Annual Report
& corporate governance

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

2023

MAZAYA

شركة مزايا للتطوير العقاري ش.م.ع.ق.

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

HIS HIGHNESS
SHIEKH TAMIM BIN HAMAD AL THANI
EMIR OF THE STATE OF QATAR

connecting ***values***

Content

Board Of Directors' Report

Chairman's Message

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

Greetings to Our Shareholders,

On behalf of myself and the Board of Directors of Mazaya Real Estate Development; ***I am pleased to present to you the Annual Report 2023****, including the most* ***significant achievements****, developments and challenges witnessed by Mazaya during the past year, further to the audited financial statements of the year ending on the* ***31st December 2023 and future trends***

One of the most notable steps taken by Mazaya during 2023, which comes as part of the company's strategy and objectives of achieving the best return to shareholders, was the elimination of the accumulated losses by reducing the capital to become QAR 1,000,000,000 (One Billion Qatari Riyals), enabling Mazaya to distribute dividends to shareholders. Continuing to support company's strategy, Mazaya has acquired a number of income-generating assets to boost revenues. The company also launched two residential projects for sale, which are in line with the strategy of State of Qatar to attract foreign investments and stimulate them by granting residency against ownership of housing units. In this context, company was able in 2023 to achieve a set of successes and developments that will contribute to supporting the efforts of the state and enhancing the financial returns of the company, as follows:

• With regards to our developments, Mazaya has announced the launch of two projects in Lusail City, first project "VOYA Tower" Lusail Waterfront, which is part of a strategic partnership with Al-Namaa Real Estate Development Company, and Mazaya is developing and selling residential units in the project. While the second project is "VERA Tower" at Al Kharaej, owned by Mazaya Real Estate Development. Construction and development works have started in both projects and are scheduled to be completed by the year 2026.

• Regarding income-generating assets, the company's portfolio has been enhanced with new income-generating assets, the latest being "Gold Plaza Complex." As a result, the number of units owned by the company that are available for lease in both residential and commercial sectors has reached 1,694 units, with the occupancy rate across all units reaching approximately 98%. As for the plots owned by the company, Mazaya's portfolio included five plots both within and outside the State of Qatar. Regarding the plot within Qatar, specifically in Al Thaayen area, there was a qualified opinion by the external auditor in previous years due to the change of the land's use from commercial to residential, which affected the book value of the plot. Consequently, the executive management of the company communicated with the Ministry of Municipality and explored suitable solutions, and a settlement process was reached with the Ministry where the plot was exchanged for another commercial plot in Al Mashaf area with an area of 29,319 square meters. The title deed of ownership for the plot was received in the name of "Mazaya Real Estate Development." Therefore, the company is currently studying the development of a project on this plot and will announce it upon completion of the study.

• Regarding the plots outside Qatar, Mazaya had four plots in the Emirate of Dubai, from which the company sold three in the Rawaiya area in a deal worth 32.5 million Emirati dirhams (equivalent to 32.3 million Qatari riyals). The last remaining plot is located in "Dubai Island," and the company is currently considering developing it or selling it if a lucrative offer is presented.In the frame of expansion in real estate market; Mazaya established "Facilitx" for facilities management and maintenance, 100% owned by Mazaya Real Estate Development; responsible for management of all amenities of Mazaya Real Estate, we currently work on enhancing competitiveness and expansion of our scope of works in real estate market.

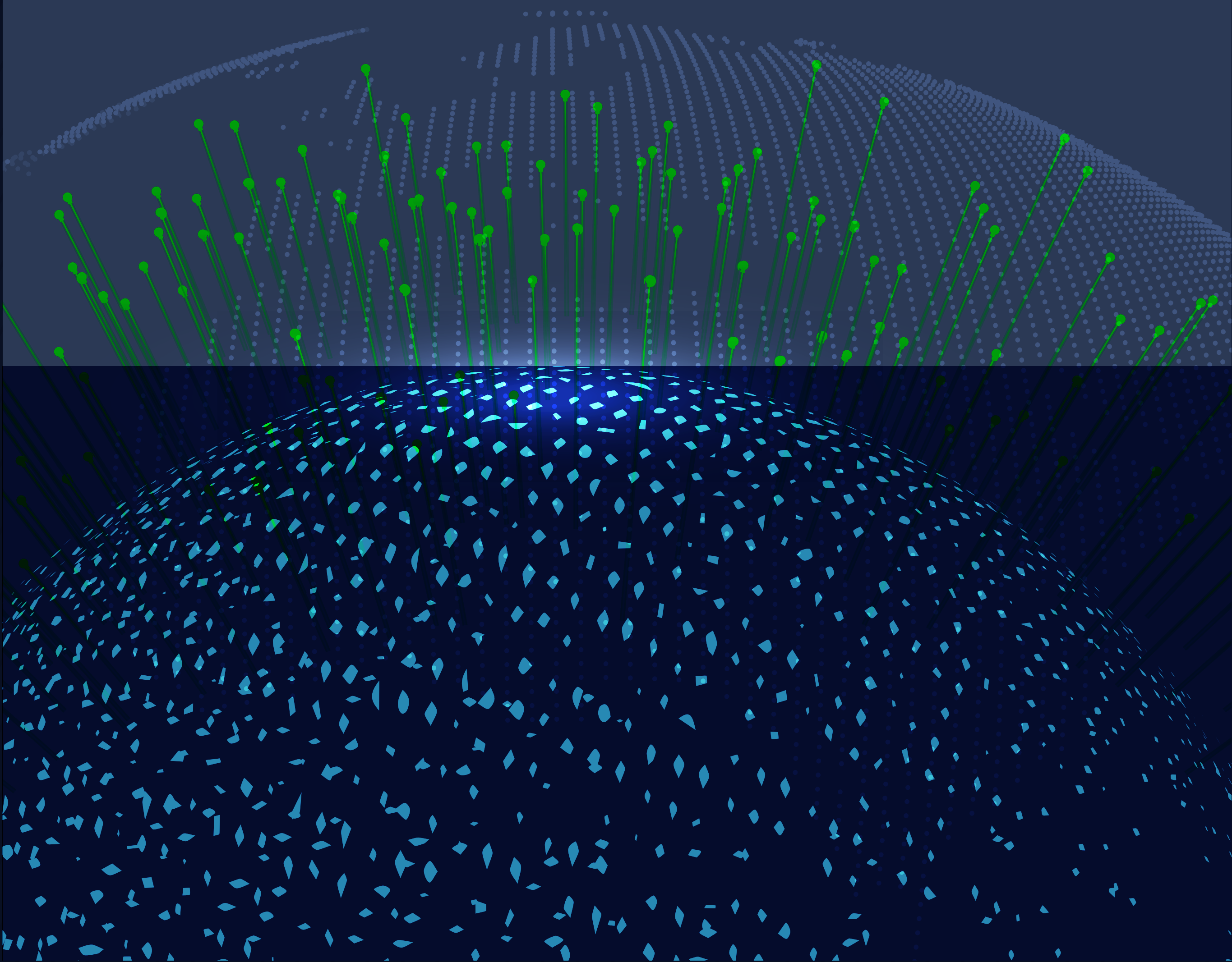
The global economy has witnessed a number of challenges that have negatively impacted the real estate sector, including an increase in interest rates globally which has led to an increase in profits for Islamic banks and financial institutions. In addition, some administrative properties experienced a drop in demand, prompting Mazaya to avoid investing in the same for the time being in order to reduce risk on shareholder funds. Along with these challenges, Mazaya faced legal challenges, particularly regarding a dispute with the main contractor of one of the projects developed and delivered in 2019. The proceedings took place leading to a ruling by the Court of Appeal in favour of the contractor for the estimated amount of QAR 80M. The company had provisions covering 75% of the judgment amount, and additional provisions were made during 2023 to bring the total provisions to 100% of the total judgment value, which contributed to reducing the impact of such judgment on the financial results. As this judgment is not final, the company will appeal this judgment before the Court of Cassation.

Reflecting on previous inputs, despite challenges including increased profits on Islamic financing, the financial performance of the year 2023 witnessed the recognition of net profits QAR 29,687,237 by Mazaya Real Estate Development, further to total operating revenue of approximately QAR 112M. The company's assets totaled QAR 2.4B, while shareholders' equity amounted to QAR 1,051B.

Mazaya Real Estate Development Company adopts a strategy aimed at supporting the state and wise leadership's efforts in achieving the National Vision 2030, focusing on achieving its own goals and enhancing its growth. This reflects our steadfast commitment to realizing the aspirations and ambitions of our shareholders. During the year 2024, Mazaya will continue its activity in the real estate development sector with new projects that contribute to the development of its real estate portfolio and enhance the company's revenues. The focus will also be on developing vacant lands and fully exploiting assets to generate returns. In the coming years, the company will continue its operations in developing its services, maintaining its partnerships, and contributing to national development in alignment with the state's objectives in the third phase of Qatar National Vision 2030.On behalf of all members of the Board of Directors, executive management and employees, I would like to thank HH Sheik Tamim bin Hamad Al-Thani, Emir of State of Qatar, for his continued support; I also thank in the members of the Board of Directors for their efforts during the year. I also extend my thanks to the management team that led the company with a methodology focused on success and strategic growth. My thanks also go to the employees for their efforts in achieving this strategy. I also thank our valued shareholders for their trust and continued support to Mazaya in achieving our goals and objectives.

Praise to Allah for divine guidance and support in strengthening the company's position and ensuring its growth.

Values *are the threads that weave* ***the fabric of connection****, binding* ***hearts & minds*** *in the tapestry of shared* ***beliefs***



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.

Values

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

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.

Board Of Directors’

Shk. Salman Bin Hasan Al Thani
Chairman

Mr. Ibrahim Jaham Alkuwari
Vice Chairman

Shk. Hamad Bin Mohammed Al Thani
Board Member & CEO

Mr. Jamal Sharaida Saad Al-Kaabi
Board Member

Shk. Tameem Bin Fahad Al Thani
Board Member

Shk. Faisal Bin Hamad Al Thani
Board Member

HE. Mr. Youssef Ahmed Al Sada
Board Member

Mr. Saeed Adnan Abu Odeh
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 31/12/2023, 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 31/12/2023, 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\2023, we found that the Zakat on each share for the shareholder is only **0.0118** Qatari Riyal,

for example:
Zakat of 1000 shares X 0.0118 = 11.8 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

Voya

Through a strategic partnership between Mazaya Real Estate Development and Namaa Real Estate Development, Voya Tower has been launched on the waterfront in Lusail City. It is a luxurious residential tower distinguished by its modern design and stunning views of Lusail's waterfront and its diverse facilities.

