'22 RISING BEYOND

ANNUAL REPORT & CORPORATE GOVERNANCE

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

MAZAYA

شركة مزايا للتطوير العقاري ش.م.ع.ق.
Mazaya Real Estate Development Q.P.S.C.

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HIS HIGHNESS

SHIEKH TAMIM BIN HAMAD AL THANI

EMIR OF THE STATE OF QATAR


www.mazayaqatar.com

CONTENT

BOARD OF DIRECTORS' REPORT & CHAIRMAN'S MESSAGE

SHK. SALMAN BIN H. AL THANI
CHAIRMAN OF THE BOARD

WE PLAYED A ROLE IN PREPARING FOR THE 2022 WORLD CUP BY PREPARING A NUMBER OF **OUR PROPERTIES** TO SERVE THE FANS AND **GUESTS OF THE TOURNAMENT**

WE HAVE GENERATED A **NET PROFIT** OF **41 MILLION QATARI RIYALS**

On behalf of mazaya real estate development Company's board of Directors, i am pleased to present to you the annual report for the year 2022, including the company's performance and the audited Financial statements for the year ending on December 31, 2022.

The year 2022 witnessed a global sporting event, as the state of qatar hosted an exceptional edition to the 2022 fifa world cup and creating a transformative legacy in managing and organizing the event reflecting the true positive image of Qataris and the Arabs and Muslims. I would like to take this opportunity to extend my congratulations to His Highness the Emir of the State of Qatar Sheikh Tamim bin Hamad Al Thani, for this achievement, and to His Highness the Father Emir, Sheikh Hamad bin Khalifa Al Thani, Qatar's visionary, may Allah protect them, and to those institutions and individuals who have worked to achieve the success of this global event.

Achievements During The Year:

As a national Company and based on our duties towards the State of Qatar, and in compliance with the Mazaya's values, we played a role in preparing for the 2022 World Cup by preparing a number of our properties to serve the fans and guests of the tournament and provide them with all means of comfort so that they enjoy a unique and distinctive experience.

We are continuingly developing our plan to acquire income-generating assets as was announced last year as part of the Company's strategy, and we have completed approximately 275 million riyals, which is equivalent to 55% of our target, and we seek to complete the expansion of the real estate portfolio during the next two years.

New Identity:
During the third quarter of this year, Mazaya Real Estate Development Company announced its completely new visual identity, and this change coincides with the noticeable positive transformation that the company is undergoing, and its aspiration to become one of the leading investment and real estate development companies in the State of Qatar. We have also updated our vision, values and mission to keep pace with our aspirations and future plans.

Financial Results:
Reflecting on the previous data, the financial performance of 2022 reflects the achievement of Mazaya Real Estate Development Company, as we have generated a net profit of 41 million Qatari riyals, and total revenues of 123 million Qatari riyals. The company's assets amounted to 2.01 billion Qatari Riyals, while the total shareholders' equity amounted to 1.02 billion Qatari Riyals.

Projects:
As for the latest developments related to the company's projects:

• **Tala Residential Compound:**
After the completion of the World Cup, the company put the Tala Residential Compound units on the market for rent, and within a short period, 87% of the units were occupied.

• **The Marina Project:**
Mazaya has been in continuous discussions with Qatar Foundation to review the terms of the BOT Agreement with the aim of enhancing the project to better suit the developments and changes in the market, especially in Lusail City. However, due to the infeasibility of the project, both Mazaya and Qatar Foundation have agreed that the best outcome for both would be to terminate the Agreement and return the land to Qatar Foundation.

• **Gloria Hotel and Suites:**
The hotel's maintenance and renovation works were completed in a record period that ended during the third quarter of the year 2022. The hotel was fully leased to a government agency during the 2022 FIFA World Cup, and the hotel is currently receiving visitors with its full capacity.

• **Al Daayen Land:**
We have reached the final stages with the Ministry of Municipality to replace the plot, and we will inform the Shareholders as soon as the procedures are completed and the alternative land registered in the name of Mazaya Real Estate Development Company.

Company Strategy and Most Important Developments:
We would like to present you with the latest developments carried out by Mazaya Real Estate Development Company during the year, as part of the implementation of our strategy as announced in the annual report for the year 2021:

Since we announced the strategy, the company's investments have reached 234 million Qatari Riyals in real estate generating a fixed income for several years to come, with an estimated return of approximately 7%. The aim is to complete the portfolio within the upcoming period, to achieve the announced figure of 500 million riyals.

- Mazaya has also enhanced its activity in real estate development activity, with a project to be launched on the Waterfront at Lusail City, the details of which will be announced soon. The company is always on the lookout for development opportunities and details of any confirmed projects will be shared to the Shareholders accordingly.

- As for the tourism sector, Mazaya, during the 2022 FIFA World Cup, contributed to securing accommodation for visitors and the public within its properties, and Mazaya benefited from the facilities provided by the government to stimulate tourism and the market such as the golden residency and foreign ownership, with Gloria Hotel & Suites which is wholly owned by the Mazaya as a leading example.

Through our strategy, Mazaya Real Estate Development Company seeks to support the country's efforts in achieving the National Vision 2030, in addition to its endeavor to achieve the company's purposes and growth. This comes as a result of our commitment to meet the aspirations and ambitions of our shareholders.

Future Plan:
During the year 2023, Mazaya seeks to increase its activity in the field of real estate development with new projects that contribute to the development of its real estate portfolio and enhance the company's revenues. The company has also activated the Gloria Hotel and Suites, and the focus will be on developing vacant lands and fully exploiting the assets to collect returns therefrom. In the coming years, the company will continue its work in developing its services, maintaining its partnerships, and contributing more broadly to diversifying the economy of the State of Qatar in line with the requirements of Qatar National Vision 2030.

Conclusion:

Dear Shareholders...
I would like to seize this opportunity, on behalf of the members of the Board of Directors, Executive Management and employees of the company, to extend my sincere thanks to His Highness Sheikh Tamim bin Hamad Al Thani, Emir of the State of Qatar, for his continuous support. To my brothers, members of the Board of Directors, for their efforts during their tenure. I would also like to extend my thanks to the management team that led the company with a methodology focused on success and strategic growth and also to the employees for their efforts in achieving this strategy.

Finally, I would like to thank our esteemed shareholders for their continuous trust and support in Mazaya and together we will achieve our aspirations and goals.

May Allah guide us in strengthening the company's position and growth.

Sincerely,

Salman Hassan Al Thani

CHIEF EXECUTIVE OFFICER **MESSAGE**

SHK. HAMAD BIN MOHAMAD AL THANI
CHIEF EXECUTIVE OFFICER

THE MOST SIGNIFICANT POINT IN **FINANCIAL RESULTS** OF **2022** IS **THE ROBUST GROWTH** IN **OPERATIONAL INCOME**

THE COMPANY IS **CURRENTLY WORKING** ON SETTING DESIGNS AND STUDIES TO **IMPROVE LANDS HELD** WITHIN **QATAR AND ABROAD**

Mazaya Real Estate Development witnessed various achievements during the year 2022 On investment, social and administrative levels. The previously described Board's Report provided an overview for achievements and main activities performed during 2022. Accordingly, I will be highlighting the financial results of 2022 further to the administrative developments which occurred during the year.

We have recognized net profits of QAR 41 M in 2022 compared with the loss of QAR 248 for the same term of during the previous year. The most significant point in the financial results of 2022 is the robust growth in operational income, represented in the increase of income revenues resulting from income-generating investments from QAR 33 M in 2021 to QAR 53 M in 2022, with an increase of 63%. Enhancing the tasks of the project management department contributed in reducing operational expenses by 11%; where all projects of Mazaya are being managed internally; we are working on expanding this activity to carry out larger projects for assisting in increasing revenues.

Mazaya continues to achieve its strategy for empowering investment portfolio with QAR 500 M as promised to Shareholders last year 2021, where the company had achieved 55% of our target. This accomplishment came through various acquisitions (such as Muaither Complex, Al Sadd Buildings, and at the beginning of 2023 two buildings in Messaimeer were acquired) estimated with gross total of QAR 275 M; as we are working on the execution of various income-generating acquisitions to enhance company's portfolio and to increase returns. The company is currently working on setting designs and studies to improve lands held within Qatar and abroad for sale and lease; we will disclose to Shareholders upon completion of reviewing and approving suggestions.

With these achievements a new identity of the company was launched to reflect the spirit of enthusiasm and developments to the company, expressing ambition and determination of executive management to enhance company's performance, bringing it to the ranks of leading companies in the field of real estate development. We have developed

company's vision and mission in line with our new direction to be alined further with the Qatar Vision 2030, also we have supported the same with values that will help us define our orientation.

Mazaya Real Estate Development made significant contributions to society during 2022, including summer student training program, in which a number of Qatari secondary school and university students took part. Mazaya had also contributed to supporting Qatar Cancer Society in its awareness programs and plans on spreading awareness of cancer and ways to prevent it. Mazaya also has other roles in supporting a number of sporting, cultural, health and environmental activities in the country.

In conclusion, I take this opportunity to thank HH Sheikh Tamim bin Hamad Al-Thani, Emir of State of Qatar for his patronage and support for local companies.

I would also like to express my sincere thanks and appreciation to members of the Board of Directors, employees and our shareholders for their ongoing support.

May Allah guide us to work faithfully for the good of our shareholders, and to achieve the objectives of the Board of Directors, and assist in the accomplishment of the Qatar Vision 2030; looking forward to more success in coming years.

