Annual Report 2020

نبني المستقبل

Building The Future

H.H. SHEIKH TAMIM BIN HAMAD AL THANI

THE EMIR OF THE STATE OF QATAR

H.H. SHEIKH HAMAD BIN KHALIFA AL THANI

THE FATHER EMIR

نبني المستقبل

Building The Future

The Barwa brand has become synonymous with careful project identification, timely execution, adherence to quality standards, cost efficiency and prudent fiscal management, complemented by valuable local expertise. Straddling the residential, commercial, mixed-use and hospitality sectors, we continuously strive to produce a well-balanced portfolio that is geared towards consistent income-generating annuity assets.

Our strategy is centered on keeping our portfolio optimized, by aligning it with market and stakeholder demand, while being focused on long-term value creation.

We have invested wisely in a well-proportioned development pipeline that adds further diversity to our portfolio, and enables us to capitalize on future market opportunities in a thoughtful and risk-mitigated way.

By diversifying into the healthcare and education-based assets, PPPs and other well studied opportunities, we aim to further insulate ourselves from economic-cycle swings.

By adding mid-to-high residential units to our portfolio, we aim to strengthen our holdings of annuity income-generating assets and further bolster our ability to produce free cash-flows.

To enable a more sustainable payback from our new freehold positions taken in emerging areas such as Lusail, we aim to add the “built-to-sell” model as part of a judicious portfolio mix that yields appreciable returns.

With efficient capital allocation, well-conceived projects, operational excellence and efficient corporate structures, we are on the path to strengthening our position as a multi asset-class realty major.

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Barwa At Glance

Barwa is one of the leading real estate developers, headquartered in Doha, Qatar. We develop and manage properties that reflect the changing needs of the people living, working and visiting the country.

Company Vision And Strategy

VISION

To be a reliable real estate company recognized for its strong values, excellence and sustainable returns to its stakeholders.

MISSION

To create better places in an efficient manner for people to live, work and enjoy.

VALUES

Entrepreneurship, commitment, reliability, teamwork and integrity.

Strategic Direction

- Barwa's fundamental strategic direction is to be a real estate development and investment holding company
- Barwa will make balanced income yielding investments in both its core real estate and synergistic businesses with above market return on investment

The Segmented Business Model is organized around the following elements:

CORE BUSINESS

Real Estate Development, Investments and Operations (Value Creation): We will establish the Barwa way of planning and delivering projects and will replicate the model to the expanded and emerging portfolio.

EFFECTIVE GOVERNANCE

(Proper Control & Risk Management): Investment management best practices and performance management that sustain the value proposition.

SYNERGISTIC BUSINESSES

Subsidiaries (Controlling stake)
Private Equity (Diversifies and enhances revenue stream)
- Well-balanced portfolio.
- Supporting profitability and sustainable growth.
- Enhance credibility and strengthen the brand geographically.

About Our Portfolio

QR 201 million
Properties available for sale

QR 3,388 million
Properties under development

7.7 mn. sq. m.
Land bank available

QR 29,598 million
Total properties book value (Real Estate & Land Bank)

QR 8,073 million
Book value of land bank

QR 21,525 million
Book value of real estate

Our Financial Strength

QR 33,155 million
Total assets

QR 9,337 million
Net debt

3.6 mn. sq.m.
BUA Under Operation

*BUA Built-up area

2.4%
CAGR - Rental Income (FY2017-20)

97%
Operating profit from net recurring rentals

6.04%
Return On Equity

3.73%
Return On Assets

What We Have Accomplished

Balanced Product Mix
Resulting in a stable yield

Landbank of
5.4 million sqm
in Qatar, 80% owned

Debt:Equity mix of
1:2

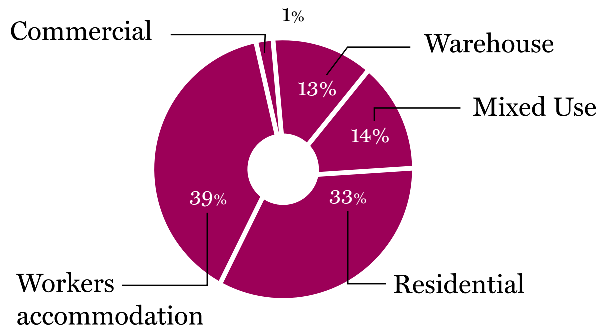
QR 5.41 billion
Dividend distributed for years 2014 to 2019

Leadership
in affordable housing

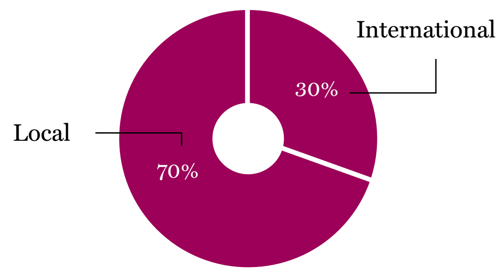
8,148
Total number of residential units

37,322
Workers rooms

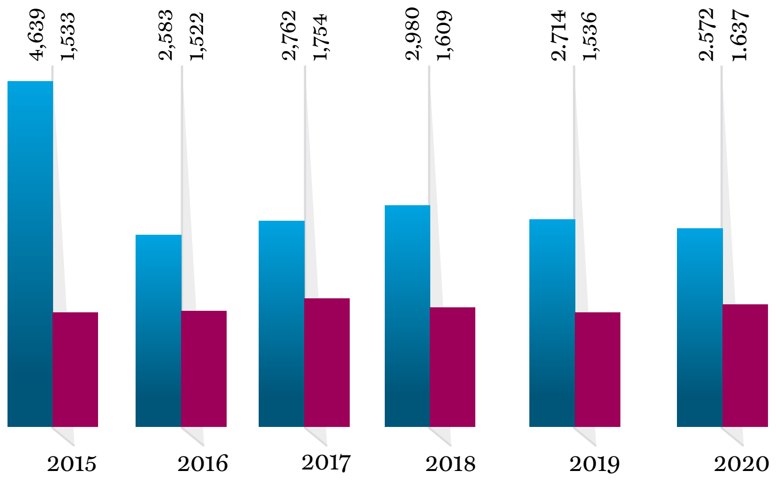
Balanced Portfolio Of Assets (BUA distribution)



