share of loss from investment in associate	–	(932,955)	(932,955)

(c) Consolidated statement of cash flows

	As at December 31, 2020 - as previously stated QR	Adjustments QR	As at December 31, 2020 - as restated QR
Fair value loss on unquoted equity investment	**932,955**	(932,955)	–
Share of loss from investment in associate	–	932,955	932,955

35. COVID-19 IMPACT

The outbreak of Novel Coronavirus continues to disrupt business operations and economic activity globally. The extent and duration of the impacts depend highly on future events that cannot be accurately predicted. As the situation is rapidly evolving, the impact on the Group's activities and operations is uncertain and accordingly management estimates in the measurement of amounts reported in these consolidated financial statements remain sensitive to market fluctuations.

Investment Properties: The Group has considered the impact of Covid 19 on the valuation of investment properties based on the characteristics of the portfolio including diversification across asset categories, location and the nature of secured future cash flow. Refer to Note 6 for additional details on impact of Covid 19 on valuation of investment properties and management consideration.

Expected Credit Losses ("ECL") and impairment of financial assets: The uncertainties caused by COVID-19 have required the Group to reassess the inputs and assumptions used for the determination of expected credit losses ("ECLs") as at 31 December 2021. The Group has updated the relevant forward-looking information with respect to the weightage of the relevant macroeconomic scenarios of the market; increase in credit risk; and assessing the indicators of impairment for the exposures in potentially affected sectors.

Commitments and contingent liabilities: The Group has assessed the impact of any operational disruptions, including any contractual challenges and changes in business or commercial relationships among the Group entities, customers and suppliers, to determine if there is any potential increase in contingent liabilities and commitments.

Going concern: The Group has performed an assessment of whether going concern assumption is appropriate in the light of current economic conditions and all available information about future risks and uncertainties. The projections have been prepared covering the Group's future performance, capital and liquidity. Management is working on an expansion plan and also negotiating with banks to reschedule the payments due in next year and to increase the overall pay-out period of the existing loans, though , these are not wholly within management's control. The Group will continue to closely monitor the impact of COVID-19 as the situation progresses to manage the potential business disruption COVID-19 outbreak may have on its operations and financial performance in 2022.

Mazaya Real Estate Development Q.P.S.C

GOVERNANCE REPORT

FOR THE YEAR **2021**

Governance Code for Listed Companies and Legal Entities

CONTENT

1. CHAIRMAN'S MESSAGE

Dear Shareholders,

Peace and blessings be upon you.

I am pleased to present Mazaya Real Estate Development (QPSC)'s Governance Report for the year ending 31st December 2021. This report was prepared in accordance with Governance Code for Companies and Legal Entities Listed on Qatar Stock Exchange issued by Qatar Financial Markets Authority (QFMA) on 10th November 2016, and the Laws of the State of Qatar. It was audited by Deloitte & Touche our External Auditors which confirmed in their role Mazaya's compliance with the application and implementation of the highest standards of governance. We also confirm that we are continuously developing our internal controls and disclosure systems to ensure transparency and guarantee the best interest of our shareholders and investors.

Salman bin Hassan Al Thani
Chairman of the Board of Directors

I hereby present to you the Governance Report for the year ending 31st December 2021.

Sincerely,

Salman bin Hassan Al Thani
Chairman of the Board of Directors

2. COMPLIANCE OF THE COMPANY WITH THE GOVERNANCE CODE AND PROCEDURES TAKEN

Mazaya Real Estate Development QPSC ("Mazaya") is committed to apply the highest standards of corporate governance in its daily dealings through compliance with the Governance Code for Companies and Legal Entities Listed on Qatar Stock Exchange whose laws are enacted and its application is supervised by the Qatar Financial Markets Authority (QFMA). Corporate governance is considered one of the main pillars which Mazaya relies on to enhance its culture of openness, transparency and clarity in its administrative and commercial dealings with a view to improving its business and management, consistent with the best methods of practices which are locally and internationally approved.