Hamad Bin Mohammed Bin Khalid Al Thani
Board Member, CEO

"PEOPLE ARE THE MOST SOLID **BRICKS** AND THE **GREATEST** INVESTMENT TO BUILD A NATION ... **QATAR** INVESTED IN **YOU**. TO US YOU ARE A **PRIDE** AND YOUR ACCOMPLISHMENTS WE AWAIT."

H.H. SHIEKH TAMIM BIN HAMAD AL THANI
EMIR OF THE STATE OF QATAR

MISSION

By inspiring the highest standards of excellence, fostering growth, and working with integrity. We want to become one of the region's leading real estate development firms.

VISION

To elevate the investment and real estate environment in the region by offering quality and innovation in real estate development inspired by the Qatari culture.

VALUES

- SUSTAINABILITY
- TRUST
- EXCELLENCE
- QUALITY
- INNOVATION
- COMMITMENT

BOARD OF DIRECTORS'

Sheikh Salman bin Hassan Al Thani
Chairman

Sheikh Hamad bin Mohammed Al Thani
Board Member and CEO

Mr. Abdullah Hamad Alattiya
Board Member

Mr. Ibrahim Jaham Alkuwari
Board Member

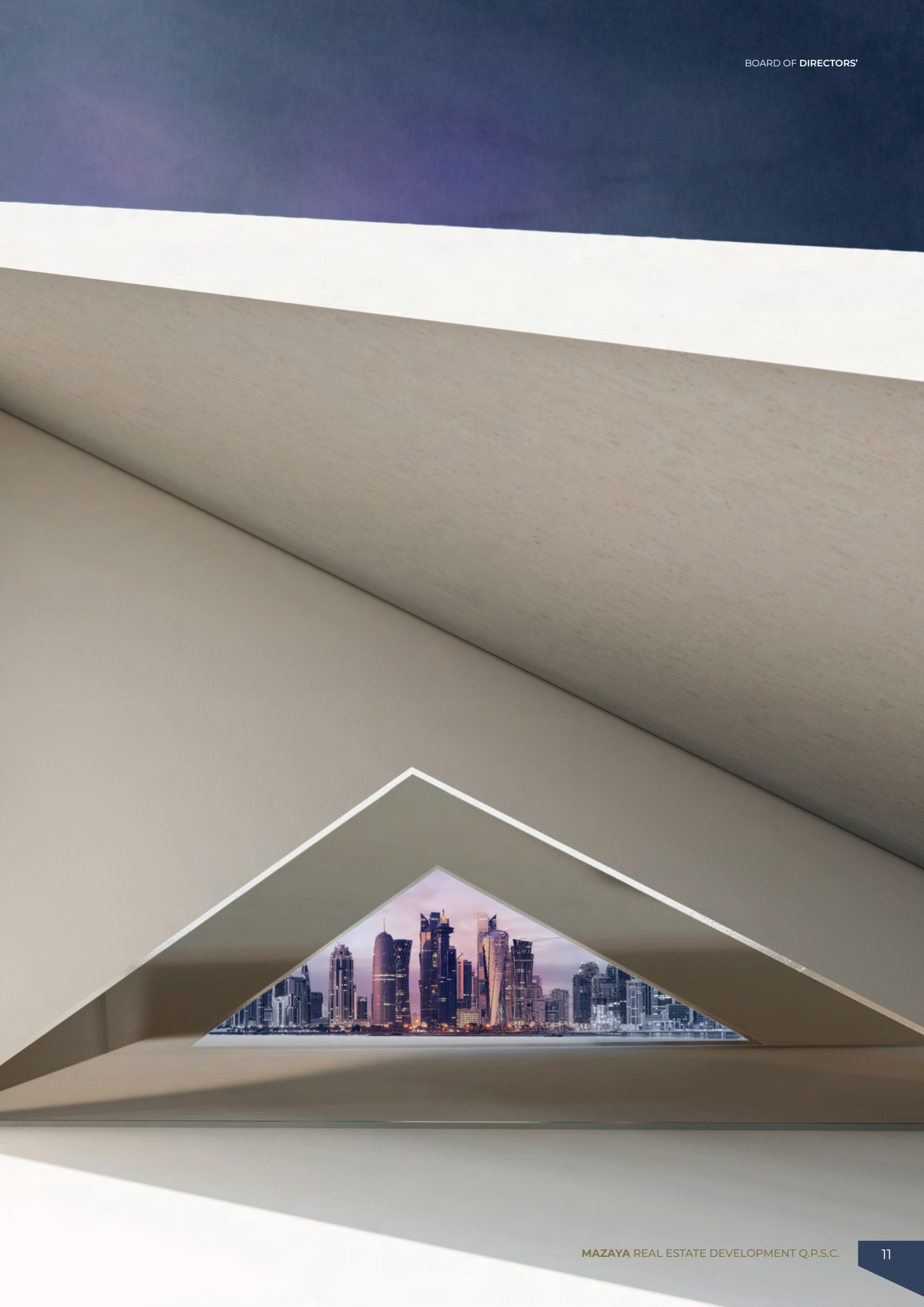
Mr. Abdullah Ali Alkuwari
Board Member

Mr. Youssef A. Alsada
Board Member

Mr. Saeed A. Abo Odeh
Board Member

Mr. Hamad A. Alhedfa
Board Member

Mr. Abdel Aziz A. Al Hamidi
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 31/12/2022, 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 31/12/2022, 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\2022, we found that the Zakat on each share for the shareholder is only **0.0035** Qatari Riyal,

for example:
Zakat of 1000 shares X 0.0035 = 3.5 QR.

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

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

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

OUR **PROJECTS**

GLORIA HOTEL **& SUITES**

Gloria Hotel and Suites Located 600 meters from Corniche Street. The hotel was renovated and opened in November 2022.

It has 156 standard rooms and 13 suites. Gloria & Suites provides personalized service and an unforgettable experience.

Guests can select from a range of dining options in the Buffet Restaurant, take a refreshing dip or relax next to the swimming pool, work out in the gym, or enjoy the spectacular view of Doha.

TALA **RESIDENCE**

Tala Residential Compound developed by Mazaya Real Estate Development Company in 2012.

Tala Residential Compound consists of 346 residential units, the compound also includes a health club equipped with the latest sports equipment, a swimming pool, various sports activities, and service facilities.

MUAITHER **COMPOUND**

Muaither Compound is a 42 villas-unit project that has been rented to Hamad Medical Center for a three-year contract that started on 21st September 2021.

ALSADD BUILDINGS

Consisting of 155 housing units—comprising 2- and 3-bedroom apartments—with a swimming pool, two gyms (one for men and another for women), and parking for 165 cars in each building. The project covers a total area of 6659 square meters.

Located centrally in the Al-Sadd area, this site benefits from its proximity to all basic services and facilities that cater for the daily needs of the residents.

SIDRA VILLAGE

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

Public spaces are integrated throughout to provide a fully pedestrian route. The residents of each block enjoy semi-private courtyards, each unit has a balcony with private open space, and some buildings also have shaded roof gardens.

'22 RISING BEYOND

FINANCIAL REPORT

CONSOLIDATED FINANCIAL STATEMENTS
& INDEPENDENT AUDITORS' REPORT

For the year ended, 31 DECEMBER 2022

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

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
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 2022, 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 and possible 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 2022, 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 674,291,348 (2021: QR 769,030,098), includes a plot of land with a carrying amount of QR. 200,370,000 (2021: QR. 200,370,000). 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. 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.

Net fair value loss on investment properties, which is reported in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2021 at QR. 198,400,000, includes a fair value loss relating to a residential compound of QR. 148,000,000. 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. Since opening investment properties enter into the determination of the net fair value loss 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 ended December 31, 2021 reported in the consolidated statement of profit or loss and other comprehensive income and the net cash flows from operating activities for the year ended December 31, 2021 reported in the consolidated statement of cash flows. Our audit opinion on the financial statements for the period ended December 31 2021 was modified accordingly. Our opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

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.

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 matter	
Valuation of investment properties	**How our audit addressed the key audit matter**
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. 674,291,348, 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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 scepticism 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.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements
Further, as required by the Qatar Commercial Companies Law, we 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;

• Except as mentioned in the basis for qualification paragraph above, 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.