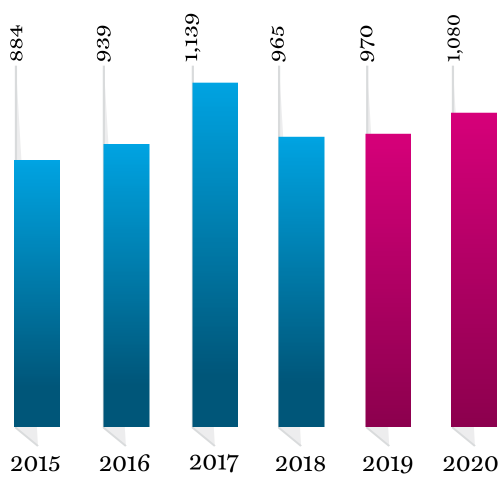
Land Bank



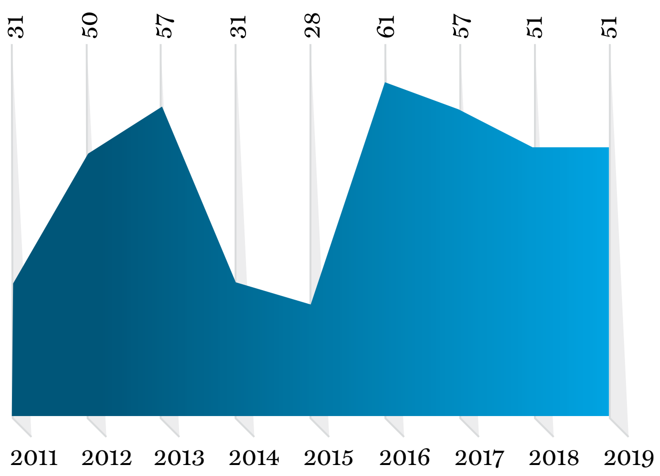
Financial Highlights



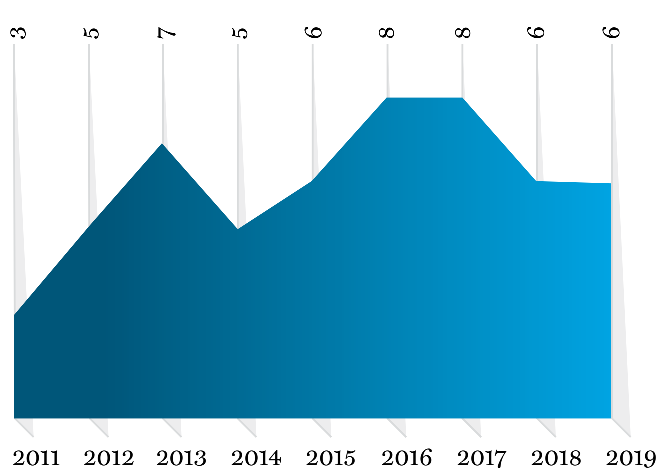
Total Income And Operating Revenue
QR in Million
■ Total Income ■ Operating Revenue



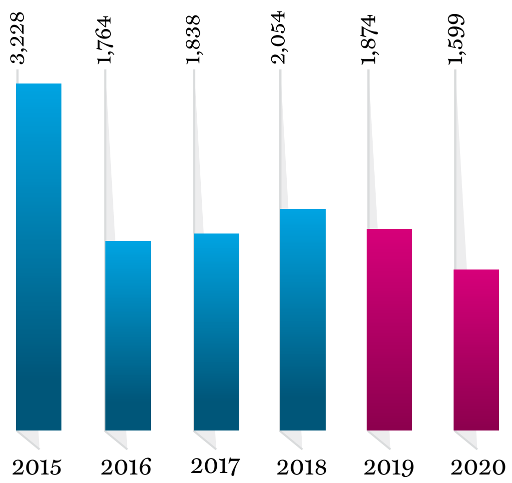
Operating Profit
QR in Million



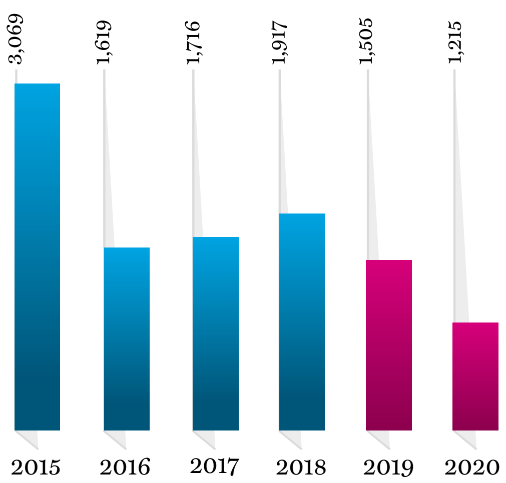
Dividend Payout Ratio | (%)



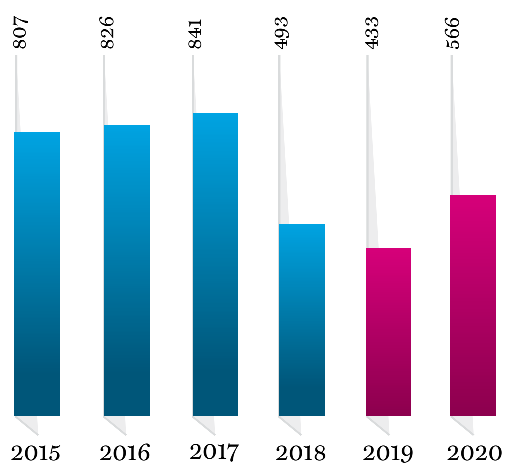
Dividend Yield | (%)