Guiding framework of governance of Mazaya is also provided by Governance Code for Companies & Legal Entities Listed on the Main Market which is issued by decision of Board of Directors of Qatar Financial Markets Authority (QFMA) no. (5) 2016 published in the official gazette on 15 May 2017 in addition to the other valid laws and regulations in the State of Qatar. The Governance Committee at Mazaya reviews and updates the governance applications continuously and regularly and abides by application of the best governance principles. During 2021 the company reviewed and updated its governance system to be consistent with the requirements of QFMA which reflects the best global practices followed in this regard. These revisions come in pursuit of Mazaya's role in updating its systems which support achievement of its goals and principles and for easing the followed procedures and processes as well as ensuring performance of operations of the company by methods which are more efficient and flexible at lowest possible cost and in the shortest possible time while remaining mindful of its duty to abide by all related laws and regulations, especially in relation to governance and its applications. The company is continuously working on updating its policies and procedures which reflects that the company keeps up with any update, amendment or issue of new laws imposed by the regulatory authorities.

3. BOARD OF DIRECTORS

3.1 Formation of Board of Directors

In line with its Articles of Association, the Board Charter was updated to be consistent with the most updated requirements of the local laws and regulations in relation to the formation of the Board of Directors.

Mazaya's Board of Directors consists of 9 members as of 2021. It consists of one executive member and 3 independent members. This is in compliance with the Board composition requirements as per QFMA's Governance Code requiring a third of the Members to be independent members.

3.2 Meetings and attendance

Member	Position	BoD Meetings	N & R Committee	Audit Committee	Governance Committee	Tender Committee
Shk. Salman bin Hassan Al Thani	Chairman	11/13				
Shk. Hamad bin Mohammed Al Thani	Vice Chairman & Managing Director	13/13		6/6		
Mr. Abdullah Hamad AlAttiya	Board Member	9/13	1/1			3/3
Mr. Ibrahim Jaham Alkuwari	Board Member	10/13	1/1	4/6		3/3
Mr.Youssef Ahmed Alsada	Board Member	8/13		6/6		
Mr. Saeed Adnan Abo Odeh	Board Member	12/13		6/6	2/2	
Mr. Hamad Ali Al Hedfa	Board Member	7/13			2/2	3/3
Mr. Abdullah Ali Alkuwari	Board Member	10/13	1/1			3/3
Mr. Abdulaziz Abdullah Al Humaidi	Board Member	11/13			2/2	

3.3 Members of the Board

1- Sheikh Salman bin Hassan Al Thani – Chairman of Mazaya's Board of Directors

• Qualification
- Bachelor's degree in Banking and Finance Studies – Qatar University

• The current positions:
- Board Member of Ahli Bank QSC
- Board Member of Katara Hospitality
- Board Member of Qatar Stock Exchange

• The previous positions:
- Chief Executive Officer for business and strategy development Qatar Financial Centre Regulatory Authority (QFCRA)
- Chief Financial Officer and Taxes Manager - Qatar Financial Centre Regulatory Authority (QFCRA)
- Director of Risk Management - Qatar Central Bank
- Board Member - Qatar Central Securities Depository (QCSD)

Sheikh Hamad bin Mohammed Al Thani - Vice Chairman and Managing Director

• **Qualification:**
- Masters in strategic business Unit (SBU) from HEC Paris.
- Bachelor's degree in Business Administration from Heriot Watt University.

• **The current positions:**
- Senior Vice President Investment and Treasury - Qatar Insurance Company (QIC)
- Board Member - Milaha
- Board Member - Qatar Gas Transport Company Ltd (NAKILAT)

Mr./ Abdullah Hamad Alattiya – Board Member

• **Qualification:**
- Master of Science in Chemical Engineering (MSCHE) - University of Nottingham
- Bachelor's degree in Engineering - Cardiff University

• **The current positions:**
- Vice Chairman - Qatar Primary Materials Co (QPMC)
- Chief Executive Officer - Qatari Diar Real Estate Investment Company
- Vice Chairman - BARWA Real Estate (Representative on behalf of Qatari Diar Real Estate Investment Company).
- Vice Chairman - Katara Hospitality

• **The previous positions:**
- Acting Executive Director, Program Management Office - Supreme Committee for Delivery and Legacy
- Assistant to the President - Public Works Authority
- Director of the Technical Office - Public Works Authority
- Acting CEO - Qatar Primary Materials Company

** Mr./ Abdullah Hamad Alattiya is currently occupying position of Board Member of Mazaya Real Estate Development QPSC (Listed Real Estate Company) as a representative of Qatar Investment Authority and also a Board Member of BARWA Real Estate as representative of Qatari Diar Real Estate Investment Company.*

Mr./ Ibrahim Jaham Alkuwari – Board Member

- **Qualification:**

- Bachelor's degree in Industrial and Systems Engineering (ISE) - University of Southern California – United States of America.
- Professional certificates in various fields and sectors locally and internationally.