Doha – Qatar
February 8, 2023

For Deloitte & Touche
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 **2022**

	Notes	2022 QR.	2021 QR.
ASSETS			
Non-current assets			
Property and equipment	5	**134,419,042**	551,366
Investment properties	6	**674,291,348**	769,030,098
Right-of-use assets	7	**--**	1,757,505
Investment in an associate	8	**18,463,709**	18,355,561
Wakala investments	9	**26,177,197**	27,677,197
Finance lease receivable	10	**1,068,262,012**	1,102,424,267
		1,921,613,308	1,919,795,994
Current assets			
Finance lease receivable	10	**34,162,255**	32,107,981
Receivables and prepayments	11	**32,725,623**	35,830,624
Islamic bank balances and cash	12	**90,647,150**	63,255,393
		157,535,028	131,193,998
TOTAL ASSETS		**2,079,148,336**	2,050,989,992
EQUITY AND LIABILITIES			
Equity			
Share capital	13	**1,157,625,000**	1,157,625,000
Legal reserve	14	**62,106,682**	58,005,878
Accumulated losses		**(197,224,645)**	(233,106,681)
Total equity		**1,022,507,037**	982,524,197
Non-current liabilities			
Islamic finance facilities	15	**897,277,479**	800,000,000
Employees' end of service benefits	17	**2,283,861**	1,925,180
		899,561,340	801,925,180
Current liabilities			
Islamic finance facilities	15	**38,125,912**	151,879,315
Lease liabilities	16	**--**	1,713,698
Income tax payable	24	**413,105**	352,738
Payables and other liabilities	18	**118,540,942**	112,594,864
		157,079,959	266,540,615
Total liabilities		**1,056,641,299**	1,068,465,795
TOTAL EQUITY AND LIABILITIES		**2,079,148,336**	2,050,989,992

Sheikh Salman Bin Hasan Al Thani
Chairman of Board of Directors

Sheikh Hamad Bin Mohamad Al Thani
Chief Executive Officer

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December **2022**

	Notes	**2022 QR.**	2021 QR.
Finance income	**10**	**68,592,019**	70,522,764
Operating income	**19**	**53,280,143**	32,735,381
Revenue from property management		**--**	822,987
Operating expenses	**20**	**(11,455,037)**	(12,866,888)
Income from operations		**110,417,125**	91,214,244
Net fair value loss on investment properties	**6**	**--**	(198,400,000)
Impairment loss on project in progress		**--**	(68,300,099)
Share of gain / (loss) from investment in associate	**8**	**108,148**	(350,000)
Provision for impairment on Wakala investments	**9**	**(1,500,000)**	(1,500,000)
Depreciation	**5**	**(508,524)**	(406,922)
Amortization of rights-of-use assets	**7**	**(1,169,536)**	(1,302,288)
General and administrative expenses	**21**	**(24,748,928)**	(25,415,813)
Other income	**22**	**1,137,740**	709,744
Finance costs	**23**	**(42,314,312)**	(44,643,927)
Profit / (loss) for the year		**41,421,713**	(248,395,061)
Income tax	**24**	**(413,672)**	(353,354)
Net profit / (loss)		**41,008,041**	(248,748,415)
Other comprehensive income		**--**	--
Total comprehensive income / (loss) for the year		**41,008,041**	(248,748,415)
Basic and diluted earnings per share	**25**	**0.04**	(0.21)
(attributable to shareholders of the parent expressed in QR per share)			

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December **2022**

	SHARE CAPITAL	TREASURY SHARES	LEGAL RESERVE	(ACCUMULATED LOSSES)	TOTAL
Balance at 1 January 2021	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	--	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
Profit for the year	--	--	--	41,008,041	41,008,041
Transfer to legal reserve (Note 14)	--	--	4,100,804	(4,100,804)	--
Social and sports activities fund contribution (Note 26)	--	--	--	(1,025,201)	(1,025,201)
Balance at 31 December 2022	1,157,625,000	--	62,106,682	(197,224,645)	1,022,507,037

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December **2022**

	Notes	2022 QR.	2021 QR.
OPERATING ACTIVITIES			
Profit / (loss) for the year		**41,421,713**	(248,395,061)
Adjustments for:			
Depreciation		**508,524**	406,922
Net fair value loss on investment properties	**5**	**--**	198,400,000
Amortization of rights-of-use assets	**6**	**1,169,536**	1,302,288
Share of (gain) / loss from investment in associate	**7**	**(108,148)**	350,000
Provision for impairment on Wakala investments	**8**	**1,500,000**	1,500,000
Impairment of project in progress	**9**	**--**	68,300,099
Provision for employees' end of service benefits		**358,681**	505,540
Profit from deposits with Islamic banks	**17**	**(45,978)**	(298,378)
Finance income	**10**	**(68,592,019)**	(70,522,764)
Finance costs	**23**	**42,314,312**	44,643,927
Operating profit / (loss) before working capital changes		**18,526,621**	(3,807,427)
Working capital changes:			
Receivables and prepayments		**3,105,001**	(26,324,098)
Payables and other liabilities		**(33,639,694)**	(216,815,222)
Collection of lease receivables		**100,700,000**	100,700,000
Cash flows generated from / (used in) operations		**88,691,928**	(146,246,747)
Finance costs paid	**23**	**(42,314,312)**	(44,643,927)
Employees' end of service benefits paid	**17**	**--**	(1,496,322)
Net cash flows generated from / (used in) operating activities		**46,377,616**	(192,386,996)
INVESTING ACTIVITIES			
Purchase of property and equipment	**5**	**(380,037)**	(435,894)
Additions to project in progress		**--**	(2,303,387)
Profit received from deposits with Islamic banks		**45,978**	298,378
Net cash flows used in investing activities		**(334,059)**	(2,440,903)
FINANCING ACTIVITIES			
Payment of principal of lease liabilities	**16**	**(1,105,402)**	(2,259,257)
Payment of interest portion of lease liabilities	**16**	**(20,327)**	(107,256)
Proceeds from Islamic finance facilities	**15**	**--**	984,119,140
Payment of Islamic finance facilities	**15**	**(16,475,924)**	(788,431,928)
Sale of treasury shares		**--**	16,096,863
Dividends paid		**(1,050,147)**	(30,702,939)
Net cash flows (used in) / generated from financing activities		**(18,651,800)**	178,714,623
INCREASE / (DECREASE) IN ISLAMIC BANK BALANCES AND CASH		**27,391,757**	(16,113,276)
Islamic bank balances and cash at 1 January	**12**	**63,255,393**	79,368,669
ISLAMIC BANK BALANCES AND CASH AT 31 DECEMBER	**12**	**90,647,150**	63,255,393
Non-cash transactions:			
Transfer from investment property to property and equipment	**5 & 6**	**133,996,163**	--

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December **2022**

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 2022 and 2021, include the following subsidiaries:

NAME OF THE COMPANY	SHARE CAPITAL	COUNTRY OF INCORPORATION	EFFECTIVE PERCENTAGE OF OWNERSHIP AS AT 31 DECEMBER	
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%
MQ Investment L.L.C.	295,550	UAE	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 Group has established a new subsidiary in Dubai (MQ Investment L.L.C.). The subsidiary has not yet commended operations.

The consolidated financial statements of the Group for the year ended 31 December 2022 were authorised for issue by the Board of Directors on 8 February 2023.

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

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS recently issued by the IASB and International Financial Reporting Interpretations Committee ("IFRIC") interpretations effective as of January 1, 2022:

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

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2022, have been adopted in these consolidated financial statements.

NEW AND REVISED IFRSS	EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER
Amendments to IFRS 3 – Reference to the Conceptual Framework In May 2020 the IASB issued amendments to update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. 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.	**Beginning on or after January 1, 2022**
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 Company 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 statutory statement of profit or loss and other 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 statutory statement of profit or loss and other 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 Company first applies the amendments. The Company 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**

NEW AND REVISED IFRSS	EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER
Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract	**January 1, 2022**
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 Company has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the Company first applies the amendments. Comparatives are not restated.	
Instead, the Company 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.	
Annual Improvements to IFRS Standards 2018–2020	**January 1, 2022**
The Annual Improvements include amendments to four Standards.	
IFRS 1 First-time Adoption of International Financial Reporting Standards-Subsidiary as a first time adopter	
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 consolidated financial statements, based on the parent's date of transition to IFRS Accounting 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).	
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 first applies the amendment.	
IFRS 16 Leases	
The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.	

NEW AND REVISED IFRSS	EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER
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 pre-tax 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.	

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

The Group has not early adopted the following new and amended standards and interpretations that have been issued but are not yet effective.

NEW AND REVISED IFRSS	EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER
IFRS 17 Insurance Contracts (including the June 2020 and December 2021 amendments to IFRS 17) 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. 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.	**January 1, 2023**

NEW AND REVISED IFRSS	EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER
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**
Amendments to IAS 1 Presentation of Financial Statements Classification of Liabilities as Current or Non-current The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent 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. In November 2022, IAS 1 has been amended to specify that only covenants an entity must comply with on or before the reporting period should affect classification of the corresponding liability as current or noncurrent. An entity is required to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months. The 2022 amendments deferred the effective date of the amendments to IAS 1 Classification of Liabilities as Current or Non-current published in January 2020 by one year to annual reporting periods beginning on or after 1 January 2024.The amendments are applied retrospectively.	**January 1, 2023. Early application permitted**
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies The IASB has amended IAS 1 require entities to disclose its "material accounting policies" instead of its 'significant accounting policies' with 'material accounting policy information'. Further amendments to IAS 1 are made to explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are also added.	**January 1, 2023. Early application permitted**

NEW AND REVISED IFRSS	EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER
To support the amendments, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2. The amendments to IAS 1 are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.	
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates	**January 1, 2023. Early application permitted**
The IASB has amended IAS 8 to define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". Accounting policies may require items in financial statements to be measured in a way that involves measurement uncertainty—that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information. The IASB has retained the concept of changes in accounting estimates in the Standard, even though the definition was deleted, 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. The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments.	
Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction	**January 1, 2023. Early application permitted**
The amendments provide 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. Following the amendments to IAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. The IASB also adds an illustrative example to IAS 12 that explains how the amendments are applied.	

NEW AND REVISED IFRSS	EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER
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 IFRS 16 Leases: Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions*** The amendments requires a seller-lessee to subsequently measure lease liabilities by determining "lease payments" and "revised lease payments" arising from a lease-back in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.	**January 1, 2024. Early application permitted**

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 as highlighted in previous paragraphs, may have no material impact on the consolidated financial statements of the Group in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The 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 and assets classified as held for sale 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.

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 2022. 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, Hotel and rendering property management services. Operating income represents the revenue from hotel rooms, food and beverage, catering and other services, and rental income arising from operating leases on investment properties.

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.

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:

Building	25 years
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.

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 29.

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.

(iv) 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.