Voya Tower provides easy access to all tourist, recreational, and service facilities in the city, and it is entirely distinguished from other buildings in the area with its exceptional exterior design. Its interior design includes numerous shared spaces, gardens, and private balconies that provide the building with magnificent views of the Lusail waterfront.

The VOYA residential tower project includes 119 residential units, ranging from apartments and chalets, offered for sale. The residential units are distinguished by their modern and practical design, and they vary from one-bedroom units to four-bedroom units. Some of them also have balconies with a wonderful view of Lusail waterfront. The tower provides comprehensive amenities such as outdoor activities, swimming pools, gym and health club, as well as direct access to the beach for recreation and marine sports. The project is scheduled to be completed in 2026.

Vera

VERA Residential Tower stands out with its modern design and panoramic view of Lusail city and its diverse amenities. It comprises 91 residential units spread across 14 floors, with an additional two penthouse floors. The residential units feature a contemporary and practical design, offering a variety of one and two-bedroom options, each with balconies providing private outdoor spaces for residents. The tower also provides comprehensive amenities, including outdoor activities, swimming pools, a fully equipped fitness club, in addition to a designated area for children’s play.

The project is scheduled to be completed in the year 2026.

Golden plaza

The Golden Plaza complex, located in the Abu Hamour area, includes 68 residential apartments and more than 70 commercial stores, including a hypermarket and many restaurants and other services, with a total area of 11,366 square meters.

Musaimeer

The Musaimeer Buildings consist of two residential buildings, where all units are two bedrooms, with a total of 60 units for both buildings.

FINANCIAL **REPORT**

CONSOLIDATED FINANCIAL STATEMENTS
& INDEPENDENT AUDITORS' REPORT

For the year ended, 31 DECEMBER 2023

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

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 the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, except for the matter described in the basis of 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 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Accounting Standards).

Basis for Qualified Opinion
The Group measures its investment properties at fair value through profit or loss. The Group has not performed fair value assessment of a land under investment properties carried at QR 200,370,000 as at 31 December 2022, which constituted a departure from IAS 40, 'Investment Property', and also caused the predecessor auditor to qualify the audit opinion on the consolidated financial statements as at and for the year ended 31 December 2022. The Group's management did not fair value the land as at 31 December 2022 because it was in the process of replacing this land with a new land with the same commercial activities. As at 31 December 2023, the Company has completed replacing its existing land with new land and has performed the fair value assessment of the new land. Since, the Group has not fair valued its old land in the previous reporting periods, we were unable to quantify the financial effects of any possible adjustments to the Group's investment properties and accumulated losses recognized as at 31 December 2022 and fair value gain/loss on investment properties recognized in the consolidated statement of profit or loss for the years ended 31 December 2023 and 31 December 2022 with no impact on the retained earnings as of 31 December 2023.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the 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 in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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.

Valuation of Investment Properties See Notes 7(e) and 10 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
We focused on this area because of the following reasons: • Carrying value of investment properties as at the reporting date which represents 37% of the Group's total assets, hence a material portion of the statement of financial position as at 31 December 2023. (2022: 32%). • Valuation of investment properties involves the use of significant judgements and estimates. • Sensitivity of valuations to key assumptions.	Our audit procedures in this area included, among other things: • Evaluating design and implementation and operating effectiveness of key controls over the methods, assumptions and data used in estimation of the fair value of the investment properties; • Evaluating the external valuer's competence, capabilities and objectivity; • Inspecting the valuation reports and assessing whether any matters identified in them have a potential impact on the amounts recorded and / or the disclosures in the consolidated financial statements; • Agreeing the property information in the valuation reports to the underlying property records held by the Group; • Involving our own valuation specialist to assist us in the following matters; - assessing the consistency of the valuation basis and appropriateness of the methodology used, based on generally accepted valuation practices; - evaluating the appropriateness of the assumptions applied to key inputs such as discount rate, terminal growth rate, expected net cash flows and comparable market rate which included comparing these inputs with externally derived date as well as our own assessments based on our knowledge of the Group and industry. • Evaluating the adequacy of the financial statement disclosures including disclosures of key assumptions, judgements and sensitivities.

Other matter
The Group's consolidated financial statements as at and for the year ended 31 December 2022 were audited, by another auditor whose report dated 8 February 2023 expressed a qualified audit opinion as the management did not state the land under investment properties at fair value based on IFRS Standards requirements.

Other Information
The Board of Directors is responsible for the other information. The other information comprises the information included in the Group's Annual Report, but does not include the consolidated financial statements and our auditors' report thereon. Prior to the date of this auditors' report, we obtained the report of the Board of Directors which forms part of the Annual Report, and the remaining sections of the Annual Report are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 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.

Responsibilities of Board of Directors for the Consolidated Financial Statements
The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as Board of Directors 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, Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 auditors' 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 ISAs, we exercise professional judgement 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 risks, 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, 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 Group's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors.

• Conclude on the appropriateness of Board of Directors' 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 auditors' 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 auditors' 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 consolidated 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 the Board of Directors 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 the Board of Directors 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors’ report unless law or regulation precludes 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 Requirements
As required by the Qatar Commercial Companies Law No. 11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021 ("amended QCCL"), we also report that:

i) Except for the possible effect of the matter described in ‘Basis for Qualified Opinion’ section of our report on the audit of the consolidated financial statements, we have obtained all the information and explanations we considered necessary for the purposes of our audit and the Company has maintained proper accounting records and its consolidated financial statements are in agreement therewith.

ii) We have read the report of the Board of Directors to be included in the Annual Report, and the financial information contained therein is in agreement with the books and records of the Group.

iii) We are not aware of any other violations of the applicable provisions of the amended QCCL or the terms of the Company’s Articles of Association, except for matter referred in point (i) above having occurred during the year which might have had a material effect on the Company’s consolidated financial position or performance as at and for the year ended 31 December 2023.

19 February 2024
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
Qatar Auditor’s Registry Number 251
Licensed by QFMA:
External Auditor’s Licence No.120153

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

Consolidated Statement Of Financial Position

As at 31 December **2023**

In Qatari Riyals	Notes	**2023**	2022
Assets			
Non-current assets			
Property and equipment	**9**	**1,835,376**	134,419,042
Investment properties	**10**	**896,885,003**	674,291,348
Equity accounted investee	**11**	**18,743,444**	18,463,709
Investments	**12**	**24,677,197**	26,177,197
Finance lease receivable	**13**	**1,031,914,051**	1,068,262,012
Total non-current assets		**1,974,055,071**	1,921,613,308
Current assets			
Trading properties	**10**	**22,571,014**	-
Finance lease receivable	**13**	**36,347,961**	34,162,255
Trade and other receivables	**14**	**47,957,174**	32,725,623
Cash and cash equivalents	**15**	**190,549,738**	90,647,150
		297,425,887	157,535,028
Asset held for sale	**16**	**134,604,201**	-
Total current assets		**432,030,088**	157,535,028
Total assets		**2,406,085,159**	2,079,148,336
Equity			
Share capital	**17**	**1,000,000,000**	1,157,625,000
Legal reserve	**18**	**25,475,761**	62,106,682
Retained earnings / accumulated losses		**25,976,332**	(197,224,645)
Total equity		**1,051,452,093**	1,022,507,037
Liabilities			
Non-current liabilities			
Borrowings	**19**	**1,157,370,108**	897,277,479
Provision for employees' end of service benefits	**20**	**2,793,420**	2,283,861
Total non-current liabilities		**1,160,163,528**	899,561,340
Current liabilities			
Borrowings	**19**	**72,833,662**	38,125,912
Income tax payable	**21**	**435,238**	413,105
Trade and other payables	**22**	**121,200,638**	118,540,942
Total current liabilities		**194,469,538**	157,079,959
Total liabilities		**1,354,633,066**	1,056,641,299
Total equity and liabilities		**2,406,085,159**	2,079,148,336

Sheikh Salman Bin Hasan Al Thani
Chairman of Board of Directors

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

Consolidated Statement Of Profit Or Loss And Other Comprehensive Income

For the year ended 31 December **2023**

In Qatari Riyals	Notes	**2023**	2022
Operating income	**23**	**122,340,596**	121,872,162
Operating expenses	**24**	**(9,709,289)**	(11,455,037)
Gross profit		**112,631,307**	110,417,125
Other income	**25**	**12,943,010**	1,137,740
General and administrative expenses	**26**	**(53,819,433)**	(26,426,988)
Allowance for impairment of investments	**12**	**(1,500,000)**	(1,500,000)
Net fair value gain on investment properties	**10**	**17,110,013**	-
Share of results of equity accounted investee	**11**	**1,079,735**	108,148
Operating profit		**88,444,632**	83,736,025
Finance cost	**19**	**(58,310,268)**	(42,314,312)
Profit before income tax for the year		**30,134,364**	41,421,713
Income tax expense	**21**	**(447,127)**	(413,672)
Profit for the year		**29,687,237**	41,008,041
Other comprehensive income		**-**	-
Total comprehensive income for the year		**29,687,237**	41,008,041
Basic and diluted earnings per share *(attributable to shareholders of the parent expressed in QR per share)*	**27**	**0.03**	0.04

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

Consolidated Statement Of Changes In Equity

For the year ended 31 December **2023**

In Qatari Riyals	Share Capital	Legal Reserve	Retained earnings/ Accumulated losses	Total Equity
Balance at 1 January 2022	1,157,625,000	58,005,878	(233,106,681)	982,524,197
Total comprehensive income for the year				
Profit for the year	-	-	41,008,041	41,008,041
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	41,008,041	41,008,041
Transfer to legal reserve	-	4,100,804	(4,100,804)	-
Social and sports activities fund contribution (Note 28)	-	-	(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
Balance at 1 January 2023	1,157,625,000	62,106,682	(197,224,645)	1,022,507,037
Total comprehensive income for the year				
Profit for the year	-	-	29,687,237	29,687,237
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	29,687,237	29,687,237
Capital reduction and absorption of losses (Note 17)	(157,625,000)	(39,599,645)	197,224,645	-
Transfer to legal reserve	-	2,968,724	(2,968,724)	-
Social and sports activities fund contribution (Note 28)	-	-	(742,181)	(742,181)
Balance at 31 December 2023	1,000,000,000	25,475,761	25,976,332	1,051,452,093