- **The current positions:**

- Board Member and Chief Executive Officer of Qatar Solar Technologies (QSTec).
- Board member of Nishan for Investment and Real Estate Development.

Mr./ Abdullah Ali Alkuwari – Board Member

- **Qualification:**

- Bachelor's Degree of Civil Engineering

- **The current positions:**

- Chief Executive Officer of Qatar Project Management Company (QPM)

Mr./ Youssef Ahmed Alsada – Board Member

- **Qualification:**

- Bachelor's degree of Faculty of Science from Qatar University

- **Current positions:**

- Manager of University Accommodation – Qatar University
- Member of Qatar's Shura Council

- **Previous positions:**

- Executive Directors - Dar Al Baraka Trading & Contracting
- Counselor of Vice Chairman – Qatar University
- Head of Faculty of Science Office - Qatar University
- Manager of Administrative and Financial Affairs Office at College of Arts & Sciences (CAS) - Qatar University

Mr./ Saeed Adnan Abo Odeh – Board Member

- **Qualification:**

- Advanced Management Program - Harvard Business School (HBS) - United States of America
- Master's in engineering management - George Washington University - United States of America
- Bachelor's degree in Civil Engineering - Purdue University - West Lafayette
- United States of America

- **Current positions:**

- Business Development & Operations Manager - Qatar Investment & Projects Development Holding Company (QIPCO)
- Vice Chairman at Qatar Finance House.
- Board Member at Future Pipe Industries – Qatar (Q.P.S.C)
- Board Member at Black Cat Engineering & Construction WLL (BCEC)
- Manager of Special Project Services (SPS)
- General Manager of TORNADO Co.

Mr./ Hamad Ali Alhedfa – Board Member

- **Qualification**

- Bachelor's degree in Engineering with Honors from Texas A&M University United States of America.
- Advanced Diploma in Project Management
- Honor degrees and certificates from American Schools.
- Professional certificates in various sectors.

- **Previous positions:**

- Chief Executive Officer of Mazaya Real Estate Development QPSC

Mr./ Abdel Aziz Abdullah Al Hamidi – Board Member

- **Qualification:**

- Bachelor's degree in law

- **The current positions:**

- Board Member at Al-Khor and Dakhira Schemes and Services QSC.

3.4 Contribution percentage of the Board members in the capital (As on 31 December 2021)

Member	Audit Committee
Qatar Investment Authority (QIA) represented by Sheikh/ Salman Hassan Al Thani	21.19%
Qatar Investment Authority (QIA) represented by Mr./ Abdullah Hamad Alattiya	
Dar Al Baraka Trading & Contracting represented by Mr./ Youssef Ahmed Alsada	0.67%
Qatar Real Estate Investment Co. and Asas Real Estate Company represented by Mr./ Abdullah Ali Alkuwari	5.34%
Mr./ Hamad Ali Alhedfa	0.04%
Mr./ Abdel Aziz Abdullah Al Hamidi	0.00%
Sheikh/ Hamad bin Mohammed Al Thani	0.05%
Mr./ Saeed Adnan Abo Odeh	0.00%
Mr./ Ibrahim Jaham Alkuwari	0.05%
Total	27.14%

3.5 Responsibilities of the Board of Directors

The Board of Directors is the ultimate responsible entity for governance in the company. Thereon, the Board of Directors of the company created the governance framework for the company with a view to abiding by requirements of QFMA's Corporate Governance Code and working on the application of the ideal practices in this field.

During the Board Meetings and Committee Meetings emanating from the Board of Directors, it supervises the top management and considers the reports presented to it as well as discusses the high-level matters that require Board Resolutions.