(v) 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.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgments and estimates

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

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

Critical judgements

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

Revenue recognition

Management considers recognizing revenue over time, if one of the following criteria is met, otherwise revenue will be recognized at a point in time:

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

Business model assessment

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

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

Determining 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). The existing lease contract of head office building expired on August 31, 2022. Terms and conditions of the new agreement is still under discussion with landlord. The new terms may be substantially different and accordingly management is not reasonably certain to estimate the value of right of use assets and lease liabilities.

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 2022.

Owner occupied property
During the year, the Group completed renovation and maintenance work of a specific property and started operating it themselves and accordingly transferred to property and equipment as owner-occupied property based on IFRSs.

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 (2021: 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

	LAND	BUILDING	COMPUTER AND EQUIPMENT QR.	FURNITURE AND FIXTURES QR.	MOTOR VEHICLES QR.	TOTAL
Cost:						
At 1 January 2021	--	--	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
Additions	--	--	173,938	6,399	199,700	380,037
Transfer from investment property (Note 6)	40,000,000	93,996,163	--	--	--	133,996,163
At 31 December 2022	40,000,000	93,996,163	1,748,068	46,284	342,850	136,133,365
Depreciation:						
At 1 January 2021	--	--	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
Charge for the year	--	--	422,707	4,180	81,637	508,524
At 31 December 2022	--	--	1,554,633	39,226	120,464	1,714,323
Net carrying amount						
31 December 2022	**40,000,000**	**93,996,163**	**193,435**	**7,058**	**222,386**	**134,419,042**
31 December 2021	--	--	442,204	4,839	104,323	551,366

6. INVESTMENT PROPERTIES

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

	2022 QR.	2021 QR.
At 1 January	**769,030,098**	900,098,548
Addition	**39,257,413**	67,331,550
Transfer to property and equipment (Note 5)	**(133,996,163)**	--
Net fair value movement during the year	**--**	(198,400,000)
Balance at 31 December	**674,291,348**	769,030,098

During the year, the Group completed renovation and maintenance work of a specific property and started operating it themselves and accordingly transferred to property and equipment as owner-occupied property based on IFRSs.

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 2022 (2021: QR 22,037,500). Rental income from the property is pledged against the facilities obtained from an Islamic bank (Note 15).

The fair value of the Group's investment properties at 31 December 2022 and 2021 has been arrived at on the basis of valuation carried out at that date by 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.

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.

	TOTAL QR.	QUOTED PRICES IN ACTIVE MARKETS LEVEL 1	SIGNIFICANT OBSERVABLE INPUTS LEVEL 2	SIGNIFICANT UNOBSERVABLE INPUTS LEVEL 3
31 December 2022				
Investment properties	**674,291,348**	**--**	**--**	**674,291,348**
31 December 2021				
Investment properties	769,030,098	--	--	769,030,098

Fair value of investment properties except for the Al Sadd Building, Tala residence 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 **2022** **QR.**	 2021 QR.
Plots in Dubai	**28-80**	28-80
Plot in Qatar	**730**	730

The fair value of the Tala residence, Al Sadd Building, Muaither Compound 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	**2022**	2021
Monthly rental income	**QR 33-99 sqm**	28-80
All risk yield – current	**6.5% - 8.25%**	730

During the year ended 31 December 2022, 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 (December 31, 2021: 184,100,000), after the expiry current lease agreement in March 2023. The carrying value is net off of the impairment loss of QR. 148,000,000 recognised during the year ended December 31, 2021. The property is currently carried at value with the assumption that the current lease agreement will not be renewed and accordingly a comparable market rent was used.

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 (2021: QR 200,370,000). 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 2022 and carried in the Group's consolidated statement of financial position at carrying value of QR 200,370,000 (2021: QR. 200,370,000).

7. RIGHT-OF-USE OF ASSETS

	2022 **QR.**	2021 QR.
Balance at 1 January	**1,757,505**	3,927,020
Amortization of right-of-use	**(1,169,536)**	(1,302,288)
Remeasurement	**(587,969)**	(867,227)
Balance at 31 December	**--**	1,757,505

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

8. INVESTMENT IN AN ASSOCIATE

The Group has the following investment in an associate:

	COUNTRY OF INCORPORATION	Estimated land value per sq ft		PRINCIPAL ACTIVITY
		2022	2021	
Nishan Investments and Real Estate Development	Qatar	**11.43%**	11.43%	Real Estate

Movements in the investment in an associate are as follows:

	2022 QR.	2021 QR.
At January 1	**18,355,561**	18,705,561
Share of profit / (loss) for the year	**108,148**	(350,000)
At December 31	**18,463,709**	18,355,561

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

	2022 QR.	2021 QR.
Current assets	**17,368,585**	14,189,110
Non-current assets	**18,871,675**	17,061,906
Current liabilities	**(5,254,535)**	(1,229,189)
Non-current liabilities	**(12,522,016)**	(11,666,266)
Net Assets	**18,463,709**	18,355,561

	2022 QR.	2021 QR.
Share in the associates' revenue and results		
Revenues	**400,733**	185,995
Share of gain / (loss) for the year	**108,148**	(350,000)

9. 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 (2021: QR. 1,500,000).

	2022 QR.	2021 QR.
Wakala investments	**61,354,395**	61,354,395
Less: Provision for impairment	**(35,177,198)**	(33,677,198)
	26,177,197	27,677,197

10. 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:

	2022 QR.	2021 QR.
Non-current portion	**1,068,262,012**	1,102,424,267
Current portion	**34,162,255**	32,107,981
	1,102,424,267	1,134,532,248

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

	2022 QR.	2021 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	**1,288,960,000**	1,389,660,000
Gross investment in lease	**1,792,460,000**	1,893,160,000
Less: unearned finance income	**(690,035,733)**	(758,627,752)
Present value of minimum lease payments schedule	**1,102,424,267**	1,134,532,248
Impairment loss allowance (ECL)	**--**	--
Net investment in the lease	**1,102,424,267**	1,134,532,248

The effective interest rate contracted is approximately 6.25% (2021: 6.25%) per annum, which resulted in finance income of QR 68,592,019 (2021: QR 70,522,764). The finance lease receivable at the end of the reporting period are neither past due nor impaired.

11. RECEIVABLES AND PREPAYMENTS

	2022 QR.	2021 QR.
Prepayments (note i)	**31,762,865**	34,788,443
Refundable deposits	**600,525**	600,525
Trade receivable	**148,716**	163,716
Other receivables	**1,339,221**	1,403,644
	33,851,327	36,956,328
Less: loss allowance on other receivables	**(1,125,704)**	(1,125,704)
	32,725,623	35,830,624

i) Prepayments include an advance payment of QR 26.5 million to a related party for the purchase of investment property. The control of the property will be transferred to the Company during 2023.

12. ISLAMIC BANK BALANCES AND CASH

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

	2022 QR.	2021 QR.
Islamic bank balances	**90,586,970**	63,235,393
Cash in hand	**60,180**	20,000
Cash and cash equivalent	**90,647,150**	63,255,393

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.

13. SHARE CAPITAL

	2022 QR.	2021 QR.
Authorized, issued and fully paid		
1,157,625,000 ordinary shares of QR 1 each	**1,157,625,000**	1,157,625,000

14. 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.

15. ISLAMIC FINANCE FACILITIES

	NOTES	2022 QR.	2021 QR.
Islamic facility 1	(i)	**151,879,315**	151,879,315
Islamic facility 2	(ii)	**783,524,076**	800,000,000
		935,403,391	951,879,315
Deferred financing arrangement cost		**--**	--
		935,403,391	951,879,315
Current portion		**38,125,912**	151,879,315
Non-current portion		**897,277,479**	800,000,000
		935,403,391	951,879,315

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 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. During the year, management agreed with bank to extend the tenor of the liability due on Jan 31, 2023 to a maximum period of 15 years (up to Dec 1, 2037).

(ii) During April 2021, the Group entered into an agreement with a local bank to refinance the outstanding balance of Islamic facility 2. The loan facility 2 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 42,293,985 (2021: QR 44,536,671).

16. LEASE LIABILITIES

	2022 QR.	2021 QR.
Balance as at beginning of the year	**1,713,698**	4,947,438
Accretion of interest	**20,327**	107,256
Adjustments of lease liabilities	**(587,969)**	(867,227)
Payments	**(1,146,056)**	(2,473,769)
Balance as at end of the year	**--**	1,713,698
Current	**--**	1,713,698
Non-current	**--**	--
	--	1,713,698

	2022 QR.	2021 QR.
Maturity analysis		
Not later than 1 year	**--**	1,713,698
Later than 1 year and not later than 5 years	**--**	--
	--	1,713,698

The Group leases its office space for a lease term of five years and used 5.5% (2021: 5.5%) as the incremental borrowing rate up to August 2022. The Group is currently under discussion with landlord on the terms and conditions of the new contract.

17. EMPLOYEES' END OF SERVICE BENEFITS

	2022 QR.	2021 QR.
At 1 January	**1,925,180**	2,915,962
Provided during the year	**358,681**	505,540
Paid during the year	**--**	(1,496,322)
At 31 December	**2,283,861**	1,925,180

18. PAYABLES AND OTHER LIABILITIES

	2022 QR.	2021 QR.
Accounts payable	**13,488,003**	2,049,883
Encashment of bond (Note i)	**59,827,513**	59,827,513
Accrued expenses	**27,905,858**	18,681,287
Deferred rental income	**--**	14,691,667
Dividends payable	**16,294,367**	17,344,514
Social and sports activities fund contribution (Note 26)	**1,025,201**	--
	118,540,942	112,594,864

(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.