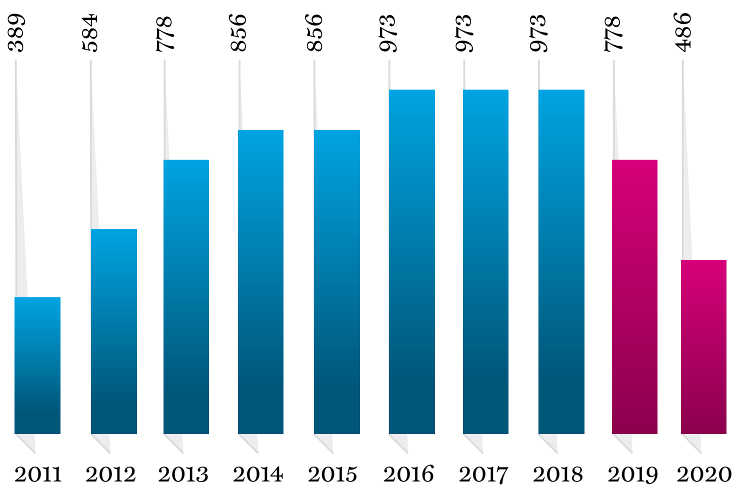
Ebitda
QR in Million



Profit After Tax
QR in Million



Recurring Cash Profits
(excl. profit from sales of property) QR in Million



Dividends
QR in Million

What We Do

This is how we allocate our capitals to create value. Our ability to generate value is dependent on our access to five different capitals: portfolio; funding; relationships; team; and sustainability.

Inputs

PORTFOLIO CAPITAL

The Company's investment property portfolio:

- QR 201 million Properties available for sale

- QR 3,388 million Properties under development

- 7.7 million square meters land bank available

FUNDING CAPITAL

Effective capital management:

- Share Capital of QR 3,891 million

- QR 10,083 million of outstanding debt

- QR 9,337 million of net debt

- 0.46 Net Debt to Equity Ratio

- Recurring cash flows in form of rental income

SUSTAINABLE CAPITAL

To make positive difference:

- Investing in communities in which it operates

- Use of natural resources in a responsible and effective manner

RELATIONSHIPS CAPITAL

Value created with stakeholders:

- Close working relationship with development partners in invested markets

- Investor confidence established through regular communications

- Engagement with local communities and Governments

TEAM CAPITAL

Knowledge and expertise of our team:

- Skilled diversified Board

- Talented people

- Continued investment in established systems and processes,

- Strong corporate governance

SOUND CORPORATE GOVERNANCE IS A CRITICAL FOUNDATION FOR PROTECTING STAKEHOLDER VALUE AND ACHIEVING THE GROUP'S STRATEGIC OBJECTIVES

OPERATIONAL FRAMEWORK

AQUIRE

The Company's strategy is to grow the income in a sustainable manner. To enable this, the Company sources the best opportunities in its invested markets. A robust appraisal process facilitates effective allocation of resources to acquire accretive property.

DEVELOP

Through active engagement with tenants and communities, the Company develops properties to meet the needs of prospective tenants and their customers.

MANAGE

The Company actively manages the investment portfolio to maximize shareholders returns.

OPTIMISE

The company optimises the allocation of capital by mature assets where value has been extracted and redeployed into opportunities for growth.

Outputs

OUTCOMES

PORTFOLIO CAPITAL

The Company's updated strategy focuses on active asset management to ensure maximized returns from existing portfolio while also developing new opportunities.

FUNDING CAPITAL

Barwa's strong balance sheet gives sufficient room for levered growth with prudent gearing. During the year, the Company took QR 1,962 million additional debt. The increase in debt has resulted in a rise in the net debt to equity ratio to 0.46 from 0.41. The Company achieved distributable earnings per share for the year of QR 0.31, compared to QR 0.39 in the previous year. A distribution of QR 0.125 per share was declared in relation to the earnings for the year.

RELATIONSHIPS CAPITAL

Stakeholder communication is vital for active stakeholder engagement, which is fundamental to the Company's ability to create long-lasting relationships. During the year the Company interacted with various institutional investors, availed quarterly result update conference calls and with the help of proactive and dedicated Investor Relations team it also interacted with analysts whenever required.

TEAM CAPITAL

The Company has established a strong team with extensive knowledge and experience across its invested markets. Throughout the year, several initiatives were completed to enhance, attract, motivate and retain the team. The Company has robust and reliable processes and operating systems in place.

SUSTAINABLE CAPITAL

The Company recognizes the importance of using natural resources responsibly and efficiently to ensure they are sustainable for the environment. Also, it recognizes the importance of investing in the communities in which it operates, and it is at the heart of all its capitals.

TRADE OFFS

PORTFOLIO CAPITAL

The Company's property portfolio has a long-term investment horizon. Strong investment discipline is required to mitigate the risk of sacrificing long-term growth for shorter-term distribution growth targets.

FUNDING CAPITAL

Investment in team and relationships capital can impact the funding capital and distribution to shareholders in the short term but has a positive impact in the long term.

RELATIONSHIPS CAPITAL

The investment in the Company's relationships capital allocates time from the other capitals and has a negative impact on the funding capital. In the long term, there is a positive impact on the other capitals.

TEAM CAPITAL

Investing in the Company's people is imperative to generate sustainable and long- term growth. Investing in the Company's systems and processes has a negative impact on funding capital in the short term. However, once implemented, there is a positive impact, improving the quality of information and increasing efficiency and staff morale.

SUSTAINABLE CAPITAL

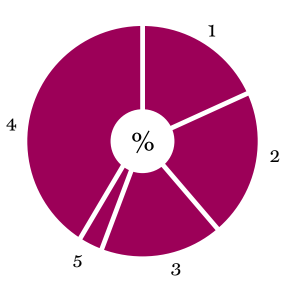
Investing in sustainable solutions increases our sustainable capital but has an impact on funding capital in short to medium term. Through efficiencies and renewable sources of energy, there is a positive impact of financial capital in the long term.

Where We Do It

Our portfolio is concentrated in areas expected to benefit from strong occupier demand with limited supply of competing products.