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

Consolidated Statement Of Cash Flows

For the year ended 31 December **2023**

In Qatari Riyals	Notes	**2023**	2022
Cash flows from operating activities			
Profit before income tax for the year		**30,134,364**	41,421,713
Adjustments for:			
- Depreciation of property and equipment	**9**	**371,086**	508,524
- Amortization of right-of-use assets		**-**	1,169,536
- Net fair value gain on investment properties	**10**	**(17,110,013)**	-
- Share of results of equity accounted investee	**11**	**(1,079,735)**	(108,148)
- Allowance for impairment of investments	**12**	**1,500,000**	1,500,000
- Provision for employees' end of service benefits	**20**	**614,100**	358,681
- Profit from deposits with Islamic banks	**25**	**(10,776,668)**	(45,978)
- Finance income	**23**	**(66,537,746)**	(68,592,019)
- Finance costs	**19**	**58,310,268**	42,314,312
		(4,574,344)	18,526,621
Changes in:			
- Trade and other receivables		**(15,231,551)**	3,105,001
- Finance Lease receivables		**100,700,001**	100,700,000
- Trade and other payables		**3,260,465**	(33,639,694)
Cash generated from operating activities		**84,154,571**	88,691,928
Income tax expense paid		**(424,994)**	-
Employees' end of service benefits paid	**20**	**(104,541)**	-
Net cash from operating activities		**83,625,036**	88,691,928
Cash flows from investing activities			
Profit received from deposits with Islamic banks		**10,776,668**	45,978
Acquisition of property and equipment	**9**	**(2,391,621)**	(380,037)
Acquisition of investment properties	**10**	**(459,678,526)**	-
Proceeds from disposal of investment properties	**10**	**231,623,870**	-
Net proceeds from equity accounted investee	**11**	**800,000**	-
Net cash used in investing activities		**(218,869,609)**	(334,059)
Cash flows from financing activities			
Proceeds from borrowings	**19**	**294,800,379**	-
Repayments of borrowings	**19**	**(16,443,539)**	(16,475,924)
Repayment of lease liabilities		**-**	(1,125,729)
Dividends paid		**(1,342,950)**	(1,050,147)
Finance costs paid		**(41,866,729)**	(42,314,312)
Net cash from / (used in) financing activities		**235,147,161**	(60,966,112)
Net increase in cash and cash equivalents		**99,902,588**	27,391,757
Cash and cash equivalents at 1 January		**90,647,150**	63,255,393
cash and cash equivalents at 31 December	**15**	**190,549,738**	90,647,150
Non-cash transactions			
Transfer from investment properties to property and equipment	**10**	**-**	133,996,163
Transfer from investment properties to trading properties	**10**	**22,571,014**	-
Transfer from property and equipment to assets held for sale	**16**	**134,604,201**	-

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

Notes To The Consolidated Financial Statements

For the year ended 31 December 2023

1. Reporting entity

Mazaya Real Estate Development Q.P.S.C. (the "Company") is a Qatari Public Shareholding Company, incorporated in Qatar on February 12, 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 as at and for year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as "the Group"(. As at the current and comparative reporting date, the Company has the following subsidiaries.

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.

There is no ultimate parent and controlling party for the Company as the shares of the Company are owned by multiple shareholders.

Details of the Company's subsidiaries as at 31 December are as follows:

Name of subsidiary	Country of incorporation	Share capital	The Company shareholding percentage as at 31 December	
Qortuba Real Estate Investment Company W.L.L.	Qatar	200,000	100%	100%
Granada Real Estate Investment Company W.L.L.	Qatar	200,000	100%	100%
Gulf Spring Real Estate Investment and Development Company W.L.L.	Qatar	200,000	100%	100%
Mazaya Lebanon for Tourism Development and Real Estate S.A.R.L.	Lebanon	12,000	100%	100%
Facilitx Facility Management W.L.L. (1)	Qatar	200,000	100%	-

(1) During the year, the Company incorporated fully owned subsidiary (Facilitx Facility Management W.L.L.) in the State of Qatar. The authorised share capital of the subsidiary is QR 200,000 each. The subsidiary have not yet commenced the operation.

2. Basis of accounting

These consolidated financial statements have been prepared in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards). They were authorised for issue by the Company's board of directors on 19 February 2024.

Details of the Group's accounting policies, including changes thereto, are included in Note 7.

3. Functional and presentation currency

These consolidated financial statements are presented in Qatari Riyal, which is the Company's functional currency. All amounts have been rounded to the nearest Qatari Riyal, unless otherwise indicated.

4. Basis of measurement

These consolidated financial statements have been prepared under historical cost basis except for the investment properties which are measured on fair value basis on reporting date.

5. Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgments and estimates that affect the application of Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about areas that involve a higher degree of judgement or complexity, or areas where assumptions or estimates have a significant risk of resulting in a material adjustment to the consolidated financial statements are as follows:

a. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements:

Going concern
The management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. The Group has been profitable, and it had positive net assets (equity), and cash flow positions as at the year end. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on a going concern basis.

Interests in other entities (equity-accounted investees)
Judgment is required in assessing the level of control obtained in a transaction to acquire an interest in another entity; depending upon the facts and circumstances in each case, the Group may obtain control, joint control or significant influence over the entity or arrangement. The Group considers that it has significant influence over investees when it has board representation which allows them to participate in the financial and operating policy decisions but is not control or joint control of those policies. Judgment is also required to assess whether the arrangement is a joint operation or a joint venture. The Group assesses the arrangement as a joint venture since the rights of the Group reside in the net assets of the joint arrangement (i.e. it is the joint arrangement, not the parties to the joint arrangement, that has a direct right to the assets, and obligations for the liabilities of the joint arrangement).

Impairment of non-financial assets
The carrying amounts of the Group's non-financial assets (equity-accounted investees and joint venture and property and equipment, but not trading properties and investment properties) are reviewed at each reporting date to determine whether there is any indication of impairment. Such indications may include decline in value of asset significantly, significant changes with an adverse effect on the Group have taken place, obsolescence or physical damage of asset, deterioration in the economic performance of the asset etc. If any such indication exists, then the asset's recoverable amount is estimated.

Distinction between property and equipment and investment properties
The Group determines whether a property qualifies as investment properties. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Property and equipment or owner-occupied properties generate cash flows that are attributable not only to the property but also to the other assets used in the production or supply process.

Group holds some properties that comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use for administrative purposes. These portions could not be sold separately (or leased out separately under a finance lease), so the Group has classified the whole of property as investment property because only an insignificant portion is held for use for administrative purposes. The Group provides ancillary services to the occupants of properties it holds and treats such properties as investment property as the services are insignificant to the arrangement as a whole.

Other provisions and liabilities
Other provisions and liabilities are recognized in the period only to the extent management considers it probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. Since the actual cash outflows can take place in subsequent years, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances. A change in estimate of a recognized provision or liability would result in a charge or credit to profit or loss in the period in which the change occurs

b. Assumptions and estimation uncertainties

Impairment of financial assets measured at amortised cost
The "expected credit loss" (ECL) impairment model requires forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. It also requires management to assign probability and magnitude of default to various categories of financial assets measured at amortised cost (cash at bank, trade and other receivables and investments). Probability of default constitutes a key input in measuring an ECL and entails considerable judgement; it is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. The magnitude of the loss in case there is a default is also an estimate of the loss arising on default; it is based on the difference between the contractual cash flows due and those that the Group would expect to receive.

Useful life of property and equipment
Items of property and equipment are depreciated over their estimated individual useful lives. The determination of useful lives is based on the expected usage of the asset, physical wear and tear, and technological or commercial obsolescence, and impacts the annual depreciation charge recognized in profit or loss. Management reviews annually the useful lives of these assets. Future depreciation charge could be materially adjusted where management believes the useful lives differ from previous estimates.

Measurement of fair values

Investment properties of the Group require the measurement of fair values.

The Group has an established control framework with respect to the measurement of fair values.

The Group regularly reviews significant unobservable inputs and valuation adjustments. If third party statements, such as broker quotes or pricing services, is used to measure fair values, then the Group assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of the standards, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability are categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

6. Changes in material accounting policies

a. Material accounting policy information

The Group also adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the consolicated financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 7 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

b. New standards or amendments for 2023 and forthcoming requirements

New standards or amendments for 2023

The below table lists the recent changes to IFRS Accounting Standards that are effective for annual periods beginning on 1 January 2023.

Effective date	New standards or amendments
1 January 2023	**IFRS 17 Insurance Contracts** Definition of Accounting Estimates – Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors Disclosure Initiative: Accounting Policies – Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes
23 May 2023	**Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules**

The adoption of the above amendments had no significant impact on the Group's consolidated financial statements.

Forthcoming requirements

The below table lists the recent changes to IFRS's that are required to be applied for an annual period beginning on 1 January 2024 and that are available for early adoption in annual reporting periods beginning on 1 January 2023.

Effective date	New standards or amendments
1 January 2024	• Non-current Liabilities with Covenants (Amendments to IAS 1) • Classification of Liabilities as Current or Non-current (Amendments to IAS 1) • Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) • Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7
1 January 2025	**Lack of Exchangeability – Amendments to IAS 21**

Effective date	New standards or amendments
Available for optional adoption/effective date deferred indefinitely	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – (Amendments to IFRS 10 and IAS 28)

Management does not expect that the adoption of the above new and amended standards will have a significant impact on the Group's consolidated financial statements.

7. Material accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise.

In addition, the Group adopted Disclosure of Accounting Policies (Amendments to IAS 1 and FRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of 'material' rather than 'significant, accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in Note 6(b).

a) Basis of consolidation

i. Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iii. Non-controlling interests

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

b) Foreign currency

i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Group at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within other income.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:
• an investment in equity securities designated at FVOCI
• a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
• qualifying cash flow hedges to the extent that the hedges are effective.

ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into functional currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint ventures while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

c) Revenue recognition

Rental income
Rental income receivable from finance leases, less the Group's initial direct costs of entering into the leases, is recognized on a straight-line basis over the term of the lease, except for contingent rental income which is recognized when it arises.

Incentives for lessees to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such a basis. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the lessors are reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognized in the consolidated statement of profit or loss when they arise.

Finance income
The Group's finance income includes income from finance lease.

Income from finance lease is recognised under the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
• the gross carrying amount of the financial asset; or
• the amortised cost of the financial liability.