The Charter of the Board determines its responsibility to ensure the compliance with the governance system and the highest management and supervision standards. Their role involves supervision and approval of the strategic objectives of the company and the appointment of the Directors and replacing them and determination of their remuneration and reviewing the performance of management. The Charter is also published on the Company's website. In addition, it also approved Committee Charters whose suggestions and reports are presented to the Board for discussion and final approval.

3.6 Board Committees

The current Board was elected in 2019, upon election established four committees. A summary of the major roles of the committees, reports and suggestions for the year 2021 are as follows:

1- Nomination and Remuneration Committee:

	Name	Position
1	Mr. Ibrahim Jaham Al Kuwari	Head of the Committee
2	Mr. Abdallah Ali Al Kuwari	Board Member
3	Mr. Abdallah Hamad Al Attiya	Board Member

- The Nomination and Remuneration Committee oversees the performance of the Board members, consequently the committee is concerned with the performance of the members roles and responsibilities to the fullest and on an annual basis in conformity with the methodology approved by the Board of Directors which is set forth in this code. The Board members review the performance of the Board as a whole and their observations are reviewed by Nomination and Remuneration Committee. Results of this assessment are presented to the Board of Directors. This assessment helps in providing better performance of the Board members during their membership period. The Board members evaluated the annual performance of the Board and the evaluation was presented to the Nomination Committee to be presented to the Board of Directors before date of the general assembly meeting. The outcomes of the evaluation proved satisfactory.

- The committee presented its recommendation in 2021 to the Board of Directors for not allocating any remuneration to the Board members for this year and the Board approved this recommendation.

- The committee also recommended to award an amount of QAR600,000 to one of the Board members in consideration of the consultation services provided to the Board for the period between 2020 and 2021 which are related to Lusail Marina Project and the Board approved this recommendation.

2- Audit Committee:

	Name	Position
1	Mr./ Youssef Ahmed Alsada	Head of the Committee
2	Sheikh/ Hamad bin Mohammed Al Thani	Board Member
3	Mr./ Saeed Adnan Abo Odeh	Board Member

- The Audit Committee reviewed and endorsed the financial statements of the company for each quarter of 2021 which were consequently approved by the Board based on their recommendation.

- The committee also reviewed the recommendations of the Internal Audit Manager regarding multiple enhancement opportunities in the control environment along with the Company's policies and procedures during 2021 and reported their recommendation to the Board for approving the necessary amendments along with establishing a mechanism to handle any shortcomings and required approvements.

3- Tender Committee

	Name	Position
1	Mr./ Ibrahim Jaham Alkuwari	Head of the Committee
2	Mr./ Abdullah Ali Alkuwari	Board Member
3	Mr./ Hamad Ali Al Hedfa	Board Member
4	Mr./ Abdullah Hamad Al Attiya	Board Member

- The tender committee is responsible for the procedures related to the tenders requiring a Board decision. Some of the most important tenders for the year 2021 are related to a project for the restoration and operation of Gloria Hotel. The committee presented its recommendation to the Board for appointment of contractor and consultant to perform these works and it was approved by the Board.

4- Governance committee:

	Name	Position
1	Mr./ Saeed Adnan Abo Odeh	Head of the Committee
2	Mr./ Hamad Ali Alhedfa	Board Member
3	Mr./ Abdulaziz Abdullah Al Humaidi	Board Member

- The Governance Committee for the year 2021 reviewed the articles suggested to be amended in the Company's Articles of Association of the company to be consistent with provisions of the law no. (8) of 2021 for amending some provisions of the Commercial Companies Law.

The works performed by the Committees for the year 2021 and the recommendations that they presented to the Board show the role and effective participation of the Board members in supervising work of the top management in the company emanating from the concern of the members to undertake their responsibilities in achieving the best interest of the company and its shareholders.

3.7 functions of the Board

The meetings of the Board of Directors are initiated by an invitation from its chairman regularly and effectively and whenever needed according to what is set forth in article no. (35) of articles of association of the company. The Board has held 13 meetings in 2021. The company confirms that the Board members attend regularly the Board meetings with exception of some cases beyond their control. Moreover, the Board of Directors deploy their experiences and qualifications in favor of the Board of Directors and its committees emanating from it through the effective attendance and participation and not disclosing any statements, information or data without obtaining prior approval from the Chairman or whoever is authorized by the Board in this regard.