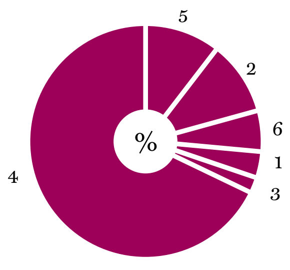
Regional Portfolio by Built up Area (Square Meters)

Barwa Real Estate Company



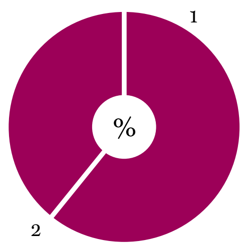
1. Residential	34%
2. Mixed Use	9%
3. Warehouse	10%
4. Workers Accomodation	45%
5. Schools	2%

Residential Total BUA



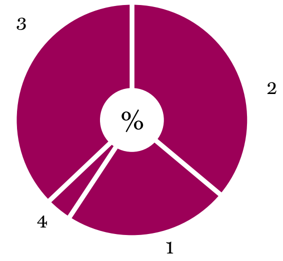
1. Dara A Project	4%
2. Masaken Mesaimeer	10%
3. Barwa Village Expansion	2%
4. Madinatna	68%
5. Masaken Al Sailiya	10%
6. Al Khor Shell	6%

Industrial Total BUA



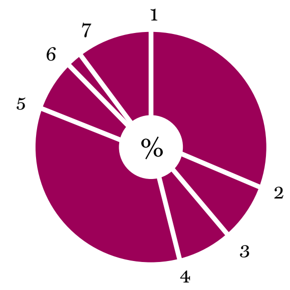
1. Umm Shaharian Warehouses	59%
2. Al Baraha Workshops & Storages	41%

Workers Accomodation Total BUA



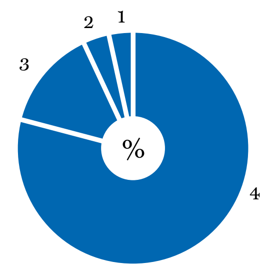
1. Mukaynis Compound	36%
2. Barwa Al Baraha	24%
3. Barahat Al Janoub	37%
4. Alkhor Recreation	3%

Mixed Use & Commercial Total BUA



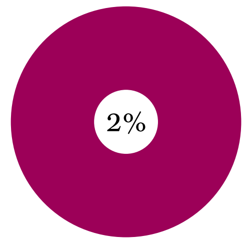
1. Barwa Village	35%
2. Madinat Mawater Phase 1	6%
3. Madinat Mawater Phase 2	6%
4. Barwa Al Sadd	36%
5. Barwa Village Extension Project	6%
6. Al Khor Recreation	1%
7. Al Khor Recreation Extension Project	10%

Qatar Real Estate Investment (Alaqaria)

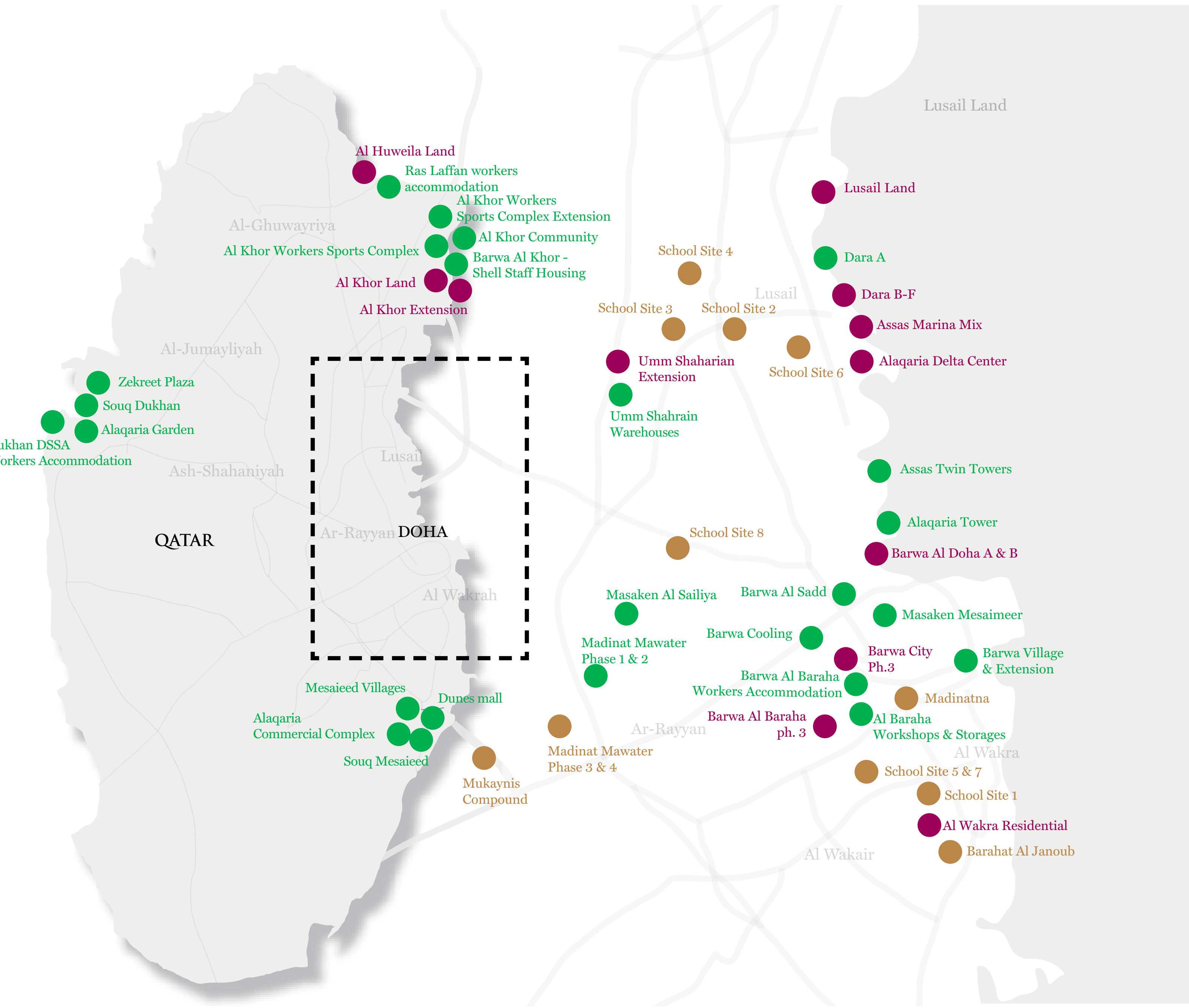


1. Commercial	3%
2. Mixed Use	4%
3. Work Accommodation	14%
4. Residential	79%

Schools Total BUA



Barwa's Geographical Footprint



ONGOING PROJECTS

- Mukaynis Compound
- Madinat Al Mawater Phase 3
- Qatar Schools Package I
- Madinatna
- Barahat Al Janoub