19. OPERATING INCOME

	2022 QR.	2021 QR.
Disaggregation of revenue – over time		
Rental income	**42,033,593**	32,735,381
Hospitality income	**11,246,550**	--
	53,280,143	32,735,381

20. OPERATING EXPENSES

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

21. GENERAL AND ADMINISTRATIVE EXPENSES

	2022 QR.	2021 QR.
Staff costs	**17,487,657**	15,755,202
Board compensation	**400,000**	--
Legal and professional expenses	**3,733,590**	2,020,584
Registration and regulatory fees	**899,056**	235,520
Marketing and advertising	**736,021**	590,121
Sharia Board fees	**90,000**	90,000
Write off of prepayments	**--**	4,412,716
Other miscellaneous expenses	**1,402,604**	2,311,670
	24,748,928	25,415,813

22. OTHER INCOME

	2022 QR.	2021 QR.
Profit from deposits with Islamic banks	**45,978**	298,378
Miscellaneous income	**1,091,762**	411,366
	1,137,740	709,744

23. FINANCE COST

	2022 QR.	2021 QR.
Islamic finance facilities (Note 15)	**42,293,985**	44,536,671
Lease liabilities (Note 16)	**20,327**	107,256
	42,314,312	44,643,927

24. INCOME TAX

	2022 QR.	2021 QR.
Current income tax		
Current income tax charge	**413,672**	353,354
Income tax included in the statement of profit or loss	**413,672**	353,354

The tax reconciliation is presented as follows:

	2022 QR.	2021 QR.
Profit / (loss) before tax	**41,421,713**	(247,895,061)
Adjustments for:		
Effect of loss / (income) not subject to tax	**(7,146,210)**	278,778,402
Taxable income	**34,275,503**	30,883,341
Exempt income - Qatari shareholders	**(30,138,783)**	(27,350,291)
Taxable income subject to tax	**4,136,720**	3,533,050
Income tax @ 10%	**413,672**	353,305

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:

	2022 QR.	2021 QR.
Profit / (loss) attributable to shareholders of the parent	**41,008,041**	(248,748,415)
Weighted average number of shares outstanding during the year	**1,157,625,000**	1,157,625,000
Basic and diluted earnings per share (QR)	**0.04**	(0.21)

The Group did not issue any bonus shares for the years 2022 and 2021.

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.

27. 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:

	2022 QR.	2021 QR.
Salaries and short-term benefits	**3,093,205**	2,825,079
Employees' end of service benefits	**94,170**	94,170
	3,187,375	2,919,249

28. COMMITMENTS AND CONTINGENCIES

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 2022, as per management's assessment the Group has a good sound position for this case.

As of 31 December 2022, 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.

29. FINANCIAL INSTRUMENTS

Significant accounting policies

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

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

Categories of financial instruments

(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 2022 QR.	FINANCING CASH FLOWS QR.	NON CASH CHANGES QR.	AT 31 DECEMBER 2022 QR.
Islamic finance liabilities	**951,879,315**	**(16,475,924)**	**--**	**935,403,391**
Lease liabilities	**1,713,698**	**(1,125,729)**	**(587,969)**	**--**

	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

30. 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.

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:

	2022 QR.	2021 QR.
Finance lease receivable	**1,102,424,267**	1,134,532,248
Wakala investments	**26,177,197**	27,677,197
Islamic bank balances	**90,586,970**	63,235,393
Refundable deposits	**600,525**	600,525
Trade receivable	**148,716**	163,716
Other receivables	**213,517**	277,940
	1,220,151,192	1,226,487,019

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 90,586,970 at 31 December 2022 (2021: QR 63,255,393). 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 2022	NOTE	EXTERNAL CREDIT RATINGS	INTERNAL CREDIT RATINGS	12 MONTH OR LIFETIME ECL	GROSS CARRYING AMOUNT	LOSS ALLOWANCE	NET CARRYING AMOUNT
Trade and other receivable	11	N/A	i	Lifetime ECL	**2,088,462**	**(1,125,704)**	**962,758**
Finance lease receivable	10	N/A	i	Lifetime ECL	**1,102,424,267**	**--**	**1,102,424,267**
Wakala investments	9	N/A	i	Lifetime ECL	**61,354,395**	**(35,177,198)**	**26,177,197**
Islamic bank balances	12	BB	N/A	12-month ECL	**90,586,970**	**--**	**90,586,970**

31 DECEMBER 2021	NOTE	EXTERNAL CREDIT RATINGS	INTERNAL CREDIT RATINGS	12 MONTH OR LIFETIME ECL	GROSS CARRYING AMOUNT	LOSS ALLOWANCE	NET CARRYING AMOUNT
Trade and other receivable	11	N/A	i	Lifetime ECL	2,167,885	(1,125,704)	1,042,181
Finance lease receivable	10	N/A	i	Lifetime ECL	1,134,532,248	--	1,134,532,248
Wakala investments	9	N/A	i	Lifetime ECL	61,354,395	(33,677,198)	27,677,197
Islamic bank balances	12	BB	N/A	12-month ECL	63,255,393	--	63,255,393

(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.

AS AT 31 DECEMBER 2022	LESS THAN 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	> 5 YEARS	TOTAL QR.
Accounts payable	**--**	**13,488,003**	**--**	**--**	**13,488,003**
Social and sports activities fund contribution	**--**	**1,025,201**	**--**	**--**	**1,025,201**
Islamic finance facilities	**8,480,000**	**29,645,912**	**227,681,398**	**669,596,081**	**935,403,391**
Dividends payable	**--**	**16,294,367**	**--**	**--**	**16,294,367**
Total	**8,480,000**	**60,453,483**	**227,681,398**	**669,596,081**	**966,210,962**

AS AT 31 DECEMBER 2021	LESS THAN 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	> 5 YEARS	TOTAL QR.
Accounts payable	--	2,049,883	--	--	2,049,883
Social and sports activities fund contribution	--	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	199,699,470	197,089,641	567,448,299	972,987,410

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:

	2022 QR.	2021 QR.
Islamic finance facilities	**935,403,391**	951,879,315

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 2022	**2,338,508**
At 31 December 2021	2,379,698

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 2022, 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.

31. 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 2022 and 2021, there have been no material Dubai operations that needs to be considered as reportable segment.

32. 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 2022 and 2021.

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:

	2022 QR.	2021 QR.
Total liabilities	**1,056,641,299**	1,068,465,795
Less: Islamic bank balances and cash	**(90,647,150)**	(63,255,393)
Net debt	**965,994,149**	1,005,210,402
Total equity	**1,022,507,037**	982,524,197
Net debt to equity ratio at 31 December	**94%**	102%

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:

	2022 QR.	2021 QR.
Islamic finance facilities	**935,403,391**	951,879,315
Fair value of investment properties	**674,291,348**	769,030,098
Borrowing to fair value ratio at 31 December	**139%**	124%

'22 RISING BEYOND

CORPORATE GOVERNANCE

GOVERNANCE CODE FOR LISTED COMPANIES AND LEGAL ENTITIES

FOR THE YEAR 2022

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

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CHAIRMAN'S **MESSAGE**

SHK. Salman bin Hassan Al Thani
Chairman of the Board of Directors

Dear Shareholders,
Peace and blessings be upon you.

I am pleased to present Mazaya Real Estate Development (QPSC)'s Governance Report of for the year ending 31st December 2022. This report was prepared in accordance with Commercial Companies Law (11) of 2015 and amendments thereof, and in accordance to the Governance Code for Companies and Legal Entities Listed on Qatar Stock Exchange issued by Qatar Financial Markets Authority (QFMA) Resolution no. (5) of 2016, and the relevant Laws and regulations of the State of Qatar. This report has been reviewed by our external auditors Deloitte & Touche, who have expressed their opinion on the extent of Mazaya's commitment to applying the standards and rules of corporate governance.. We also affirm that we are continuing to develop systems of transparency, internal control, and disclosure for what is in the best interest of our shareholders. I hereby present to you the Governance Report for the year ending 31st December 2022.
Sincerely,

Salman bin Hassan Al Thani
Chairman of the Board of Directors

1. 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). In reference with provision of Article (2) of Corporate Governance Code where 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.

Pursuant to provisions of Article (3) of Corporate Governance Code, Mazaya reviews and updates the governance applications continuously and regularly and abides by application of the best governance principles; represented in equality, justice, and non-discrimination of stakeholders on the basis of race, gender or religion. In addition to the principles of transparency, disclosure and timely availability of information to authorities and stakeholders enableing them in their decision making process, further to upholding the company's social responsibility, values, and prioritizing general interest of shareholders over private interesst, and to perform duties, tasks and functions in good faith, integrity, honor, sincerity and responsibility. During 2022 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

In 2022, Mazaya carried out a gap analysis in line with the amendments to the Commercial Companies Law in accordance with Law No. 8 of 2021, by amending the company's Articles of Association. Such amendment was made subsequent to approval of shareholders at the Extraordinary General Assembly meeting held on June 21, 2022. The amended Articles of Association and Governance Charter can be found on Company's website.

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, and its ongoing strive to comply with the Governance Code. Mazaya is currently documenting its procedures and policies to ensure permanent compliance with laws and regulations of Qatar Financial Markets Authority (QFMA) 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 ensuring that transparency is observed and the rights of investors and minority shareholders are protected.

2. BOARD OF DIRECTORS

2.1. Formation of Board of Directors

In accordance with Article (6) of the Governance Code, the Board of Directors formation is in line with its Articles of Association, based on most updated requirements of QFMA. 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, one executive member and 3 independent members; i.e. one third of Board Members. The current term of the Board of Directors will end upon holding the Annual General Assembly in 2023.