3.8 obligations of the Board Members

All Board Member's obligations are derived from the Corporate Governance code as follows:

- To attend the Board meetings and committees regularly and not withdraw from the Board.
- To give the priority to interests of the shareholders and all stakeholders regardless their own interest.
- To give the opinion on the strategic issues of the company, the project implementation policy, employees accountability systems, resources, main appointments and employment standards.
- To control performance of the company in achieving its objectives and goals which are agreed upon and review its performance reports including the quarterly, semi- annual and annual reports of the company.
- To supervise development of the procedural rules of governance of the company to ensure its implementation ideally in conformity with requirements of Qatar Financial Markets Authority (QFMA).
- To use their various skills and experiences along with the various specialties and qualifications of the effective and productive management of the company and work on interests of the shareholders in the company.
- To participate effectively in the general assemblies and achieve demands of its members in a balanced and fair manner.
- All members are committed to disclose the financial and commercial relations and lawsuits which may affect on their jobs and also not disclose any statements, data or information without getting prior written permission from the chairman or the person authorized in this regard.

Save as mentioned above regarding the positions that are occupied by the Board members, the company confirms provisions of the law concerning prevention of occupying several posts. Board members of the company may not undertake duties of Chairman or Vice Chairman in more than two companies whose headquarters are located in the State, nor be a Board member in Board of Directors of more than three companies whose headquarters are located in the State, nor be a managing Directors in more than one company whose headquarters are located in the State nor be a Board member in two Boards of Directors of two companies which practice homogeneous activity.

The articles of association provide that the chairman and Board members shall present annual declaration to be kept by the secretary in the file prepared for this purpose. In this declaration each Member shall declare that he does not occupy more than one position which is prevented in accordance with the law and provisions of the articles of association.

In this regard, the Board members signed a written declaration in which they declare that they do not occupy any another position as prohibited by the law.

The governance committee stressed on the necessity of evaluation of performance of the Board of Directors and extent of compliance of its members with achievement the best interests of the company, performance of works of the committees, attendance of meetings of the Board and its committees, disclosure about evaluation of performance of the top executive management regarding application of the internal control systems and risk management including determination of number of grievances, complaints, suggestions and reports in addition to the method by which the Board dealt with the controlling issues. The governance committee recommended disclosing the violations or establishing there a mechanism for announcing or reporting of any grievances, complaints, suggestions or reports periodically or at least one time annually and the method that is used in dealing with it if it was at level of employees or the company as a whole. It is worth mentioning that as of the period ending 31st December 2021 that no grievances or complaints at level of employees or the company as a whole have been reported.

4. MAJOR SHAREHOLDERS

Number of shares owned by the major shareholders or the controlling shareholders

	Names of the major shareholders or the controlling shareholders	Number of shares which they own	Share percentage in capital of the company
1	Qatar Investment Authority	245,253,840	21.19%
2	Sheikh/ Mohammed Khaled Hamad Abdullah Al Thani*	94,459,661	8.16%
3	Qatar Real Estate Investment Co.	61,772,040	5.34%

* Direct and indirect ownership

5. INSIDERS

The company is continuously working on updating its policies and procedures to reflect updates in local laws and regulations. The Board of Directors approved the policy on insiders who are well informed of the day-to-day activities and core practices of the company, which is of high importance as a governance standard and upholding a culture of transparency. The Board members signed undertakings regarding conflict of interest and maintaining a high level of confidentiality. This undertaking is given by them to declare that they abide by the procedures that govern their participation in commercial dealings with the company and determine policy of the related persons and the required measures. The policies oblige the members to disclose the deals which may include conflict of interest, prevention of voting or attendance upon presenting issues of this kind to the

Board of Directors. In addition, these policies oblige insiders to be loyal towards the company and its shareholders and favoring interests of the company and its shareholders over their own, and to deal in good faith for the interest of the company and its shareholders. Further, the company is keen on updating information related to insiders and discloses such information periodically to the regulatory Authorities and the market.