LAND BANK

- Barwa Al Baraha Ph.3
- Umm Shahaharian Extension
- Barwa City Phase 3
- Lusail Land
- Barwa Al Doha-A & B
- Al Wakra Residential
- Dara (B-F)
- Asas Marina Mix
- Alaqaria Delta Center
- Al Huwaila land
- Al Khor land
- Al Khor Extension

OPERATIONAL PROJECTS

- Dara A
- Asas Twin Towers
- Barwa Al Sadd
- Alaqaria Tower
- Barwa Cooling
- Masaken Mesaimeer
- Barwa Village & Extension
- Barwa Al Baraha Workers Accommodation
- Souq Mesaieed
- Al Baraha Workshops & Storages
- Madinat Mawater Phase 2 & 1
- Masaken Al Sailiya
- Umm Shahrain Warehouses
- Dunes mall
- Alaqaria Commercial Complex
- Mesaieed Villages
- Alaqaria Garden
- Dukhan DSSA Workers Accommodation
- Souq Dukhan
- Zekreet Plaza
- Ras Laffan work accommodation
- Al Khor Workers Sports Complex Extension
- Al Khor Workers Sports Complex
- Al Khor Community
- Barwa Al Khor - Shell Staff Housing

Board Of Directors Report

"

Since our inception, we have proven to be a dynamic and influential contributor to the development of Qatar. Throughout our evolution, we have been in sync with the Qatar national vision 2030, and we are working towards building projects that could address the real demands of the marketplace.

QR 1,214 million
Net profit

QR 1,637 million
Total recurring operating income

QR 33.2 billion
Total assets

7.7 mn.sq. m.
Total Land Bank

QR 0.31
Earnings per share

Dear Esteemed Shareholders,

It is my pleasure to report to you, on behalf of myself and the members of the Board of Directors, on the highlights of Barwa's performance and the Consolidated Financial Statement for the year 2020, as well as the future plans of 2021.

The fiscal year 2020 has witnessed many challenges due to the repercussions of the emerging corona virus (Covid-19) pandemic, as the global economy has witnessed many negative impacts that affected most economic activities in various countries of the world, but thanks to God and the wise leadership of the country, the Qatari economy has been able to overcome these repercussions with limited effects. The government has adopted many supportive economic measures since the beginning of the pandemic to support the national economy in general and the real estate sector in particular.

Barwa Real Estate was able to face the challenges imposed by the Covid-19 pandemic. Moreover, the majority of its financial indicators were better than the previous year, due to the tremendous efforts made by the members of the Board of Directors, the executive management and all the Group's employees.

Due to the remarkable achievements and expertise of the group spanning more than 15 years, the name «Barwa» has become synonymous with «excellence» in developing, operating and managing real estate assets.

Our Financial Strength

The financial statements showed achieving net profits attributable to the shareholders of the Group amounting to QR 1,214 million and an earnings per share of QR 0.31.

Despite the challenges facing the real estate market during the year 2020 due to the repercussions of the COVID-19 pandemic, the Group has worked diligently to accommodate these challenges and reduce the resulting impact as much as possible. The Group has been keen to support operating revenues as it succeeded in achieving total recurring operating income of QR 1,637 million, an increase of 7% compared to the year 2019. Emphasis was also given to rationalizing expenditures, as general and administrative expenses were reduced by a value of QR 24 million, equivalent to 10% compared to the year 2019, and financing costs decreased by 39 million riyals, equivalent to 11% compared to the year 2019. This is in addition to a 9% decrease in the ratio of rental expenses to rental income. During the fiscal year 2020, the Group also succeeded in signing financing contracts worth 3.5 billion Qatari riyals, with the aim of refinancing existing credit facilities in a manner that contributes to strengthening the Group's cash position during the coming period.

Despite the decrease in the consolidated net profit for the year 2020 compared to the previous year, this decrease resulted from a decrease in the profits of some items that are not recurring in nature, such as the profits of real estate investment valuation.

The total assets of the Group reached a value of 33.2 billion Qatari riyals, an increase of 1.2 billion Qatari riyals on December 31, 2019, and the total equity of the shareholders of the parent company reached a value of 20.3 billion Qatari riyals.

Based on the Group's financial performance, its cash position and future development plans, the Board of Directors of Barwa Real Estate Company recommended to the General Assembly of shareholders to distribute cash dividends at a rate of 12.5% (0.125 Qatari riyals per share).

Company's performance and achievements during 2020

Since its inception, the Barwa Real Estate Group has proven to be a dynamic and influential contributor to the urban development of the State of Qatar. Throughout our evolution, we have not lost our focus on prioritizing development and sustainable projects that contribute to achieving the National Vision 2030.

The year 2020 witnessed many achievements that enhances our strategic partnership with the government and contribute to strengthening the Group's real estate portfolio with the aim of developing sustainable returns without neglecting the social aspect. Here are some of the most prominent achievements for the financial year 2020:

Qatar Schools - Package 1
Barwa Real Estate won the Public Works Authority's tender for the development and maintenance of 8 public schools for the Ministry of Education and Higher Education, Package 1, which is the first Public-private partnership (PPP). This project represents an additional expansion within the Group's strategy, especially as it aims to support sustainable growth of revenues, in addition to improving the performance of the Group›s real estate portfolio while reducing the risks associated with operating as a result of guaranteeing revenues, in addition to being the first project to implement the objectives of Law No. 12 of 2020, regulating the partnership between the public and private sectors, which was issued by His Highness The Emir Sheikh Tamim bin Hamad Al Thani. It supports the partnership with the government and translates the principles of the PPP law on the ground in that the private sector is a true partner for the public sector.