In calculating income from finance lease, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, income from finance lease is calculated by applying the effective interest rate to the mortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of income from finance lease reverts to the gross basis.

Service charges and expenses recoverable from tenants
Income arising from expenses recharged to tenants is recognized in the period in which the expense can be contractually recovered. Service charges and other such receipts are included gross of the related costs in revenue, as the Group acts as principal in this respect.

Other income
Revenue is recognized when earned.

d) Property and equipment

Recognition and measurement
Items of property and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

Subsequent expenditure
Subsequent expenditure is capitalized only if it is probable that future economic benefits associated with the expenditure will flow to the Group.

Depreciation
Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in consolidated statement of profit or loss. Land is not depreciated.

The estimated useful lives of property and equipment for the current and comparative periods are as follows:

Building	25 years
Furniture and fixtures	5 years
Motor vehicles	5 years
Computer and equipment	1-3 years

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

e) Investment properties

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss.

Any gain or loss on disposal of investment properties (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When investment properties that were previously classified as property and equipment are sold, any related amount included in the revaluation reserve is transferred to retained earnings.

Rental income from investment properties is recognised as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

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 trading properties;
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 trading properties 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 trading properties, 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 trading properties 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.

f) Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to trading properties, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

g) Trading properties

Recognition and classification of trading properties (inventories)

Trading properties are real estate properties that are readily available for sale and those properties under development for sale which are in construction phase. These are held for sale in the ordinary course of business rather than to be held for rental or capital appreciation, are carried at the lower of cost and net realizable value. The group may decide to lease out some units to increase the possibility of selling the properties rather than to earn rental income on a continuing basis and the properties are not held for capital appreciation. The group account for these properties as trading properties and not investment properties as the properties continue to be held exclusively with the view to subsequent disposal in the ordinary course of business. Net realizable value is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for time factor if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost includes:

1. Freehold and leasehold rights for land
2. Amounts paid to contractors for construction
3. Borrowing costs, planning & design costs, costs of site preparation, professional fees, property transfer taxes, construction overhead and other related costs.

Non-Refundable commission paid to sales or working agents on the sale of real estate units are expensed when incurred. Cost of trading properties recognized in the consolidated statement of profit or loss is determined with references to specific costs incurred on the property sold and an allocation of any relative size of the property sold.

Classification of Property

The group determines whether a property is classified as investment property or trading property. Trading property comprises property that is held for sale in the ordinary course of business. Principally, these are residential properties that the group develops and intends to sell on completion of construction.

Estimation of Net realizable value for the trading properties.

Trading properties are stated at the lower of cost and net realizable value (NRV). NRV for completed trading properties are assessed with reference to market conditions and prices existing at the reporting date and is determined by the group having taken suitable external advice and in the light of recent market transactions. NRV for properties under development for which the development is not considered significant yet, is estimated at fair value less cost to sell, with the fair value estimated using the comparable data approach. the most significant inputs. The fair value estimated using the comparable data approach. the most significant inputs represent the market rate per square meter of land and estimated development cost.

h) Equity accounted investee

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 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.

i) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short-term deposits with a maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of any outstanding bank overdrafts.

j) **Financial instruments**

i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii) Classification and subsequent measurement

Financial assets – Classification

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and;
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant on initial recognition. The Group had no financial assets held outside trading business models that failed the SPPI assessment.

Financial assets – Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

k) Impairment

Non-derivative financial assets

Financial instruments

The Group recognises loss allowances for ECLs on:
- financial assets measured at amortised cost.

The Group also recognises loss allowances for ECLs on lease receivables, which are disclosed as part of trade and other receivables.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables (including lease receivables) are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:
• the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held), or
• the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets
At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 730 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the consolidated statement of financial position
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:
• the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held), or
• the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets
At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 730 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the consolidated statement of financial position
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off
The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property and trading properties) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

l) Employees' end of service benefits

The Group provides end of service benefits to its expatriate employees in accordance with Qatar Labour Law No. 14 of 2004. 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.

m) Pension plan

The Group is required to make a contribution to a Government fund scheme for Qatari employees calculated as a percentage of the Qatari employees' salaries.

The Group's obligations are limited to these contributions, which are expensed when due.

n) Provision

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

o) Income tax

Income tax comprises the expected tax payable on the taxable profit for the year, adjusted for any corrections to the tax payable of previous years. It is calculated on the basis of the tax laws enacted (Income Tax Law No. 24 of 2018 and Ministerial Decision No. 39 of 2019) or substantively enacted at the reporting date in the State of Qatar. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

If applicable tax regulation is subject to interpretation and there is uncertainty over a treatment chosen by the Company that it is not probable that the tax authority will accept, it establishes a provision where appropriate on the basis of amounts expected to be paid to the tax authorities. Provisions made in respect of uncertain tax positions are re-assessed whenever circumstances change or there is new information that affects the previous judgements and estimates.

Deferred tax is recognised in respect of temporary differences arising between the carrying amounts of assets and liabilities reported in the financial statements and their respective amounts used for tax purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled using tax rates based on tax laws that have been enacted (Income Tax Law No. 24 of 2018) or substantially enacted by the reporting date in the State of Qatar.

p) Leases

At the inception of a contract, the Group assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

i. As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. Right-of-use assets that meet the definition of investment property are presented within investment property.

Short-term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii. As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consid-eration in the contract to each lease component on the basis of their relative stand alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight line basis over the lease term as part of 'other revenue'.

q) Share capital

Ordinary shares are classified as equity.

r) Current versus non-current classification

The Group presents assets and liabilities based on current / non-current classification.

An asset as current when:
• It is xpected to be realised or intended to sold or consumed in normal operating cycle;
• It is held primarily for the purpose of trading;
• It is expected to be realised within twelve months after the reporting period, or,
• It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:
• It is expected to be settled in normal operating cycle;
• It is held primarily for the purpose of trading;
• It is due to be settled within twelve months after the reporting period, or,
• There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

s) Contingent assets and liabilities

Contingent assets are not recognised in the consolidated financial statements, but are disclosed when an inflow of economic benefits is probable.

Contingent liabilities are not recognised in the consolidated financial statements, but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

t) Expense recognition

Expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen and can be measured reliably.

An expense is recognized immediately in profit or loss when an expenditure produces no future economic benefits, or when, and to the extent that, future economic benefits do not qualify or cease to qualify for recognition in the consolidated statement of financial position as an asset, such as in the case of asset impairments.

u) Operating profit

Operating profit is the result generated from the continuing principal revenue-producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes net finance costs and income taxes.

8. Financial risk and capital management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk;

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

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 and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

Trade and other receivables
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered.

Further information about the Group's exposure to credit risk are provided in Note 32.

ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Further information about the Group's exposure to liquidity risk are provided in Note 32.

iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest 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 optimising the return.

Currency risk
Currency risk is the risk that the value of a financial instrument will fluctuate due to a change in foreign exchange rates.

The Group's exposure to currency risk on transactions with related parties and borrowings that are denominated in a currency other than the respective functional currency are limited to those currencies which are pegged against USD such as AED, RO, JD etc. The Group's exposure to other currency risk is minimal.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level.

Interest rate risk
Interest rate risk is the probability of a decline in the value of an asset resulting from unexpected fluctuations in interest rates.

The Group adopts a policy of ensuring that majority of its interest rate risk exposure is at a fixed rate.

Equity price risk
Equity price risk is the risk that the fair values of equity decreases as a result of changes in price indices of investments in other entities' equity instruments as part of the Group's investment portfolio.

Further information about the Group's exposure to market risk are provided in Note 32.

Capital management
The Group manages its capital to ensure that it will be able to continue on a going concern basis while maximizing the return to stakeholders through the optimization of the debt and equity balance.

Gearing ratio
The Group's management reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

The gearing ratios at the year end are as follows:

	2023 QR.	2022 QR.
Total liabilities	**1,354,633,066**	1,056,641,299
Cash and cash equivalents	**(190,549,738)**	(90,647,150)
Net debt (a)	**1,164,083,328**	965,994,149
Equity (b)	**1,051,452,093**	1,022,507,037
Net debt to equity	**110%**	94%

(a) Net debt is defined as long and short-term borrowing (excluding overdraft), net of cash and cash equivalents.

(b) Equity includes all share capital, reserves and retrained earning/accumulated losses of the Group.

9 Property and equipment

	Land	Building	Furniture And Fixtures Qr.	Motor Vehicles Qr.	Computer And Equipment Qr.	Total
Cost						
Balance at 1 January 2022	-	-	39,885	143,150	1,574,130	1,757,165
Additions	-	-	6,399	199,700	173,938	380,037
Transfer from investment properties (Note 10)	40,000,000	93,996,163	-	-	-	133,996,163
Balance at 31 December 2022 / 1 January 2023	40,000,000	93,996,163	46,284	342,850	1,748,068	136,133,365
Additions	-	608,038	19,052	-	1,764,531	2,391,621
Transfer to asset held for sale (Note 16)	(40,000,000)	(94,604,201)	-	-	-	(134,604,201)
Balance at 31 December 2023	-	-	65,336	342,850	3,512,599	3,920,785
Accumulated depreciation						
Balance at 1 January 2022	-	-	35,046	38,827	1,131,926	1,205,799
Depreciation	-	-	4,180	81,637	422,707	508,524
Balance at 31 December 2022 / 1 January 2023	-	-	39,226	120,464	1,554,633	1,714,323
Depreciation	-	-	3,593	61,630	305,863	371,086
Balance at 31 December 2023	-	-	42,819	182,094	1,860,496	2,085,409
Carrying amounts						
At 31 December 2023	-	-	22,517	160,756	1,652,103	1,835,376
At 31 December 2022	40,000,000	93,996,163	7,058	222,386	193,435	134,419,042

10. Investment properties

a. Reconciliation of carrying amount

	2023 QR.	2022 QR.
Balance at 1 January	**674,291,348**	769,030,098
Addition	**458,723,870**	39,257,413
Disposals (1)	**(231,623,870)**	-
Transfer to trading properties (2)	**(22,571,014)**	-
Development cost	**954,656**	-
Net fair value gain (3)	**17,110,013**	-
Transfer to property and equipment (Note 9) (4)	**-**	(133,996,163)
Balance at 31 December	**896,885,003**	674,291,348

Investment properties comprises a number of completed commercial, residential properties that are leased to third parties and vacant lands.