6. RISK MANAGEMENT, INTERNAL CONTROL AND RISK IDENTIFICATION

6-1 Controlling works at the company

Risk management
In order to enhance practices of risk evaluation and management, the company has recently enhanced the role of the risk management department whose main mission is to evaluate and manage all risks faced by the company and supervise the training programs of risk management in addition to informing the employees on the importance of risk management and how they can participate in this process. A study was conducted and reported to the executive management to evaluate the activities of the company from a risk perspective which outlined and determined the risk factors that are likely to be faced by the company. The company is working on a formulation of the policies and procedures related to such risks and presented them to the Board of Directors for approval, following a determination of the necessary steps and measures required to overcome these risks in cooperation with all departments of the company. The internal auditing department will conduct comprehensive evaluation for the risks and prepare reports and recommendations regarding them on a quarterly basis and present them to the auditing committee and then to the Board of Directors for taking the suitable decisions to alleviate seriousness of the risks and control them for the interest of the company.

Internal auditing
The company's internal auditing department practices its role with complete independence. The internal auditing department helps the company to find the best methods for accomplishment of its works in addition to its role in verification of compliance with the policies and procedures. The internal auditing department focuses also on effectiveness of the work systems and determination of the weaknesses and then presents its reports and recommendations on the company directly to the auditing committee on a quarterly basis with a view to taking the required procedures to reduce severity of weaknesses or avoiding them. It also presents the suggestions regarding

remedying any default, if any, to help the executive management to improve their performance.
One of duties of the internal auditor is to present a report each three months to the auditing committee on the internal auditing works in the company and to determine based on recommendation of the auditing committee the data which shall be included in the report.

Internal Control System
Management reviewed the results of its assessment for ICOFR and shared the results and summary of the procedures with the Audit Committee and Board of Directors. Based on this assessment, management determined that, as of 31 December 2021, Mazaya's Internal Controls Over Financial Reporting have been designed and implemented appropriately and are operating effectively, except for the matter described below:

- Investment Properties are carried in the consolidated statement of financial position at fair value. The estimation of the fair value of Investment Properties, performed with the assistance of an independent valuer, is a significant estimate involving assumptions and judgements made by management.
  As at December 31, 2021, the Group was still in the process of designing adequate controls to address the risk of material misstatement in respect of the valuation of investment properties including manage ment's controls to ensure the appropriateness of the inputs used in the valuation exercise.

  The External Auditor's opinion on the consolidated financial statements for the year ended December 31, 2021 was modified in relation to the above matter.

- The management is also in the process of designing and implementing adequate entity level controls specifically with regards to principles 16 and 17 of the COSO framework to monitor deficiencies identif ied by management, internal audit and the external auditor, and ensure timely remediation of these deficiencies.

The BOD assumes full responsibility for the company's system of internal controls, whereby specific policies, guidelines, and controls covering the entire Company's transactions have been devised.

Mazaya's Executive Management is considered responsible for the overall control of these systems in coordination with the concerned Department managers. The responsibility of implementing efficient internal control systems at the Company's level is the direct responsibility of every employee at the Company. The Audit Committee, on behalf of the BOD, performs on a regular basis a review of the framework of internal controls and assesses the internal systems through the evaluation of processes carried out by the Internal Audit in addition to the reviews that the external auditors conduct. The BOD is notified on a quarterly basis of control issues; it confirms the adequacy of the existence of effective internal controls at Company's level based on the recommendations and advice presented by the Audit Committee as supported by the Internal Audit . As per the QFMA Corporate Governance Code Article (4), the corporate governance report should include disclosure of the internal controls failures, wholly or partly, or weaknesses in its implementation, contingencies that have affected or may affect the Company's financial performance, and the procedures followed by the Company in addressing internal controls failures. Based on that, Mazaya's management assessed the design and operating effectiveness of Mazaya's internal control over financial reporting as of 31 December 2021. Management reviewed the results of its assessment and shared with the Audit Committee. Based on this assessment, management determined that, as of 31 December 2021, Mazaya's Internal Controls Over Financial Reporting have been designed appropriately and are operating effectively except for the matter disclosed in Appendix A.

6-2 External Audit

External auditor
The company abided by standards of appointment of external auditor as the general assembly of the company approved in its meeting held on 16 April 2020 to appointment Deloitte & Touche for auditing the accounts of the company for the year 2021.

The company also worked on updating the auditing requirements for complying with article 24 of Governance Code for Companies & Legal Entities Listed on the Main Market.