The project includes developing 8 public schools for the Ministry of Education and Higher Education to accommodate more than 6,000 students, in return for guaranteed rental income from the government for the Group over a period of 25 years. The development work is expected to be completed in May 2022, with maintenance and security services spanning a period of 25 years.

Madinatna & Barahat Al Janoub projects
During the year 2020, construction works were launched in each of Madinatna project, which is a residential city for families, as well as in Barahat Al Janoub project, which is a residential city for the working class, and both projects are located within Al Wakra Municipality. The total cost of developing the two projects exceeds the value of five billion Qatari riyals. The two projects will increase operating revenues and enhance the sustainable growth of shareholder returns. They will also enhance the levels of support for the partnership with the State of Qatar, as the two projects will be used during the year 2022 to meet the needs of the World Cup events. Development work on both projects is expected to be completed by April 2022.

Madinatna project is located on an area of 1,141,689 square meters, and consists of residential complexes with designs inspired by the style of traditional Qatari architecture that offer a group of buildings aiming to provide a high-quality standard of living for various segments of society, and upgrade its services and integrated facilities to the level of modern cities, where the city includes 6,780 residential apartments, accommodating about 27 thousand people. Madinatna project enjoys a strategic location in Al Wakra Municipality in the "Umm Bishr" area on the G-Ring Road leading to Hamad International Airport and highways through Al Majd Road and Sabah Al Ahmad Corridor. It also provides easy access to Ras Bu Abboud Street, the Corniche and the center of Doha, via the Sabah Al-Ahmad Corridor, which connects Hamad International Airport to Umm Lekhba Interchange on the North Road. These benefits will provide residents and visitors of the city easy access to it within a short period of time from several areas to meet their needs.

Barahat Al Janoub project provides a residential city with integrated services for workers according to international standards, as the Group always works to implement the directives of the wise leadership so that the State of Qatar is one of the most exemplary countries in terms of taking care of the housing conditions of the working class. The project extends over a land area of more than 773 thousand square meters, with a design inspired by the Arab homes with courtyards. It consists of 1,404 units, three floors high, and 16,848 rooms, each room accommodates four people. The city has a capacity of about 67,360 workers.

Barahat Al Janoub project is distinguished by its location near Al Wakra Central Market on Mesaieed Road, which make it close to important development projects and sustainable service facilities such as Al Wakra Logistics District, Umm Al Houl Free Zone, Hamad Port, and Hamad International Airport, in addition to its proximity to sports and service facilities in Al Wakra Municipality, in addition to its connection to a modern network of roads, which will make it one of the most distinctive and desirable projects for many large institutions and companies that seek to provide distinguished housing units for its workers.

Start of sales activities in Dara (A)
During 2020, we started sales activities for the units of Dara (A) project in Lusail city and delivering them to their owners through our subsidiary AlWaseef Asset Management company. This residential project is located in the north of Fox Hills in Lusail City. The Dara (A) constitutes the first phase of the Dara project, Dara (A) "Phase One" extends over 16,421 square meters, and it offers 4 residential buildings at a height of 5 floors consisting of 271 apartments. Dara (A) strengthens the Group's cash position, as well as achieves growth in revenue levels from real estate sales. The sale of units continues in the project.

Mukaynis Compound – Affordable Residential City
We completed the development and operation of the entire first and second phases, in addition to the close to completion of the third and final phase of the project, which led to increasing the rental income during the year 2020. Mukaynis Compound project extends over an area of 994,567 square meters and is located in Mukaynis area adjacent to Salwa Road and 19 kilometers from the Industrial Area. It is a residential city for workers that was developed by Barwa Real Estate Group in three phases. The project consists of 3,170 residential villas designed in the style of traditional Arab houses, including 8 master bedrooms and a kitchen. It accommodates more than 100 thousand workers. The design of the project takes into account preserving the privacy of the city's residents as it includes a private courtyard for each house, which allows its residents to enjoy the outdoors while preserving their privacy. The design of the project takes into account the environmental and social aspects that are commensurate with the surrounding conditions.

Mukaynis Compound includes a number of integrated administrative and commercial buildings consisting of a hypermarket, shops and offices.

Second Phase of Al Khor Workers Sports Complex:
The project consists of 516 apartments with a total area of about 53,639 square meters, as well as a hypermarket and a multi-purpose hall. The construction work was completed in the first quarter of 2020, and the leasing process started during the year.

Operating real estate portfolio:
The Group's operating real estate portfolio varies to include:
- 8,148 residential units and 37,300 accommodation rooms for workers
- 336,552 square meters of shops, showrooms and offices
- 445,779 square meters are designated for workshops and warehouses
- 701 hotel rooms

As for the average occupancy rate, it exceeded 90% in many of the Group's residential projects.

Group financial position:
For the purposes of strengthening the Group's financial position and to provide cash generated from operating towards developing new projects, the Group has worked during the year 2020 to refinance existing funds for longer periods of time and on good terms, equivalent to a value of QR 3.4 billion.

Governance, Systems, Risk Management and Internal Control

Barwa Real Estate Company stresses the importance of promoting and spreading a culture of integrity, transparency and credibility in its commercial and administrative transactions by ensuring the highest levels of full compliance with the Corporate Governance Code of Listed Companies, as regulated by the Qatar Financial Markets Authority. Barwa Real Estate Group considers corporate governance one of the main pillars that form the guidelines of its operational and administrative activities, and dealings with all stakeholders. With this philosophy in mind, the Board of Directors, by delegating the authority to the executive management, seeks to accelerate commercial operations, eliminate complications and ensure the highest levels of operational efficiency. This has a positive impact on the

company's projects and serves the interest of the shareholders. Moreover, the risk management policy plays a crucial role in creating suitable work frames in order to manage projects and investments in an effective way, while controlling operational, economical and relevant legal risks.
Barwa Real Estate applies an internal control system, with the purpose of establishing trustworthy standards and regulations that contain internal control methods. These control methods ensure the accuracy and reliability of Barwa's accounts and records, the integrity of transaction licenses and the protection of the Group's assets. It also ensures the disclosure of any risks that threatens the company's position, as well as compliance with systems and regulations, in order to set the record straight.