2.2. Meetings and attendance

Pursuant to the requirements of article (14) of the Governance Code, Mazaya's Board of Directors shall meet, upon Chairman's request, on a regular and effective basis, whenever necessary in accordance with provisions of article (35) of Articles of Association of the company. The Board of Directors met seven times in 2022. The Company asserts that Board members regularly attended Board meetings except in certain cases beyond their control. In such cases, excuses are made for absences, and were accepted by the Board.

Members also employ their expertise and qualifications to Board of Directors and committees thereof, through attendance, active participation and maintaining confidentiality of information or statements without the prior authorization of Chairman or his delegate, in compliance with the Commercial Companies Act No. (11) of 2015 and amendments thereof; further to provision of article (13) of Governance Code for Companies and Legal Entities Listed in Main Market of Qatar Financial Markets Authority.

Board of Directors meetings and attendance were as follows:

MEMBER	POSITION	BOD MEETINGS	N & R COMMITTEE	GOVERNANCE COMMITTEE	AUDIT COMMITTEE
Sheikh Salman bin Hassan Al Thani	Chairman	7/7			
Sheikh Hamad bin Mohammed Al Thani	Board Member & CEO	7/7			6/6
Mr. Abdullah Hamad AlAttiya	Board Member	3/7	1/1		
Mr. Ibrahim Jaham Alkuwari	Board Member	7/7	1/1		
Mr.Youssef Ahmed Alsada	Board Member	7/7			6/6
Mr. Saeed Adnan Abo Odeh	Board Member	7/7		1/1	6/6
Mr. Hamad Ali Alhedfa	Board Member	3/7		1/1	
Mr. Abdullah Ali Alkuwari	Board Member	6/7	1/1		
Mr. Abdulaziz Abdullah Al Humaidi	Board Member	5/7		1/1	

2.3 Board Members of Mazaya Real Estate Development Company have the appropriate know-how and expertise to be able to perform their tasks effectively. Below is an overview of details related to Board Members and Senior Executive Management in compliance with the requirements of Item (3) of Article (4) of Corporate Governance Code:

1

Sheikh Salman bin Hassan Al Thani
Chairman of Mazaya's Board of Directors
(Non-Executive and Non-Independent Member)

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

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

The previous positions:
- **Chief Business and Strategy Development Officer**
  Qatar Financial Centre (QFCA)
- **Chief Financial Officer and Taxes Manager**
  Qatar Financial Centre (QFCA)
- **Director of Risk Management** - Qatar Central Bank
- **Board Member** - Qatar Central Securities Depository (QCSD)

2

Sheikh Hamad bin Mohammed Al Thani
Board Member and CEO
(Executive and Non-Independent Member)

Qualification
Masters in Strategic Business Unit Management (SBUM) from HEC Paris.

Bachelor's degree in Business Administration from Heriot Watt University.

The current positions:
- **CEO** - Mazaya Real Estate Development
- **Board Member** - Milaha Integrated Maritime and Logistics W.L.L.
- **Board Member** - Naqilat

The previous positions:
- Vice Chairman of Investment – Qatar Insurance Company (QIC)
- Credit Department – Qatar National Bank (QNB)

3

Mr. Abdullah Hamad Alattiya
Board Member
(Non-Executive and Non-Independent Member)

Qualification
Masters in Chemical Engineering – Nottingham University, UK.
Bachelor's degree in Engineering from Cardiff University, UK.

The current positions:
- Vice Chairman – Qatar Primary Materials Company
- CEO – Qatari Diar Real Estate Investment
- Vice Chairman – Barwa Real Estate (representing Qatari Diar Real Estate)
- Vice Chairman – Katara Hospitality

The previous positions:
- Acting Executive Director of Program Management Office – Supreme Committee for Delivery and Legacy
- Director of Technical Office – Public Works Authority
- Asst. President of 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 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.

4

Mr. Ibrahim Jaham Alkuwari
Board Member
(Non-Executive and Non-Independent 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 Real Estate Investment and Development

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5- Mr. Abdullah Ali Alkuwari
Board Member
(Non-Executive and Non-Independent Member)

Qualification
Bachelor's Degree of Architectural Engineering

The current positions:
- Chief Executive Officer of Qatar Project Management Company (QPM)

6

Mr./ Youssef Ahmed Alsada
Board Member
(Non-Executive and Independent Member)

Qualification

Bachelor's degree in Sciences from Qatar University

The current positions:
- Member of Qatar's Shura Council
- Manager of University Accommodation Qatar University
- Member of Qatar's Shura Council

The previous positions:
- Executive Director - 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

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Mr. Saeed Adnan Abo Odeh
Board Member
(Non-Executive and Independent 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

The 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.

8

Mr./ Hamad Ali Alhedfa
Board Member
(Non-Executive and Non-Independent 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.

The previous positions:
- former CEO - Mazaya Real Estate Development QPSC

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Mr. Abdelaziz Abdullah Al Humaidi
Board Member
(Non-Executive and Independent Member)

Qualification
Bachelor's degree in law

The current positions:
- Board Member at Al-Khor and Dakhira Schemes and Services QSC.

According to article (98) of Qatari Companies Act, representatives of the State in public shareholding companies are excluded from being a member of the Board of Directors of more than three joint stock companies whose main positions are located in the State, nor from being the Chairman of the Board of Directors or Vice-Chairman of more than two companies located in the State of Qatar.

2.4 Contribution percentage of the Board members and Senior Exective Management in the capital (As on 31 December 2022)

MEMBER	CONTRIBUTION PERCENTAGE
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*	0.66%
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%
Mr./ Mohamed Youssef Mansour	0.00%
Total	27.33%

* Total of company shares and personal shares

Furthermore, number of shares held by senior or dominant shareholders

SENIOR OR DOMINANT SHAREHOLDERS NAMES	NO. OF SHARES HELD	PERCENTAGE OF CAPITAL
Qatar Investment Authority	245,253,840	21.19%
Sh. / Mohamed Khaled Hamad Abdullah Al Thani*	94,459,661	08.16%
Qatari Company for Real Estate Investment*	61,772,040	5.34%

* Direct and Indirect holding.

2.4 Responsibilities of the Board of Directors

In compliance with the provisions of Article 9 of Corporate Governance Code, the Board of Directors represents all shareholders and performs its functions responsibly, in good faith, in a serious and caring manner in the interest of Company and its shareholders; and makes decisions on the basis of adequate information from Senior Executive Management; where the Board is solely responsible for the Company's governance. The Board periodically monitors the governance of the company in order to comply with the requirements of the Governance Code; working on the application of the ideal practices in this field.

The Board of Directors and its Committees over see and supervise the performance of executive management and reviews the reports presented to it.

The "Board Charter" determines their responsibility to ensure compliance with the Company's Corporate Governance system and maintain high management and supervision standards. Their role involves supervision and approval of the strategic objectives of the company and the appointment of new Directors or their replacement, their remuneration and reviewing the performance of the executive management. The Charter is also published on the Company's website. In addition, the Committee Charters have also been approved by the Board, which set out their roles and responsibilities who in turn report to the Board..

2.5 Board Committees

Subject to provision of Article (18) of Corporate Governance Code, the Board was formed upon election in 2019, thereupon established four committees that raise annual reports to the Board. A summary of the major roles of the committees, reports and suggestions for the year 2022, pursuant to item (5) of Article (4) of the Corporate Governance Code are as follows:

1- Nomination and Remuneration Committee

NAME	POSITION
Mr./ Ibrahim Jaham Alkuwari	Head of the Committee
Mr./ Abdullah Hamad Alattiya	Member
Mr./ Abdullah Ali Alkuwari	Member

- The Nomination Committee Recommended the bonus for the Chief Executive Officcer for his accomplishments for the year 2022 equal to four times his basic salary.

- The Committee also recommended to distribute a bonus to the employees of the Company equal to QR1.2M, with the suggestion to delegate to the CEO to dispurse as he see fit.

2- Audit Committee:

NAME	POSITION
Mr./ Youssef Ahmed Alsada	Head of the Committee
Sheikh/ Hamad bin Mohammed Al Thani	Member
Mr./ Saeed Adnan Abo Odeh	Member

Audit Committee had held meetings for six times during 2022; the most significant matters discussed by Committee, can be summarized as follows:

- Discussing financial statements of the year ending on 31st December 2021 with external auditor and present the same to Board for approval. In addition to discussing financial statements of terms ending on 31st March 2022, 31st June 2022 and 30th September 2022; and recommended to present to Board for approval.
- Committee presented a proposal to Board with operational and administrative expenses for 2022.
- A financial plan was set for the years 2022 and 2023 then presented to Board for approval.
- Committee discussed internal controls on financial reporting (ICOFR) of 2021 to end of 2022. Regular reports were raised thereto by Internal Auditor and Risk Manager.

- Discussing tasks of Internal Auditing Manager and Risk Management Director, further to work plan of 2022. Work plan was presented and approved by Committee as well as reviewing regular reports raised thereto, which were summarized within internal auditing on all departments and corporate governance code; further to reports related to risk management.
- The Audit Committee reviewed and endorsed the financial statements of the company for each quarter of 2022 and recommended approval thereof by Board.
- The committee also reviewed the recommendations of the Internal Audit Manager regarding multiple enhancement opportunities in the internal controls environment along with the Company's policies and procedures during 2022 and reported their recommendation to the Board for approving the necessary amendments along with establishing a mechanism to handle any shortcomings and required improvements.