(1) This represents the disposal of three pieces of land in Dubai during the year for net proceeds of QR 31,492,702. The Group recognized a gain of QR 231,832 (2022: Nil) on disposal of these investment properties during the year.

(2) During the year, the group transferred the land to trading properties in order to construct a residential tower for sale.

(3) Changes in fair values are recognised as a gain or loss in the consolidated statement of profit or loss. All gains or losses are unrealised.

(4) In November 2022, 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.

Investment properties consist of following:

	2023 QR.	2022 QR.
Completed properties	**623,313,418**	407,313,519
Vacant lands	**273,571,585**	266,977,829
Balance at 31 December	**896,885,003**	674,291,348

b. Measurement of fair values

The fair value of the Group's investment properties at 31 December 2023 and 31 December 2022 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.

31 December 2023	Total	Level 1	Level 2	Level 3
Investment properties	**896,885,003**	-	-	**896,885,003**

31 December 2022	Total	Level 1	Level 2	Level 3
Investment properties	674,291,348	-	-	674,291,348

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 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 (square ft).

	Estimated land value per sq ft	
	2023 QR.	2022 QR.
Plots in Dubai	**212**	28-80
Plot in Qatar	**650**	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.

Key unobservable inputs	**2023 QR.**	2022 QR.
Monthly rental income	**33-99 sqm**	33-99 sqm
All risk yield – current	**6.5% - 8.25%**	6.5% - 8.25%

During the year ended 31 December 2023, 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.
As at 31 December 2023, the Company has completed replacing its existing land with new land and has performed the fair value assessment of the new land as of reporting date.

11. Equity accounted investee

The Group as at the reporting dates had the following equity accounted investee:

Name of joint venture	Country of corporation	Ownership	Principal activity
Nishan Investment and Real Estate Development	**Qatar**	**11.43%**	Real Estate

ovement in the equity accounted investee is as follows:

	2023 QR.	2022 QR.
Balance at 1 January	**18,463,709**	18,355,561
Share of results	**1,079,735**	108,148
Dividends received	**(800,000)**	-
Balance at 31 December	**18,743,444**	18,463,709

The summarized financial information of the Group's equity accounted investee are as follows:

	2023 QR.	2022 QR.
Current assets	**22,645,009**	17,368,585
Non-current assets	**23,341,412**	18,871,675
Current liabilities	**(5,309,407)**	(5,254,535)
Non-current liabilities	**(21,933,570)**	(12,522,016)
Net assets	**18,743,444**	18,463,709

	2023 QR.	2022 QR.
Share in the associate revenue and results revenues	**251,309**	400,733
Share of gain for the year	**1,079,735**	108,148

12. Investments

	2023 QR.	2022 QR.
Investments	**61,354,395**	61,354,395
Less: Allowance for impairment of investment	**(36,677,198)**	(35,177,198)
	24,677,197	26,177,197

During 2009, the Group had entered into a Wakala contract (financial asset) 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 (financial asset), 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 instalment 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 another 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 ended 31 December 2023, the Group recognized an additional allowance amounting to QR 1,500,000 (31 December 2022: QR 1,500,000).

13. 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.

Finance lease receivable presented in the consolidated statement of financial position as follows:

	2023 QR.	2022 QR.
Current portion	**36,347,961**	34,162,255
Non-current portion	**1,031,914,051**	1,068,262,012
	1,068,262,012	1,102,424,267

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

Amount receivable under finance leases:	**2023 QR.**	2022 QR.
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	**1,188,260,000**	1,288,960,000
Gross investment in lease	**1,691,760,000**	1,792,460,000
Less: unearned finance income	**(623,497,988)**	(690,035,733)
Present value of minimum lease payments schedule	**1,068,262,012**	1,102,424,267
Net investment in the lease	**1,068,262,012**	1,102,424,267

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

14. Trade and other receivables

	2023 QR.	2022 QR.
Trade receivables	**5,241,223**	148,716
Prepayments	**41,544,481**	31,762,865
Refundable deposits	**600,525**	600,525
Other receivables	**570,945**	1,339,221
	47,957,174	33,851,327
Less: Impairment loss allowance (1)	**-**	(1,125,704)
	47,957,174	32,725,623

(1) Movements in impairment loss allowance during the year were as follows:

	2023 QR.	2022 QR.
Balance at 1 January	**1,125,704**	1,125,704
Amounts written off	**(1,125,704)**	-
Balance at 31 December	**-**	1,125,704

15. Cash and cash equivalents

	2023 QR.	2022 QR.
Islamic bank balances	**190,535,062**	90,586,970
Cash in hand	**14,676**	60,180
	190,549,738	90,647,150

16. Asset held for sale

In November 2022, 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.

In February 2023, management committed to a plan to sell the property. Accordingly, the same is classified as the assets held for the sale.

During the year, the Group received a proposal to sell the property. Subsequent to 31 December 2023, the Group is in the process of completing the legal proceedings for the sale of the assets and obtaining the approval from regulatory authorities.

17. Share capital

	2023 QR.	2022 QR.
Authorized, issued and fully paid:		
1,000,000,000 ordinary shares of QR 1 each (2022: 1,157,625,000 shares) (i) (ii)	**1,000,000,000**	1,157,625,000

(i) All shares are of same class and carry equal voting rights.

(ii) Based on the extraordinary general assembly meeting of Mazaya Real Estate Development (Q.P.S.C.) held on May 17, 2023, the shareholders have resolved to reduce its paid-up share capital from QAR 1,157,625,000 to QAR 1,000,000,000 (one billion Qatari Riyals) through the cancellation of 157,625,000 shares equivalent to QAR 157,625,000, or 13.61% of the total capital. The extraordinary general assembly also resolved the use of QAR 39,599,645 from the legal reserve to cover the remaining losses, which amount to QAR 39,599,645. The cancellation of the shares in the amount of QAR 157,625,000 together with the use of legal reserve in the amount of QAR 39,599,645 would absorb the accumulated losses of the Company outstanding as of 31 December 2022 in the amount of QAR 197,224,645. The extraordinary general assembly also resolved in the same meeting that 299,000,000 shares (nominal value of QR 1) equivalent to 29% of the capital are authorized by the board to be issued within one year. The issuance of additional shares has not been done as of the date of the financial statements.

18. Legal reserve

In accordance with Qatar Commercial Companies Law No.11 of 2015 and the Company's Articles of Association, 10% of the net profit for each year and premium on share issuance by the Company is to be transferred to legal reserve until the reserve equals 50% of the paid-up share capital and is not available for distribution except in circumstances specified in the above Law.

19. Borrowings

	2023 QR.	2022 QR.
Islamic facility (1)	**835,155,094**	151,879,315
Islamic facility (2)	**440,000,000**	783,524,076
	1,275,155,094	935,403,391
Less: transaction costs of refinancing	**(44,951,324)**	-
	1,230,203,770	935,403,391

Presented in the consolidated statement of financial position as follows:

	2023 QR.	2022 QR.
Current portion	**72,833,662**	38,125,912
Non-current portion	**1,157,370,108**	897,277,479
	1,230,203,770	935,403,391

(1) On 30 January 2023, the Group entered into an agreement with a local bank to pay the outstanding balance of Islamic facility with Dukhan Bank and to obtain additional loan facility. It has a grace period till 31 July 2023 which carries profit rate of 3.25% with quarterly instalments of 17,000,000 Qatari Riyals to be paid by the Group. The loan is repayable within 18 years and the last instalment will be on April 2040. Expected receipts from the Sidra real estate project are pledged against the Islamic facility.

(2) 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 and Al Sadd buildings real estate property. During the year 2022, management agreed with the bank to extend the tenor of the liability to a maximum period of 15 years (up to 1 December 2037) with semi-annual instalments of 12,520,000 with a profit rate of 6% Qatari Riyals to be paid by the Group. On 22 October 2023, the Group entered into an agreement to refinance the outstanding balance of Islamic facility. The loan facility has a grace period till 1 July 2024 which carries profit rate of 3.75% with semi annual instalments of 16,800,000 Qatari Riyals to be paid by the Group. The loan is repayable within 25 years and the last instalment will be on January 2049. The investment properties Gold Plaza and Mseimeer buildings real estates are pledged against the Islamic facility.

Finance cost for the year amounted to QR 58,310,268 (2022: QR 42,314,312).

20. Provision for employees' end of service benefits

	2023 QR.	2022 QR.
Balance at 1 January	**2,283,861**	1,925,180
Provision made during the year	**614,100**	358,681
Payments made during the year	**(104,541)**	-
Balance at 31 December	**2,793,420**	2,283,861

21. Income tax expense

The Tax reconciliation is presented as follows:	**2023 QR.**	2022 QR.
Profit before tax	**30,134,364**	41,421,713
Adjustment for:		
Effect of income not subject to tax	**(98,882)**	(7,146,210)
Taxable income – Qatari shareholders	**(25,564,212)**	(30,138,783)
Taxable income subject to tax	**4,471,270**	4,136,720
Income tax (10%)	**447,127**	413,672

22. Trade and other payables

	2023 QR.	2022 QR.
Accounts payable	**25,233,672**	13,488,003
Encashment of bond (1)	**59,827,513**	59,827,513
Accrued expenses	**19,814,305**	27,905,858
Dividends payable	**14,906,417**	16,294,367
Social and sports activities fund contribution	**742,181**	1,025,201
Refundable deposits	**676,550**	-
	121,200,638	118,540,942

(1) 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.

23. Operating income

	2023 QR.	2022 QR.
Rental income	**55,802,850**	53,280,143
Finance income from finance lease obligations	**66,537,746**	68,592,019
	122,340,596	121,872,162

24. 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.

25. Other income

	2023 QR.	2022 QR.
Profit from deposits with Islamic banks	**10,776,668**	45,978
Miscellaneous income (1)	**2,166,342**	1,091,762
	12,943,010	1,137,740

26. General and administrative expenses

	2023 QR.	2022 QR.
Staff costs (1)	**20,500,606**	16,906,022
Legal and professional expenses	**25,210,431**	4,631,810
Board of Directors' remuneration	**1,496,432**	922,809
Depreciation of property and equipment (Note 9)	**371,086**	508,524
Amortisation for right-of use-assets	**-**	1,169,536
Marketing and advertising	**2,741,406**	743,129
Rent expenses	**1,427,932**	375,243
Transportation	**138,576**	121,193
Utilities	**244,087**	259,603
Commission expenses	**911,625**	-
Communication	**164,089**	145,596
Shariaa Board Fees	**90,000**	90,000
Other miscellaneous expenses	**523,163**	553,523
	53,819,433	26,426,988

(1) Staff costs includes a provision of QAR 614,100 (2022: QAR 358,681) in respect of employees' end of service benefits (Note 20).