People at the Core of Our Success

Attracting and retaining talented people is key to our success. We have a strong company culture that is continuously being guided by our Purpose and Values in every part of our business. We urge everyone to maximize their potentials at Barwa and explore the opportunities that awaits them within the company. We value our people by providing them with our best support, prioritizing their health and safety and providing essential training and development programmes to them. We have also invested in technologies that allow employees to work more flexibly and encourage diversity and inclusion throughout the workplace.

Our Commitment to Community

Barwa Real Estate is committed towards its social responsibility by developing many targeted long-term initiatives, whether through its residential communities developed specifically for workers, its Safety & Security initiatives or through support which the group offers as part of national events and celebrations.
Barwa pays special attention to workers and has a unique position in providing real estate solutions to serve them. Barwa offers a wide range of amenities and services to ensure securing a sustainable living environment for them.
Barwa is keen to implement safety and security measures in its projects in accordance with the frameworks established by the Government of Qatar. Moreover, Barwa constantly works towards enhancing security and safety measures in all aspects of its business, as it listens to the needs of its employees and customers and develops plans that simulate the needs of local communities. In addition to the partnership between Barwa and the Department of Civil Defense at the Ministry of Interior, providing sponsorships for awareness raising programmes and safety trainings conducted by the Department of Civil Defense.
Barwa is constantly looking to support and sponsor activities and celebrations of Qatar National Day, as an expression of solidarity, national unity, and pride in the Qatari identity.

Our Future Plans for the year 2021

As the impact of the Covid 19 pandemic continues to take its toll on the global economy during the year 2021, Barwa Real Estate is keen to work on various aspects during the year, which the group considers to be the pillars of its business. Those aspects are as follow:

First - Increase in revenue:
The primary goal of Barwa is to achieve sustainable growth for its revenues and returns for its shareholders, through achieving a balanced mix of operational projects that meet the needs of the real estate market in Qatar and lower the potential of risks linked to it. In the short term, we expect to leverage on the approaching FIFA World Cup in the year 2022, which is a promising era for the real estate market. In the long term, we believe that Qatar National Vision 2030 will serve as the main vehicle for long-term growth.

During 2021, Barwa will work towards:

- Studying the master plans of a number of potential investments for Barwa land bank. Today, Barwa real estate portfolio contains a land bank of 7.7 million square meters, 68% of which is inside Qatar, and the remaining 32% is in other regions around the world. Having such a rich land bank places the Company in an advantageous position to build more projects to sell or keep as a source of reoccurring revenues. We will work during the year 2021 to rearticulate the investment strategy to support the implementation of those plans. Those lands include:

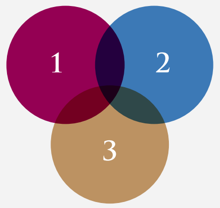
- Lusail Land (formerly known as Lusail Golf)
- Dara B-F project
- Fourth phase of Madinat Mawater
- Third phase of Barwa City

- Leverage on the latest legal and economical laws. Since the issuance of Law no. 28 for the year 2020, Regulating the ownership and use of real estate assets for non-Qataris, foreign investors are now in a position to purchase property in designated freehold areas. Having Lusail City among those zones, is a privilege for Barwa since Barwa has a big land bank in Lusail City.

- Enhance the strategic partnership with the government of Qatar to address market needs.
Hence, Barwa participated in tenders offered by the Public Works Authority "Ashghal" to develop various real estate projects according to the model of the partnership between the public and private sectors (PPP). In addition to leading developmental projects which address the needs of the Qatari community, the needs of the Fifa World Cup 2022, and achieve the Qatar National Vision 2030.

Second - Reduce Cost:
During the year 2021, Barwa will continue reducing costs by reviewing operational, administrative and financing costs in order to ensure maximum benefit and reduce cost without affecting the quality of the projects and services provided.

Third - Raising brand value of the group and activating the corporate system:
Barwa is keen on improving shareholder and customer satisfaction though improving its performance. This is accomplished by providing the best quality services at competitive prices, which satisfy the aspirations of customers, in addition to its on-going contribution towards national and social initiatives.



1. Improving shareholder and customer satisfaction with Barwa's performance
2. Contributing to national and social initiatives
3. Raising the efficiency of Barwa's organizational and administrative structure

Moreover, Barwa formed an internal crisis management committee to monitor the Covid 19 crisis, with the aim of improving communication with employees and all concerned authorities, and to ensure that all health & safety measures are being implemented in accordance with State instructions. The committee also monitored infection cases among employees and their families, and it will continue its efforts in this regard until pandemic risk is eliminated.

Dear shareholders, we assure you that we, as a board of directors and executive management, and all the employees of Barwa Real Estate Group, are continuously working towards achieving sustainable growth and developing maximum returns for the company's shareholders.

I would like to take this opportunity to express our deepest appreciation and gratitude to the wise leadership of H.H. Sheikh Tamim Bin Hamad Al Thani, the Emir of the State of Qatar, and His Excellency Sheikh Khalid Bin Khalifa Bin Abdulaziz Al Thani, Prime Minister and Minister of Interior. We also extend our gratitude to the company's shareholders and employees, for their continuous support to achieve our goals and to serve the interest of our country and its citizens, as well as the Qatar National Vision 2030.

Yours sincerely,

Salah Bin Ghanim Bin Nasser Al Ali
Chairman of the Board of Directors

Six Compelling Reasons To Invest In Barwa

Barwa is a highly focused company, singularly aligned to Qatar's real estate marketplace, predominantly in the retail and residential sectors.

Over the years, Barwa has proven to be a dynamic and influential contributor to the development of Qatar. We have been pioneers and leaders in addressing the requirements of the country's developmental projects. This is our national vision, which we work hard to bring to life. We began our strategic partnership with the Government of Qatar to build projects with a purpose to bridge critical gaps in the economy. Over the years, we have developed unique and unprecedented projects that directly impact the public needs and our national ambition.

PRESENCE ACROSS REAL ESTATE ECOSYSTEM

Our portfolio comprises of commercial properties including offices, retail units, warehouses and workshops to support the industrial sector in Qatar. We also offer an affordable housing solution for thousands of lower to mid-income residents and their families. Additionally, we have a significant presence in the workers accommodation segment. Barwa's presence in all these asset classes allow us to straddle across the entire real estate ecosystem that makes economic growth possible.