3- Tender Committee

NAME	POSITION
Mr./ Ibrahim Jaham Alkuwari	Head of the Committee
Mr./ Abdullah Ali Alkuwari	Member
Mr./ Abdullah Hamad Al Attiya	Member
Mr./ Hamad Ali Al Hedfa	Member

- The tender committee had not held any meetings during 2022 due to non-launching of any tenders during the year.

4- Governance committee:

NAME	POSITION
Mr./ Saeed Adnan Abo Odeh	Head of the Committee
Mr./ Hamad Ali Alhedfa	Member
Mr./ Abdulaziz Abdullah Al Humaidi	Member

- The Governance Committee reviewed governance report of 2021 and recommended to be presented to Board and raising the same to general assembly.

The works performed by the Committees for the year 2022 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 according to article 14 of the Governance Code, in addition to the training programs undertaken by Board Members in accordance with the Board Training Policy approved by the Board. this is to achieve the best interest of the company and its shareholders, noting that no remuneration was allocated to Board Members for the year 2022.

2.6 Responsibilities of the Board of Directors

In accordance with the requirements of Article 8 of Corporate Governance Code, the Board of Directors of Mazaya Real Estate Development Company has adopted a Board Charter, in which tasks of the Board were set, further to rights and duties of Chairman and members of the Board with their responsibilities in accordance with the provisions of the Law. The Board Charter was published on company's website.

Board Charter included tasks and responsibilities of the Board; where it is responsible for management of the company, setting the strategic plan and main objectives, approval of plans and supervising implementation thereof; overseeing capital expenses, holding and disposing assets, determining ideal capital structure for the company; setting, reviewing, and directing risk management policies, reviewing and approving organizational structures; setting internal control systems and disciplines, and generally observe the same; ensure validity of financial and accounting systems; implementing appropriate control systems; setting a policy to organize relation among stakeholders; setting appropriate mechanism to establish good relations with customers and suppliers; setting code of conduct for senior executive management and personnel of company; further to a mechanism for social contribution of the company; all in accordance with responsibilities and powers of the Board as provided under the Corporate Governance Code, Board Charter and Articles of Association of company.

2.7 Obligations of the Board members

Subject to provisions of Article (12) of Corporate Governance Code, all Board members shall be obligated with the following:

1. To attend the Board meetings and committees regularly and not to withdraw from Board.
2. To give priority to interests of the shareholders and all stakeholders regardless of their own interest.
3. To give opinion on the strategic issues of the Company, project implementation policy, employees accountability systems, resources, main appointments and operation standards.
4. To monitor the 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.
5. 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).
6. 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.
7. To participate effectively in the General Assembly Meetings and achieve demands of its members in a balanced and fair manner.
8. All members are committed to disclose the financial and commercial relations and lawsuits which may affect their jobs and also not to disclose any statements, data or information without getting prior written permission from the chairman or the person authorized in this regard.
9. Pursuant to Item (8) of Article (12) of Corporate Governance Code, Board of Directors of Mazaya Real Estate Development had nominated Sh./ Hamad Bin Mohamed Khaled Al Thani, to be spokesman of Company. Board also invites certain members of senior executive management or personnel of company, who have expertise, to attend certain meetings of Board in order to provide some details and information, enabling Board to work effectively based on clear information and in good faith to the interest of company and shareholders.

2.8 Prohibition of multiple position

Subject to provisions of Article (7) of Corporate Governance Code regarding the positions that are occupied by the Board members, save the mentioned under item 3.3 hereof, the company confirms provisions of the law concerning prohibition of occupying several positions. 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.

The articles of association provide that 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 prohibited in accordance with the law.

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.

In compliance with provision of item (7) of article (4) of Corporate Governance Code, Committee of Nominations and Remuneration confirmed the necessity to disclose Board performance evaluation results further to compliance of members with achieving company's interests, performance of works of the committees, attendance of meetings of the Board and its committees, disclosure about evaluation of performance of the senior executive management regarding application of the internal control systems and risk management.

Members of Board annually carry out an evaluation for the performance of Board in order to enhance role of the Board, demonstrating points of strength and weakness, striving to raise performance level and carry out their liabilities and responsibilities towards shareholders and company on ideal basis. Chairman shall observe performance of CEO; Members evaluate Board's performance based on five factors as follows:

1) Tasks of Board

- The commitment and effective participation of board members to attend meetings is assessed
- The matters sent to members are evaluated before meetings

2) Board Formation

- The diversity of experiences and skills of board members and their guidance in achieving the company's vision are assessed.

3) Board Committees

- Committees' performance and reports raised thereby are assessed on regular basis.

4) Company's activities and strategies

- Extent of members' contribution in determining vision, mission and strategic objectives of company in taking decisions, are assessed.

5) Observance & Risk Management

- Board members awareness of basics of company's Articles of Association and local laws, is assessed
- The Board's oversight performance relating to internal audit observations is assessed in terms of oversight, risks faced by Company and its preventive procedures.
- Senior executive management performance is observed in terms of company's internal control system.

The evaluation of the Committee of Nominations and Remunerations concluded that the Board and its members were committed to Company's interests, performing work of committees, attending meetings of Board and its committees thereof, and the commitment of senior executive management regarding the application of the internal control and risk management system. The results of the evaluation were summarized as follows:

CRITERIA	PERCENTAGE
Board Activities	78%
Board Formation	78%
Board Committees	76%
Company's Activities & Strategies	73%
Internal Observance & Risk management	83%

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 Insider Trading 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. 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 parties 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.

4. SENIOR **EXECUTIVE MANAGEMENT**

CEO position in the company is held by Sh./ Hamad Bin Mohamed Al Thani, since his appointment on 13th November 2022; whos background and resume were mentioned under item 3.3 above. Below are details and information regarding other members of Senior Executive Management of the company:

1

Mr. Mohamed Youssef Mansour
Chief Executive of Financial Affairs

Experience & Qualifications
Bachelor of Accounting from American University in Beirut.

Previous positions:
- Financial manager – Mazaya
- Financial manager – Printing Group
- Auditor – Ernst & Young
- Financial Manager – Mazaya

2

Mr. Maan Ahmed Al Hajj
Chief Executive of Commercial Affairs

Experience & Qualifications
Bachelor of Business Management – Arab Academy for Science, Technology and Maritime.

Certificate in Leadership & Management Development Program from Mentis Consulting

Certificate in Leadership Evolution Program from Mentis Consulting

Previous positions:
- General Manager – Al Bandari Real Estate
- Senior Manager of Main Branch & Vice Manager of Branches- International Bank of Qatar IBQ
- Manager of Commercial Relations – Qatar Airways

The Executive Management is empowered by decisions of the Board of Directors to authorize the CEO or others to carry out tasks necessary for the Company's main activities.

Senior management's responsibilities include:

1) Develop policies and strategies, and work towards achieving company's overall objectives

2) Setting Future plans for achieving objectives identified by Board

3) Setting organizational structure of company, determination of managerial levels and distribution of functional positions.

4) Directing the process of interaction between company and its surrounding environment.

Senior Executive Management's Work in 2022:

- Adherence to necessary administrative and financial policies
- Work on achieving company's strategic objectives and explore ways to continuously develop and expand in real estate market
- Verifying that Management operates in accordance with the policies approved by the Board
- Periodic review and evaluation of departments' performance

5. CONTROLLING **WORKS AT THE COMPANY**

5.1 Internal Control

Internal Auditing

The Internal Audit Department of the Company submitted a proposal to the Audit Committee with a view to monitoring and developing the internal control systems of the company, evaluating tasks and competencies of the Company's departments and divisions. It was approved by the Audit Committee and presented to the Board of Directors for review, provide feedback or comments if any.

Internal Audit Department follows a framework as defined by the Institute of Internal Auditors (IIA), an independent, objective assurance and advisory activity designed to add value and improve the Company's operations to achieve objectives by providing a systematic and disciplined approach for evaluating and improving the effectiveness of governance, risk management and internal control.

Internal Audit Department governs itself by adhering to the mandatory guidelines of the International Institute of Internal Auditors (IIA), which include the basic principles of professional practice of internal auditing, code of ethics, international standards of professional practice of internal auditing, and definition of internal auditing. The mandatory guidance of the International Institute of Internal Auditors (IIA) constitutes the basic requirements for the professional practice of internal audit and the principles on which the effectiveness of IIA performance is assessed.

The priorities and audit plan were determined on the basis of risk assessment report adopted by Audit Committee in 2022, based on the measurement of risk likelihood and the expected impact if occurred.

The Internal Audit Manager reports periodically with complete and independent paralysis to the Audit Committee. The role of the Internal Audit Department is to assess the effectiveness of the internal control systems, and identify weaknesses, in order to take necessary action to reduce or avoid such weaknesses. It also provides proposals for correcting any imbalance, if any, to help executive management improve performance.

Based on recommendations of Audit Committee; the following matters were covered through internal auditing during 2022:

1. Procedures for control and supervision of finance, investments and risk management.
2. A comprehensive evaluation of company's performance on the obligation to implement internal control systems, and the provisions of the governance code.
3. The extent to which company adheres to rules and conditions governing disclosure and listing in the market.
4. The extent to which company adheres to internal control systems upon identifying and managing risks.
5. Risks, Types, Causes and Actions
6. Proposals for remedying irregularities and elimination of risk causes.
7.

The following topics have also been covered through risk management control:

1. Review evolution of risk factors in company; adequacy and effectiveness of company's regulations in facing radical or unexpected changes in the market.
2. Risks, Types, Causes and Actions

Risk management

In order to enhance practices of risk evaluation and management, the Risk Management Department independantly evaluates and manages all risks faced by the company in addition to regular coordination with departments to enhance effectiveness of internal controls.