27. Basic and diluted earnings per share

Basic earnings per share amounts are calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding at the reporting date.

The basic and diluted earnings per share are the same as there were no dilutive effects on earnings.

	2023 QR.	2022 QR.
Profit for the year attributable to Owners of the Company	**29,687,237**	41,008,041
Adjusted weighted average number of outstanding shares	**1,145,101,370**	1,157,625,000
Basic and diluted earnings per share	**0.03**	0.04

28. 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. During 2023, the Group appropriated profits of QR 742,181 representing Social and sports activities fund contribution (2022: QR 1,025,201).

29. Related parties

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

The remuneration of directors and other members of key management during the year was as follows:

	2023 QR.	2022 QR.
Short-term benefits	**3,403,409**	3,093,205
Employees' end of service benefits	**94,170**	94,170
	3,497,579	3,187,375

Amount of QR 1,496,432 has been proposed for Board of Directors for the year 2023 (2022: QR 922,809).

30. Commitments and contingent liabilities

	2023 QR.	2022 QR.
Letters of guarantee	**860,000**	-

31. Financial instruments

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

	At 1 January 2023	**Financing cash flows**	**Non cash changes**	**At 31 December 2023**
Borrowings	**935,403,391**	294,800,379	-	1,230,203,770

	At 1 January 2022	Financing cash flows	Non cash changes	At 31 December 2022
Borrowings	**951,879,315**	(16,475,924)	-	935,403,391
Lease liabilities	**1,713,698**	(1,125,729)	**(587,969)**	-

32. Financial risk management

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, investments, trade receivables, refundable deposits and Islamic bank balances.

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

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:

	2023 QR.	2022 QR.
Finance lease receivable	**1,068,262,012**	1,102,424,267
Investments	**24,677,197**	26,177,197
Islamic bank balances	**190,535,062**	90,586,970
Refundable deposits	**600,525**	600,525
Trade receivable	**5,241,223**	148,716
Other receivable	**570,945**	1,339,221
	1,289,886,964	1,221,276,896

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 190,535,062 at 31 December 2023 (2022: QR 90,586,970). 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.

December 2023	Note	External Credit Ratings	Internal Credit Ratings	12 Month Or Lifetime Ecl	Gross Carrying Amount	Loss Allowance	Net Carrying Amount
Trade and other receivable	14	N/A	i	Lifetime ECL	**6,412,693**	**-**	**6,412,693**
Finance lease receivable	13	N/A	i	Lifetime ECL	**1,068,262,012**	**-**	**1,068,262,012**
Wakala investments	12	N/A	i	Lifetime ECL	**61,354,395**	**(36,677,198)**	**24,677,197**
Islamic bank balances	15	BB	N/A	12-month ECL	**190,535,062**	**-**	**190,535,062**

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	14	N/A	i	Lifetime ECL	2,088,462	(1,125,704)	962,758
Finance lease receivable	13	N/A	i	Lifetime ECL	1,102,424,267	-	1,102,424,267
Wakala investments	12	N/A	i	Lifetime ECL	61,354,395	(35,177,198)	26,177,197
Islamic bank balances	15	BB	N/A	12-month ECL	90,586,970	-	90,586,970

(i) For receivables, finance lease receivable and investment, 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 2023	Carrying amount	Less than 1 year	Contractual cash flow 1 to 5 years	Above 5 years	Total QR.
Accounts payable	**25,233,672**	**25,233,672**	**-**	**-**	**25,233,672**
Social and sports activities fund contribution	**742,181**	**742,181**	**-**	**-**	**742,181**
Borrowings	**1,230,203,770**	**149,191,714**	**575,400,000**	**1,311,534,858**	**2,036,126,572**
Dividends payable	**14,906,417**	**14,906,417**	**-**	**-**	**14,906,417**
	1,271,086,040	**190,073,984**	**575,400,000**	**1,311,534,858**	**2,077,008,842**

As At 31 December 2022	Carrying amount	Less than 1 year	Contractual cash flow 1 to 5 years	Above 5 years	Total QR.
Accounts payable	13,488,003	13,488,003	-	-	13,488,003
Social and sports activities fund contribution	1,025,201	1,025,201	-	-	1,025,201
Borrowings	935,403,391	56,738,539	339,766,672	1,115,865,768	1,512,370,979
Dividends payable	16,294,367	16,294,367	-	-	16,294,367
	966,210,962	87,546,110	339,766,672	1,115,865,768	1,543,178,550

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.

i) 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.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group adopts a policy of ensuring that interest 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 interest rates. The Group's policy ensures that most of the exposure on interest 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 interest rates at the reporting date would not adversely affect the interest or loss.

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

	2023 QR.	2022 QR.
Borrowings	**1,230,203,770**	935,403,391

The following table demonstrates the sensitivity of equity and profit or loss to reasonably possible changes in interest 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 interest rates for one year, based on the floating rate financial instruments held at 31 December. The effect of decreases in interest 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 2023	**3,075,509**
At 31 December 2022	2,338,508

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.

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.

The Group uses the hierarchy for determining and disclosing the fair value of unquoted equity investment by valuation technique provided in Note 5.

During the year ended 31 December 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers in and out of Level 3. There were no movements within Level 3 fair value measurements.

33. Segment information

The Group has only one business segment, that is investment, development and operations of real estate properties. The Group operates mainly in the State of Qatar.

34. Comparative figures

The comparative figures for the previous period have been reclassified where necessary, in order to conform to the current year's presentation. Such reclassification does not affect the previously reported net profits or net assets.

35. Subsequent events

There were no significant events after the reporting date, which have bearing on the understanding of these consolidated financial statements.

The auditor's total fee for the Group and its subsidiaries is QR 378,500 which includes tax filing services as 31-Dec-2023.

CORPORATE **GOVERNANCE**

GOVERNANCE CODE FOR LISTED COMPANIES
AND LEGAL ENTITIES

FOR THE YEAR 2023

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

Chairman's Message

Dear Shareholders,

Peace and blessings be upon you.

I am pleased to present Mazaya Real Estate Development (QPSC)'s Governance Report for the year ending 31st December 2023. This report was prepared in accordance with Commercial Companies Law (11) of 2015 and amendments thereof, further to 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. It was audited by "KPMG" our External Auditors which confirmed in their role Mazaya's compliance with the application and implementation of the highest standards of governance. We also confirm that we are continuously developing our internal controls and disclosure systems to ensure transparency and guarantee the best interest of our shareholders and investors.

I hereby present to you the Governance Report for the year ending 31st December 2023.

Sincerely,

Salman bin Hassan Al Thani
Chairman of the Board of Directors

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 provisions 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 15th May 2017 in addition to other applicable laws and regulations in the State of Qatar.

In line with Article 3 of the Corporate Governance Code, Mazaya Real Estate Development Company systematically and periodically revises and enhances its governance practices to adhere strictly to the highest governance standards. This commitment includes ensuring fairness and equality among all stakeholders, avoiding discrimination based on race, gender, or religion. The company prioritizes transparency, the timely and appropriate disclosure of information to both the regulatory body and stakeholders, facilitating informed decision-making and proper business conduct. Mazaya upholds social responsibility and places the collective interests of the company and its stakeholders above individual gains. Duties and responsibilities are carried out with sincerity, ethical integrity, and accountability, reflecting the company's commitment to its stakeholders and the broader community. Throughout 2023, Mazaya undertook a comprehensive review of its governance procedures to ensure alignment with the Qatar Financial Markets Authority's standards and to mirror internationally recognized best practices in corporate governance.

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 Governance Code for Companies & Legal Entities Listed on the Main Market. Company is regularly documenting its procedures and policies to ensure permanent compliance with laws and relevant 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, small shareholders and other stakeholders are protected.

2. Board Of Directors

2.1 Formation of Board of Directors

Subject to requirements of Article (6) of Corporate Governance Code, Board of Directors formation is in line with its Articles of Association, based on most updated requirements of Qatar Financial Market Authority; 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 (1) executive member and (6) independent members; i.e. over one third of Board Members. Said members were elected in the year 2023 during annual general assembly held on 1st March 2023.

2.2. Meetings and attendance

In accordance with the requirements of the provisions of Article No. (14) of the Corporate Governance Code, Mazaya's Board of Directors meets at the invitation of its Chairman, regularly and effectively and whenever necessary, as stipulated in Article (35) of the company's by-laws. The Board met seven (7) times in the year 2023, and the company confirms that the board members are regular in attending and actively participating in the board meetings, with the exception of some cases beyond their control. In such cases, the absent member delegates another member in their place and provides excuses for their absence, which were accepted by the rest of the board members. Furthermore, the company complied with the provisions of Article (13) of the Governance Code regarding sending the invitation to each member accompanied by the agenda before the scheduled meeting date, with the exception of two meetings; one was an urgent meeting to open the nomination for board membership for the period from 2023-2025, and the other immediately after the election of the board to appoint a Chairman, a Vice-Chairman, and form the Board's committees as per Article (18) of the Corporate Governance Code.

Members also employ their expertise and qualifications for the board and its subsidiary committees through attendance and active participation, and not making any statements, information, or data without prior permission from the chairman or whoever he delegates, in compliance with the Commercial Companies Law No. (11) for the year 2015 and its amendments, and Article No. (12) of the Governance Code for companies and legal entities listed on the main market issued by the Qatar Financial Markets Authority.