Duties and responsibilities of the auditor
The report presented by Deloitte & Touche showed the Company's extent of compliance with the laws and regulations in place, as well as its articles of association, and the extent of compliance of the company with application of the best global systems for auditing and preparing the financial reports. It also ensured that the Company is in compliance with the international accounting and auditing standards and its requirements. It showed also extent of cooperation of the company in enabling it to reach to the information and all documents required for completing its works.

7. RIGHTS OF THE SHAREHOLDERS

Certain mechanisms were developed to protect rights of the shareholders in general and the minority in particular as the Board Charter provides that the company is responsible for ensuring equitable treatment of all shareholders in accordance with the law which ensures right of the shareholder in voting on decisions of the general assembly and requesting to list certain issues in the agenda and discuss them in the meeting if the Board doesn't list them and also the right of objection to any decision that it finds that it is issued for interest of a certain group of shareholders or causing damage to them or bring personal benefit to any Board members or others without considering the interests of the company and proving this in the meeting minutes in addition to its right to annul the decisions subject matter of objection in accordance with provisions of the law in this respect. The articles of association and item 59 thereof were amended for this purpose. The policy of the company related to the distribution of the dividends was also approved by the Board of Directors. This policy reflects the Extra Ordinary General Assembly meeting held in 2020 which approved the amendment of article 86 of the articles of association relating to the distribution of at least 3% of profits in accordance with the relevant provisions of the law. A mechanism was also placed for complaints or disputes which may arise between the company and the shareholders so that the equality and fairness are achieved, and rights of all shareholders are ensured. The Company has an active mechanisms of communication with the shareholders. Along with the appointment of Sheikh Hamad bin Mohammed bin Khalid Al Thani as the official spokesperson for the Company, the department for investors relations also responds to all inquiries raised by the shareholders and informs them about the strategies and performance of the company in accordance with the rules and regulations of the Qatar Stock Exchange for preservation of active dialogue through organized programs for periodic disclosures throughout the year and updating and publishing them on the Company's website in the section related to the investor relations.

8. DISCLOSURES POLICIES

One of the approved policies in the company which is considered vital in upholding standards relating to disclosure requirements and publication of the financial reports in a timely manner consistent with the law is the "Disclosure Policy". This policy upholds that information is disclosed accurately, in a timely and transparent manner to the shareholders. Some matters which were tackled by the disclosure policy are the procedures for dealing with rumors of the market, disclosure control, obligations and procedures of preservation of confidentiality and also when communicating with the shareholders, controlling entities or any other stakeholders or in the general assembly meetings. The company also discloses dates of Board meetings and announcements of the results of the financial statements and calling for the annual general assembly meeting and its agenda, its decisions, the periodic press releases, lawsuits and any other related issues which may affect or be associated with the company or its operations which may affect.

the share price of the company. The company is keen on giving the shareholders the opportunity to practice their right in asking any question about any commercial conduct of the company.

For the reassurance of shareholders, a list of the approved policies that the company abides by is presented below. The Company reviews them periodically to keep them updated and the abidance by them is supervised by the internal control bodies in the company and presents the reports to the Board regarding any violations of the policies, if any, for taking the necessary action to handle it.

Charter of the Board of Directors
Audit Committee Charter
Nomination and Remuneration Committee Charter
External Auditors Appointment Policy
Disclosure Policy Dividends Policy
Terms of Reference of the Chairman of the Board of Directors
Terms of Reference of the Chief Executive Officer
Terms of reference of the secretary of the Board of Directors
Code of Conduct
Code of Ethics
Related Party Policy
Conflict of interest Policy
Insider trading Policy
Investor Relations Policy

Mazaya is committed to disclose the operation and deals concluded by the company with any related party. If there is any issue related to conflict of interest or the major transactions with any related party, it shall not be done except after presenting it to the shareholders through the general assembly meeting and getting approval of the general assembly. In this regard, transparency and disclosure principles are applied in accordance with the applicable laws in the State.

Moreover, Mazaya is committed that the chairman or Board members shall not have direct or indirect interest in the contracts, projects and undertakings which Mazaya is a party to. In case of presenting any issue related to conflict of interest or any deal between the company and a Board member or any party related to the Board members of Mazaya during the Board meeting, the subject is discussed in absence of the concerned member who has no right at all to participate in voting on the transaction as the transaction shall be done based on prices of the market and on a commercial basis and it shall not include conditions that violate interest of the company.