One of the most prominent matters carried out by Risk Management Department in 2022 is the development of risk management policies and procedures, including but not limited to, Risk Management Policy, Risk Management Framework Policy and Fraud Risk Management Policy, In addition to identifying the main risk factors faced by the Company as well as establishing the risk register that identifies risk factors at internal level of company and conducts a quarterly assessment of the management's compliance with the relevant controls. All risk management policies and procedures were adopted by the Executive Management and Board of Directors in 2022.

In applying such policies and procedures, Risk Management Department conducted a comprehensive risk assessment, reporting and recommendations on a quarterly basis, and submitted the same to the Audit Committee; and subsequently to the Board of Directors for appropriate decisions that would mitigate and control risks in Company's interests. The results of December 2022 risk report were as follows:

1. Financial Risk Assessment: Risk Management Dept. conducted a quantitative analysis of company's financial performance for 2022 using financial ratios analysis and comparative analysis; and submitted findings and recommendations to Executive Management.
2. Real Estate Portfolio Risk Assessment: The results of real estate portfolio analysis using quantitative and qualitative analysis showed significant growth in the real estate portfolio as a result of company's prudent investment plan in 2022.
3. Market Risk Assessment and Interest Price Volatility: Risk Management Dept. conducted an assessment of interest rate volatility in 2022 and the extent to which it had affected the cost of company's debt with banks and made recommendations thereon to Executive Management.
4. Compliance Risks: Risk Management Department assessed company's compliance with laws and regulations, further to updates thereof issued by Qatar Financial Markets Authority during 2022. The results showed full compliance with amendments to articles 29, 31, 37, 45, 47, 48, 55, 56, 60, 64, 77, 78, 92 of Companies Law. The company has also updated its Articles of Association to include the responsibilities entrusted to the Board of Directors as required under Article (9) of Corporate Governance Code, as well as the Board's adoption of several policies relating to its responsibilities and functions.
5. Legal risk assessment. The legal risk assessment conducted in coordination with Legal Department showed the current cases to which the company is a party as described in paragraph 9 of this report.

During 2022, the Risk Management Dept. had also conducted two reviews of Internal Control over Financial Reporting (ICOFR), which included the scope of audits, financial, investment, human resources, procurement and information technology, and public controls at the corporate level. Evaluation's findings showed that the level of compliance of the said departments with internal controls was satisfactory, with the exception of some minor deficiencies in investment, human resources, and public controls at the corporate level as outlined in Annex A.

The results of the ICOFR assessment are presented to the Audit Committee for follow-up and indicate needs to be taken into consideration to address any risks or areas for improvement. In addition, Risk Management oversees risk management training programs as well as informs employees of company's departments with the importance of risk management role and how they participate in such process.

Internal Controls

The Board of Directors is fully responsible for the internal controls system on financial reporting of the company. Certain policies, guidelines and controls were developed to cover all transactions of the company. The executive management in Mazaya Real Estate Development QPSC is responsible for the comprehensive control of these systems in coordination with heads of the concerned departments which are controlled by the internal auditor of the company. Implementation of effective control systems at level of the company is the responsibility of each employee in the company. These policies are assessed regularly by the internal auditor. The Board of Directors is informed on a quarterly basis regarding any control issues to confirm presence of effective internal controls at level of the company based on the recommendations and advice provided from the auditing committee.

5-2 External control

External auditor

Subject to provisions of Article (23) of Corporate Governance Code, The company abided by standards of appointment of external auditor as the general assembly of the company approved in its meeting held on 19 April 2022 for the appointment of Deloitte & Touche for auditing the accounts of the company for the year 2022.

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 external auditor

Pursuant to provisions of Article (24) of Corporate Governance Code, 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; as such a report was discussed at general assembly meeting by shareholders. 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.

6. RIGHTS OF THE SHAREHOLDERS

Certain mechanisms were developed to protect rights of the shareholders in general and the minority shareholders 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 Incase they were not listed by the Board . 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 minutes of the meeting, in addition to their rights 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. Shareholders' rights were considered under amendments made to the Company's Articles of Association, as such and can be reviewed on Mazaya's website, particularly Chapter 4 thereof.

Mazaya also carries out regular review to develop and observe rules of Code of Conduct, where the company has a methodology for complaints or disputes that might arise between the company and stakeholders, achieving justice and equality and ensuring all shareholders' rights. The Company has appointed 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, updating and publishing them on Company's website in the section related to the investor relations.

7. DISCLOSURES POLICIES

7.1 Pursuant to the provisions of Item (9) of Article (4) of Corporate Governance Code, the Company is abiding by all the rules and conditions governing disclosure and listing in the market. The Company also complies with all disclosure and transparency requirements set out under Item (5) of Governance Code of listed Companies and legal entities, in particular Article No. (25) of Code where the Company updated its website containing all important and essential information of the Company, including but not limited to, financial reports, information about Chairman and members of Board of Directors and the committees formed thereof, and information about the Senior Executive Management. The Company is also committed to auditing and updating information in a systematic manner to provide all information of interest to shareholders and enable them to fully exercise their rights pursuant to Article 31 of Corporate Governance Code.

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.

7.2 We herein provide strategic and procedural policies further to rules, regulations and mechanisms set by Board of Directors, whether collectively or through committees thereof, where it is considered as main task of company. The Board 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.

Such policies were published on company's website; as follows:

CHARTER OF THE BOARD OF DIRECTORS	INTERNAL AUDITING POLICIES
Terms of Reference of the Chairman of the Board of Directors	Internal Control Policy
Terms of Reference of the Chief Executive Officer	External Auditors Policy
Terms of reference of the secretary of the Board of Directors	Dividends Policy
Audit Committee Charter	Disclosure Policy
Nomination and Remuneration Committee Charter	Fraud Risk Management Framework
Board Performance Evaluation Policy	Risk Management Framework
Board Members Training Policy	Shareholders' Rights Policy

* Policy on Related Party Transactions be presented to General Assembly for approval.

7.3 Mazaya is committed to disclose the operation and dealingsv 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.

During 2022, the Board discussed the potential purchase of assets in Mesaimeer area, and due to second-tier relationship between a board member and other party, the member disclosed the connection to the Board, did not participate in the vote on the procurement of the asset and did not attend any meetings related to the transaction.

7.4 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 market prices and on a commercial basis; and it shall not include conditions that violate interest of the company.

7.5 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 transactions and deals; and disclose them in the financial reports.

8. 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 2022.

It should be noted that there is significant cooperation between Mazaya and the regulating authorities; in order to enhance and handle any deficiencies in the Company's corporate governance. During 2022, an investigation was carried out with Mazaya by Qatar Financial Markets Authority regarding governance, concluding no violations.

9. REPORT ON LAWSUITS

As of 31 December 2022, the most notable case the Company is involved in is against the main Contractor of one of the Company's major projects in 2018. The Contractor is claiming an amount of QAR 212 million against 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 under review in the Court of Appeal. The final outcome of the case remains at the discretion of the Courts.

For other cases where the Company was brought in as an Implicated Litigator in lawsuit filed by one of subcontractors against other subcontractor, however this case was rejected for implicated litigator by Court of Appeal with no liability borne by the Company.

No material liabilities will arise as a result of these cases and accordingly no provisions have been designated for such cases.

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 2022 reached an amount of QAR 383,000 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; in addition to launching an awareness program for sports day and community participation through social media platforms. Training programs were offered during the summer vacation to some university students; further to participation in a careers exhibition with the University of Aberdeen in Qatar. The company seeks to continuously develop its role in society improvement and advancement; and preserving the environment through active and serious participation in the CSR system.

11. 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 both Arabic and English languages as 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 where they can be directly downloaded from the website in addition to contact details of manager of shareholders relations, governance report, charter of Board of Directors, and charters of the committees emanating therefrom, as well as updated news of the company on daily basis.

Attachment (1)

1. Some improvement opportunities were identified in some of company's internal controls, and recommendations were made by Internal Control Dept. to Senior Executive Management. These observations had no financial implications. However, in regard with deficiencies in internal controls over financial reports, they are:

- Investment Properties are carried in the consolidated statement of financial position at fair value. The estimation of the fair value of Investment Propel̃ties, performed with the assistance of an independent valuer, is a significant estimate involving assumptions and judgements made by management. As at December 31, 2022, 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 propel̃ties including management's controls to ensure the appropriateness of the inputs us.

2. The company has multiple and approved policies to regulate the interaction and relationship with stakeholders in order to protect them and preserve their rights. Key among these are procurement policy, tender policy, human resources policy, dividend policy, minority shareholders' policy, community responsibility policy and the whistleblowing policy. The Company continues to constantly improve its policies and will consider consolidating all such policies into a single, separate stakeholders' policy to comply with article 8, section 5, of the Corporate Governance Code and to add points 5.1 to 5.5 of the same article; to ensure permanent compliance with the relevant laws and legislation of Qatar Financial Markets Authority.

3. During 2022, some invitations were sent to members of Board of Directors along with agenda in a period less than one week before the meeting. The company did not comply with the requirements of Article 13 of the Corporate Governance Code in such cases. The Company will ensures that invitations and agendas will be sent to members in an adequate time before the meetings.

4. The Company constantly develops and improves Board Charter to incorporate all requirements of governance code of companies and legal entities listed in the main market to reflect what is included in the Company's Articles of Association, particularly in terms of loans or mortgages of real estate, as set out in Section (6) of Article (9) of Corporate Governance Code.


RISING
BEYOND