Below is an overview of the number of meetings and the attending members:

MEMBER	POSITION	BOD MEETINGS	N & R COMMITTEE	AUDIT COMMITTEE
Sheikh Salman bin Hassan Al Thani	Chairman	7/7		
Mr. Ibrahim Jaham Alkuwari	Board Member	6/7	1/1	
Sh. Hamad bin Mohammed Al Thani	Board Member and CEO	7/7		1/1
Sh. Tameem Bin Fahd Al Thani	Board Member	5/5		5/5
Sh. Faisal Bin Hamad Al Thani	Board Member	4/5		4/5
Mr. Jamal Sherida Al Kaabi	Board Member	5/5		
Mr.Youssef Ahmed Alsada	Board Member	6/7		1/1
Eng. Saeed Adnan Abo Odeh	Board Member	6/7		5/6
Mr. Abdul Aziz Al Humaidi	Board Member	7/7		
Board Members prior elections of general assembly dated 1st March 2023:				
Mr. Abdullah Hamad Alattiya	Board Member	2/2	1/1	
Mr. Abdullah Ali Alkuwari	Board Member	1/2	1/1	
Mr. Hamad Ali Alhedfa	Board Member	2/2		

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 the Corporate Governance Code:

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

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)

Mr. Ibrahim Jaham Alkuwari
Vice-Chairman
(Non-Executive and Independent)

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

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

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)

Sheikh Tamim bin Fahad Al Thani
Board Member
(Non-Executive & Independent)

Qualification

Bachelor degree of Human Resources from Canadian University in Dubai.

Master degree in Business Administration, Aberdeen University.

The current positions:

- Chairman of Board of Directors at Al Arabi Club
- Officer in Ministry of Interior

Sh. Faisal bin Hamad Al Thani
Board Member
(Non-Executive & Non-Independant)

Qualification

Bachelor degree of Business Administration, with University Honors, Carnegie Mellon University in Qatar

The current positions:

- Real Estate Sector Team. – Qatar Investment Authority

Jamal Sherida Al Kaabi
Board Member
(Non-Executive & Independent)

Qualification

Bachelor degree in Industrial Engineering, Minor (Administration) - University of Miami – United States of America.

The current positions:

- Board Member – Qatar Industrial Manufacturing Company (Q.S.C)
- Director, Planning & Quality Dept. – Qatar Public Works Authority

Previous positions:

- Director, Water Planning Dept. - Kahramaa
- Director, Central Planning Office – Ministry of Municipality
- Director, Technical Office – Ministry of Municipality
- Advisor of the Minister of Municipality

Youssef Ahmed Alsada
Board Member
(Non-Executive & Independent)

Qualification
Bachelor degree of Faculty of Science from Qatar University

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

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 Universit

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

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.

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

Qualification
Bachelor's degree in law

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

Contribution percentage of the Board members and Senior Executive Management in the capital (As on 31 December 2023)

MEMBER	CONTRIBUTION PERCENTAGE
Qatar Investment Authority (QIA) represented by Sheikh/ Salman Hassan Al Thani	21.19%
Qatar Investment Authority (QIA) represented by Sheikh/ Faisal Hamad Al Thani	
Mr. Ibrahim Jaham Alkuwari	0.05%
Sh. Hamad bin Mohammed Al Thani	0.05%
Sh. Tameem bin Fahd Al Thani	0.00%
Mr. Jamal Sherida Al Ka'abi	0.00%
Mr. Youssef Ahmed Alsada	0.08%
Mr./ Saeed Adnan Abo Odeh	0.00%
Mr./ Abdel Aziz Abdullah Al Hamidi	0.00%
Mr./ Mohamed Youssef Mansour	0.00%
Mr./ Ma'an Ahmed Al Hajj	0.00%
Total	21.372%

* Sh. Faisal bin Hamad Al Thani holds personal shares equivalent to 0.002%

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	211,859,488	21.19%
Sh. / Mohamed Khaled Hamad Abdullah Al Thani*	82,526,425	08.25%
Qatari Company for Real Estate Investment**	52,065,253	5.21%

* Direct and Indirect holding.

** Direct & Indirect holding (ASAS Real Estate)

2.4 Responsibilities of the Board of Directors

In compliance with the provisions of Article No. (9) of the Corporate Governance Code, the Board of Directors represents all shareholders and performs its duties with responsibility, good faith, seriousness, and concern to achieve the best interests of the company and its shareholders. The Board makes its decisions based on comprehensive information from the senior executive management and is ultimately responsible for governance within the company. The Board regularly monitors the company's governance, adhering to the requirements of the Corporate Governance Code, and works towards implementing best practices in this field.

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

The Board Charter determines their responsibilities to ensure the compliance with the governance code and highest management and supervision standards. Their role involves, but not limited to, supervision and approval of the strategic objectives of the company and the appointment and replacement of Directors, determination of their remuneration and reviewing the performance of management; also approved Committee Charters whose suggestions and reports are presented to the Board for discussion and final approval. The Charter is also published on the Company's website, striving transparency and making information available to shareholders.

2.5 Board Committees

Subject to provision of Article (18) of Corporate Governance Code, the Board has formed upon election during this year, three committees that raise regular reports to the Board, including works carried out thereby. A summary of the major roles of the committees, reports and suggestions for the year 2023, pursuant to item (5) of Article (4) of 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

Nomination & Remuneration Committee had held one meeting during 2023; the most significant matters recommended by Committee can be summarized as follows:

- The list of candidate names approved by the committee for board membership for the period (2023-2025) was raised to the Board.
- Committee recommended payment of CEO remuneration equivalent to four times the salary; due to high performance of company during 2022; further to efforts and endeavors made thereby as Managing Director during the year prior appointment as CEO.
- Committee recommended the payment of staff remuneration and authorized CEO to specify remuneration type and amount; provided that it shall not exceed QAR 1,200,000

Nomination & Remuneration Committee was re-formed subsequent to election of board members during the general assembly meeting held on 1st March 2023, as follows:

NAME	POSITION
Mr. Ibrahim Jaham Alkuwari	Head of the Committee
Mr. Jamal Sherida Al Ka'abi	Member
Mr. Abdel Aziz Abdullah Al Hamidi	Member

2- Audit Committee:

NAME	POSITION
Sh. Tameem bin Fahd Al Thani	Head of the Committee
Sh. Faisal bin Hamad Al Thani	Member
Mr. Saeed Adnan Abo Odeh	Member

The Audit Committee met once before the elections of the new board of directors, which was elected during the General Assembly meeting on March 1, 2023, and five times with the new committee formation, whose members are listed in the table above. The key discussions in the committee during the year 2023 briefly included the following:

- Discussion of the financial statements for the period ending December 31, 2022, with the external auditor and raised them to the board for approval, as well as discussion of the financial statements for the periods ending March 31, 2023, June 31, 2023, and September 30, 2023, and recommending their presentation to the board for approval.
- The committee also proposed to the Board a budget for operational and administrative expenses for the year 2023.
- The committee discussed the internal auditor's report on financial management in the company, procurement management, human resources management, marketing management, communication and investor relations management, and legal affairs management, and presented observations and suggestions for addressing these observations.
- The committee discussed the results of the evaluation of internal controls over financial reporting and the results of the compliance evaluation with governance controls according to the governance system issued by the Qatar Financial Markets Authority.
- Internal Controls Over Financial Reporting (ICOFR) for the year 2023, and periodic reports were submitted to it by the company's Internal Auditor and the Risk Manager.
- Discussion of the mechanism for reducing capital and adopting the proposal submitted by "KPMG" to conduct a proforma financial report for the capital reduction.

3- Tender Committee

Tenders Committee is formed subsequent to election of board members during general assembly meeting held on 1st March 2023, of which members are as follows:

NAME	POSITION
Mr./ Ibrahim Jaham Alkuwari	Head of the Committee
Sh. Hamad bin Mohammed Al Thani	Member
Mr. Youssef Ahmed Alsada	Member

- The tender committee had not held any meetings during 2023 due to non-launching of any tenders during the year.

The work performed by the committees for the year 2023 and the recommendations raised to the Board highlight the role and active participation of the Board Members in supervising the company's senior management. This stems from the members' interest in fulfilling their responsibilities according to Article (14) of the Corporate Governance Code, in addition to the orientation program that new board members underwent and the training courses that board members attend in accordance with the training policy approved by the board, for achieving the best interest of the company and its shareholders.

2.6 Responsibilities of the Board of Directors

In line with the requirements of the provisions of Article (8) of the Corporate Governance Regulations, the Board of Directors of Mazaya Real Estate Development has adopted a charter for the Board and has specified therein the duties of the Board and the rights and obligations of the Chairman and Board members, as well as their responsibilities in accordance with the provisions of the law. The charter has been published on the company's website.

The Board Charter includes the main tasks and functions of the Board, which is responsible for managing the company, setting the strategic plan and main objectives, endorsing plans, supervising their execution, overseeing capital expenditures, owning and disposing of assets, determining the optimal capital structure for the company, and developing and reviewing risk management policies. The Board also reviews and approves organizational structures, establishes systems and controls for internal monitoring, ensures the integrity of financial and accounting systems, implements suitable supervisory systems, sets policies to regulate relationships between stakeholders, and establishes mechanisms for maintaining good relations with clients and suppliers. Moreover, it establishes professional conduct rules for the senior executive management and employees and develops a mechanism for the company's social contribution, all in accordance with the stated functions, tasks, and powers of the Board as in the texts of the Corporate Governance Regulations, the Board Charter, and the company's Articles of Association.

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:

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

In accordance with the provisions of Article No. (7) of the Corporate Governance Regulations regarding the positions held by board members, the company affirms the law's prohibition on combining positions. No member of the company's board of directors shall hold the role of chairman or vice-chairman in more than two companies whose main offices are located in the country, nor be a board member of more than three companies with main offices in the country, nor be a managing director in more than one company with its main office in the country.

The company's bylaws stipulate that the chairman and board members must submit an annual declaration, to be preserved by the secretary in the designated file, in which each of them declares non-involvement in any positions that the law prohibits combining with their board membership. In this regard, the board members have signed a written declaration affirming that they do not hold any positions that are legally prohibited from being combined with their board membership.

In compliance with the provisions of clause No. (7) of Article (4) of the Corporate Governance Regulations, the Remuneration and Nominations Committee ensures the disclosure of the board's performance evaluation and the extent to which its members are committed to achieving the company's interests, carrying out committee duties, attending board and committee meetings, and disclosing the performance evaluation of the senior executive management regarding the application of the internal control system and risk management.

Furthermore, the board members conduct an annual evaluation of the board's performance to enhance its role and identify strengths and weaknesses, striving to improve performance and fulfill their duties and responsibilities towards the shareholders and the company in the best manner. The chairman of the board of directors also monitors the performance of the company's 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 Nomination & Remuneration Committee concluded that the Board and its members were committed to Company's interests, performing work of committees, attending meetings of Board and committees thereof, and the commitment of senior executive management regarding the application of internal control and risk management system. The results of the evaluation were summarized as follows:

CRITERIA	PERCENTAGE
Board Activities	86%
Board Formation	84%
Board Committees	87%
Company's Activities & Strategies	83%
Internal Observance & Risk management	90%

3. Conflict of Interest & Transparency

The company continuously works on updating its policies and procedures to reflect the updates of laws by regulatory bodies, including a policy for individuals privy to the company's information, which is among the most important policies imposed by the governance system. The board members have signed a pledge to maintain confidentiality and avoid conflicts of interest, acknowledging their commitment to the procedures governing their entry into transactions with the company. The related parties policy specifies the necessary procedures and imposes on the members the disclosure of transactions that may involve a conflict of interest and to abstain from voting or attending when such matters are presented to the board of directors for a vote.