For purposes of transparency, all ownership shares of the Board members were mentioned in this report. The Board of Directors is committed before the date of holding the general assembly meeting to present to the shareholders a detailed statement with the dealings and deals and disclose them in the financial reports.

9. VIOLATIONS

No violations or penalties were imposed on Mazaya Real Estate Development QPSC within the meaning defined in paragraph no. (2) of article (4) of the governance code issued by Qatar Financial Markets Authority (QFMA) or those which may affect its financial position during the year ending 31 December 2021. It should be noted that the company is implementing determination of the risks and methods of its evaluation and management and conducting comparative analysis for the risk factors faced by it and discuss the approved systems to face the rooted or unexpected changes in the market and then manage the risks through the continuous coordination and cooperation between its managements which are competent in the legal and financial affairs and the internal auditing by direct supervision of the Board of Directors and its specialized committees. Nevertheless, Mazaya is committed to disclose any further needed actions to fully comply with the Corporate Governance Code as illustrated in Appendix A.

10. SOCIAL RESPONSIBILITY

Mazaya Real Estate Development QPSC is committed to support the societies where it works. The social responsibility of the company is considered an integral part of our strategy. Since the company is committed to provide annual financial support to the Social & Sport Contribution Fund. The annual contribution paid during the fiscal year 2020 reached an amount of QAR 775,795 Qatari riyal. In addition, Mazaya Real Estate Development QPSC endeavors always to support the local community through sponsoring charitable or community projects in the State as there was cooperation with Qatar Museums Authority, Qatar Cancer Society and Ghars a initiative for home cultivation as well as and advising Qatar University students in their studies and research.

11. LITIGATION

As of 31 December 2021, the most notable case the Company is involved in is against the main Contractor of one of the Company's major projects. The Contractor is claiming an amount of QAR 212 million in damages while the Company is counter claiming for delay damages of over QAR 225 million. The case was rejected for both Parties in the Court of First Instance and is now ongoing in the Court of Appeal. The final outcome of the case remains at the discretion of the Courts.

There are two other minor cases where the Group was brought in as an Implicated Litigator, however this case was rejected in the Court of First Instance with no liability borne by the Company, the other involves proceedings of bankruptcy which the Company is filing against a former defendant. No material liabilities will arise as a result of these cases and accordingly no provisions have been provided against these cases.

12. THE COMPANY'S WEBSITE

The Company's website provides enough information about activities of the company and investment opportunities. It includes a department for investor relations in Arabic and English languages and it contains the annual reports, quarterly and annual financial reports of the current year and the previous years in addition to the governing charters & policies and they can be directly downloaded from the website in addition to the contact details of manager of the shareholder relations, governance report, charter of Board of Directors and charters of the committees emanating from it as well as updated day to day news of the company.

appendix A

• The Group developed a Training Policy, with a training plan, including developing awareness programs necessary for spreading the culture of self-control and risk management of the Company for the Board of Directors as required by Article 8 section 1.7 and Article 8-section 10. The policy is in the approval process, and the training plan will be implemented in 2022.

• The Group has a developed and approved reporting framework to the audit committee from the internal audit department on a quarterly basis and is currently working on implementing the reporting framework consistently as there were no reports to the audit committee between April to September of 2021.

• The Group is currently in the process of reviewing and approving the following:

- Nomination policy to ensure compliance with Article 5 section 2 and Article 18 section 1
- Shareholders Rights and Minorities Management Policy, to ensure compliance with Article 8 section 5 of the code.
- Internal Control Policy to ensure compliance with Article 22.
- Dividend Policy to ensure compliance with Article 36.

• The Group has updated their Articles of Association to include the Board's assigned responsibilities as required by Article 9, this will be presented to the shareholders in the Extraordinary General meeting to be held in 2022 for approval.

• The Group is in process of developing comprehensive Risk Management framework, Policies and Risk Management Appetite

MAZAYA

TORNADO TOWER
WEST BAY

DOHA, QATAR
P.O. Box 18132

Tel +974 40121212
Fax +974 40121213

www.mazayaqatar.com