Moreover, these policies require insiders to act faithfully towards the company and its shareholders, to prioritize the company's and shareholders' interests over their personal interests, and to always act in good faith for the benefit of the company and all shareholders. Additionally, the company always ensures to update the information of insiders within the company and discloses it periodically to the authority 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:

Mr. Mohamed Youssef Mansour
Chief Financial Officer

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

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

Mr. Maan Ahmed Al Hajj
Chief Commercial Officer

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 – Qatari Company

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 bythe 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 2023:

- 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
- Regular review and evaluation of departments' performance

5. Company's Control System

5.1 Internal Controls

Mazaya applies multiple measures at various levels to comply with the highest internal control standards as well as to comply with Governance Code of Companies and Legal Entities Listed in Qatar's main market.

The Risk Management Department conducts diligent monitoring to identify risks that the company may face by providing the executive management with a periodic report on the risks the company is exposed to, the company's ability to withstand these risks, their categories, mechanisms for identifying, measuring, and monitoring them, among other ways to avoid or minimize their impacts. It also provides management with an analysis of risk factors associated with future operations that the company aims to implement, in addition to offering recommendations for additional procedures and controls that may contribute to mitigating the extent of the associated risks, and spreading risk awareness among the company's employees and internal department managers.

The Risk Management Department prepares internal control assessment reports, especially the financial impact on the company in the form of Internal Control Over Financial Reporting (ICOFR) to be submitted to the Executive Management of the Company and reviewed by Internal Audit Department, then shall be submitted to the Audit Committee, with a view to monitoring Company's compliance with financial controls, i including transactions with related parties if any.

Internal Auditing

Internal Audit Department of company submitted a proposal to Audit Committee with a view to monitoring and developing the internal control systems of the company, evaluating tasks and competencies of company's departments and divisions. It was approved by Audit Committee and presented to Board of Directors for reviewing, and providing discretions 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 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 mandatory guidelines of 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 2023, based on the measurement of risk likelihood and the expected impact if occurred.

The Director of Internal Audit submits his reports independently and periodically to the Audit Committee, focusing on evaluating the effectiveness of work systems and internal controls and identifying weaknesses, with the goal of taking the required actions to reduce or mitigate these weaknesses. The IA also provides suggestions for rectifying any deficiencies, if found, to assist the executive management in improving performance.

Based on recommendations of Audit Committee; the following matters were covered through internal auditing during 2023:
1- Procedures for control and supervision of human resources, shareholders' affairs and relations, marketing, legal affairs, procurement, facilities and finance departments.
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.

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 consistency with Article (21) of Corporates Governance Code in order to enhance practices of risk evaluation and management in entities listed in Financial Market, Risk Management Department undertakes main tasks thereof independently to evaluate and manage all risks faced by the company in addition to regular coordination with departments to enhance effectiveness of internal controls to face such risks. One of the most prominent matters carried out by Risk Management Department 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, and Main Risk Indicators.

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 Audit Committee; and then to Board of Directors for appropriate decisions that would mitigate and control risks in Company's interests. The results of December 2023 risk report were as follows:

1. Financial Risk Assessment: Risk Management Dept. conducted a quantitative analysis of company's financial performance for 2023 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 during 2023 as a result of company's prudent investment plan; as conclusions and recommendations in such regard were raised yo executive management.
3. Market Risk Assessment and Interest Rate Volatility: Risk Management Dept. conducted an assessment of interest rate volatility in 2023 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 Stock Exchange Authority during 2023. The results showed full compliance with laws and regulations related to company.
5. Legal risk assessment. The legal risk assessment conducted in coordination with Legal Department showed the current lawsuits to which the company is a party and described in paragraph 9 of this report.

During 2023, Risk Management Dept. had also conducted two bi-annual audits 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 said departments with internal controls was satisfactory. The results of the ICOFR assessment are presented to the audit committee for follow-up and indicate actions to be taken into consideration to address any risks or areas for improvement. During 2023, Risk Management had also carried out two audits on bi-annual basis to assess operational risks according to risk registry approved by senior executive management and board of directors; where audit scope included all departments of company. Audit conclusions were prepared and sent to relevant departments, further to summary of such conclusions raised to senior executive management.

Risk management also undertakes supervision of 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 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 overseen by the internal auditor. Implementation of effective control systems at level of the company is the responsibility of each employee . These policies are assessed regularly through evaluation of operations performed by the internal auditor further to reviews made by external 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 by audit committee.

5-2 External control

External auditor

Subject to provisions of Article (23) of Corporate Governance Code, company is adhered to standards of appointment of external auditor as general assembly of the company in its meeting held on 1st March 2023 approved the appointment of M/s. KPMG for auditing financial statements of the company for the year 2023.

The company also worked on updating the auditing requirements for complying with provisions of 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, based on conclusions of limited confirmation procedures, the report presented by Auditor M/s. KPMG indicated that the Company carry out measures for compliance with provisions of laws and regulations, as well as its articles of association, regulations of Qatar Authority for Financial Markets further to other relevant legislations; where the company is committed to provisions of Articles of Association as on 31st December 2023.

The Auditor referred to Article (2) and Article (24) of the Governance Code, stating that the company is currently documenting its policy procedures and processes to ensure ongoing compliance with the relevant laws and regulations of the Qatar Financial Markets Authority.

6. Rights Of The Shareholders

A specific mechanism has been established to protect the rights of shareholders in general, and minority shareholders in particular. The company's articles of association and the board of directors' charter stipulate the company's responsibility to ensure fair treatment of all shareholders according to the law. This includes guaranteeing a shareholder's right to vote on decisions at the general assembly, request the inclusion of certain matters in its agenda and discuss them at the meeting if the board has not included them and the assembly decides so, as well as the right to object to any decision that is deemed to benefit a specific group of shareholders or harm them, or bring special benefit to board members or others without considering the company's interest and recording it in the meeting minutes. This right extends to nullifying any decisions objected to, according to the provisions of the law on this matter. The company's articles of association were amended, and clause 59 was revised to reflect this. The rights of shareholders were considered in the amendments made by the company to its articles of association, which can be viewed on the company's website, especially in Chapter Four.

Company 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 shareholders, achieving justice and equality, and ensuring all shareholders' rights, in addition to activation of contact and communication policy, where Company has appointed Sheikh Hamad bin Mohammed bin Khalid Al Thani as the official spokesperson for the Company, a department for investors relations is designated by company to respond to all inquiries raised by the shareholders and informs them about the strategies and performance of company in accordance with the rules and regulations of the Qatar Stock Exchange for preservation of active dialogue through organized programs for regular disclosures throughout the year, updating and publishing them on Company's website in the section related to investors 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 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, decisions, regular press releases, lawsuits and any other related issues which may affect or be associated with the company or its operations that might 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 company's position and operations.

7.2 In this report, we present the strategic and procedural policies, systems, regulations, and mechanisms established by the board of directors collectively or through its subsidiary committees. These are considered important and key in the company's operations, and the board conducts periodic reviews to ensure they remain updated. Compliance with these is overseen by the company's internal control bodies, and reports on any violations of the policies approved by the board, if found, are raised to the board for necessary action to address them.

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
Conflict of Interests Policy	Risk Management Policy
Code of Ethics	Procurement Policy
Code of Conduct	Investors' Relations Policy
Legal Affairs & Compliance Policy	Staff Progression Policy
Insider Trading Policy	Concerned Parties Policy
Reporting Policy	Social Responsibility Policy

7.3 Mazaya is committed to disclose the operations and deals concluded by the company with any concerned party; whereas, in 2023 there was no deals of such kind, if there is any matter related to conflict of interest or the major transactions with any concerned party, it shall not be done except after presenting the same to shareholders within general assembly meeting and obtaining approval thereof. In this regard, transparency and disclosure principles are applied in accordance with the applicable laws in the State.

7.4 Moreover, Mazaya is committed that Chairman or Board Members shall not have direct or indirect interest under contracts, projects and undertakings which Mazaya is a party thereof. In case of presenting any matter related to conflict of interest or any deal made between the company and a Board member or any relevant party to Board members of Mazaya during Board meeting, the subject is discussed in absence of concerned member who has no right to participate in voting on such deal as it shall be carried out based on market prices further to pure commercial basis; and it shall not include conditions that violate interest of the company.

7.5 For purposes of transparency, all shareholdings of Board members were mentioned in this report. The Board of Directors is committed before the date of holding general assembly meeting to present to shareholders a detailed statement with transactions and deals; and disclose the same 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 2023.

9. Report On Lawsuits

As of 31 December 2023, the most notable case in which Company is involved is against the main Contractor of one of 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 deliberated in courts until Court of Appeal issued a judgment in 2023 for the payment of indemnity amounting QAR 80 M; whereas such judgment is not final nor appealable, then company will challenge such judgment before Court of Cassation; given that in recent years Company has designated sufficient provisions for project; as covering 75% of total judged amount, while remained 25% was allocated during 2023.

It is worth noting that legal action has also been taken against some tenants who violate their contractual obligations, in addition to a labor dispute, for which no substantive obligations have arisen as a result of such cases and therefore no allocation has been made thereto.

10. Social Responsibility

Mazaya Real Estate Development QPSC is committed to support the societies where it works. The social responsibility of 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 2023 reached an amount of QAR 700,000. 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 Equestrian Federation, Qatar Charity, AlHosh Gallery related to Qatari environment, in addition to participating in community events through social media platforms. On the scientific side, training programs were offered during summer vacation to some university students; further to launching educational scheme in cooperation with Rabea Al Adawya School for Girls. Furthermore, Mazaya Real Estate won "International Excellence Prize in Social Responsibility Practices 2023". The company seeks to continuously develop its role in society improvement and advancement; and preserving 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 annual reports, quarterly and annual financial reports of the current year and the previous years in addition to 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 company directly after disclosure thereof.