2. BALANCED PORTFOLIO MIX OF OPERATIONAL ASSETS

We use conservative principles of asset allocation to manage the risk of the overall portfolio, whilst attempting to maximize the potential returns.

With a variety of assets in residential, retail, commercial and storage realty, the spread of our holdings allows us to average out opposing economic cycles between each segment.

- 8,148 residential units and 37,300 accommodation rooms for workers
- 336,552 square meters of shops, showrooms and offices
- 45,779 square meters are designated for workshops and warehouses
- 701 hotel rooms

3. INHERENT STRENGTH BUILT OVER TIME

Barwa is a well-recognized brand and a market leader. Our Brand is built on the strength of excellent cost control; scale of operations; and the strong credibility in our ability to successfully execute complex and large projects. Going forward, the brand equity of our company will only be further bolstered through a wider range of asset classes.

Today, we own 3.6 million square meters BUA under operations, and a land bank of 7.7 million square meters (5.4 million square meters of which is inside Qatar).

4. RECURRING REVENUE AND PROFITS

Barwa's business strategy demonstrates reliable revenue streams. Because of this, we are more predictable than many of our peers. We are in a position to forecast revenue months in advance and create budgets and capital obligations with a higher degree of certainty. Our recurring revenue streams also serve as a buffer to counter income fluctuations. As a result, we are considered less risky and with more opportunities for growth, especially if we continue to grow our recurring revenues in the future.

- Our recurring rental revenue comprises of 81.5% of total operating revenue.
- 96.7% of our operating profit is generated through recurring rental.

5. STRONG BALANCE SHEET

Our strong balance sheet with a low Net Debt:Equity mix at 1:2, allows us the opportunity to explore responsible leveraged growth, if and when we wish to pursue it.

- Net Debt:Equity mix at 1:2
- Recurring cash flows
- Distributed QR 5.41 billion dividend (2014-19)

6. MOVING UP THE VALUE CHAIN

Barwa will continue to explore new opportunities based on evolving market demand drivers. We select our product offering in alignment with tangible market demand. Currently, Barwa is planning to foray into developing education as well as assets directly aligned to address the country's immediate requirements and for moving up the value chain by developing mid to high-mid residential segments for lease and/or sale; and for developing assets in freehold areas such as Lusail.

With a more judicious mix of selling and leasing, we further aim to balance our business models to yield the best possible returns for our shareowners. By adding new segments such as infrastructure for educations and healthcare, we are further diversifying and de-risking our business. Ultimately, we are continuously adapting ourselves to explore the best extraction of value from land, within the safe boundaries of risk we subscribe to.

Message from the Group Chief Executive Officer

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Over the past fifteen years, Barwa played a great role in expanding the urban development beyond the city of Doha, supporting national growth of the state. Today, our projects extend in the south to Abu Hamour, Mesaimeer, Industrial Area, Al Wakra and Mesaieed, north to Lusail and Al Khor, and west to Mukaynis and Dukhan.

The year 2020 was an exceptional year due to the Covid-19 repercussions which affected the world economy. Qatar economy, however, was able to overcome these repercussions without incurring major losses, owing to the economic measures and the financial support package provided by the government, which directly backed the business sector, and contributed to the stability of the real estate sector.

In order to overcome these exceptional circumstances, Barwa Real Estate adopted a comprehensive business strategy that includes accurate plans, and a multiple package of measures and procedures that have proven their efficiency and effectiveness, and at the same time provided a successful model in overcoming the side effects that accompanied the impact of the pandemic, and ensured the continuation of the pace of business. We also came up with many lessons that contributed to refining our experiences in dealing with all events and variables.

Despite the circumstances of the pandemic, the past year witnessed a lot of effort from the Group's employees, under the supervision of the Board of Directors, with the aim of planning for the future of the Group and supporting its real estate portfolio with new projects that contribute to supporting the sustainable development of the Group's revenues, ensuring an increase in shareholders 'returns, and achieving balance in the portfolio of assets, without neglecting the social responsibility of the company. That could be achieved by developing projects that add a national, social and human dimension that goes beyond the traditional principle of real estate and construction, creating the principals of sustainability, and improving the quality of life for individuals in the Qatari society, while keeping up with the population and urban growth of the state of Qatar.

Barwa is keen to strengthen its strategic partnership with the government of Qatar, hence, the group is dedicating efforts to take part in the government bids, as it recently won the tender for developing Qatar Schools – Package 1, through the Public-private partnership (PPP) programme. Barwa will be developing eight schools as part of this project, according to the highest specifications. This project will enable Barwa to elevate the educational facilities and contribute to human development, through building advanced educational environments, ensuring the best outcomes for the educational process.

During the year 2020, Barwa launched Madinatna & Barahat Al Janoub projects, through which Barwa will release new residential cities into the Qatari real estate market, with designs inspired by the traditional Qatari architecture style. These cities will provide all solutions, services and facilities which ensure building residential sustainable cities for various groups of Qatari community, according to the highest specifications and standards. This will address the real needs of the real estate market and will further elevate the living standards of the different income groups. It will significantly contribute to providing high quality of housing units for workers in support of the 2022 World Cup preparations.

During the year 2020, the Group also succeeded in completing the development of the biggest part of Mukaynis Compound, which was utilized as a quarantine facility as part of COVID-19 quarantine facilities provided by the government of Qatar. Barwa is keen to support the tremendous efforts of the government in every step, especially when it comes to the current situation and the efforts dedicated to limit the impact of the pandemic locally.

Over the past fifteen years, and since its inception, Barwa Real Estate have been distinguished by excellence and integration. Today, our projects extended to cover various regions of Qatar, reaching south to Abu Hamour, Mesaimeer, Industrial Area, Al Wakra and Mesaieed, north to Lusail and Al Khor, and west to Mukaynis and Dukhan. Through the years, Barwa played a great role in expanding the urban development beyond the limits of Doha, supporting national growth of the State of Qatar, and meeting the real needs of the Qatari community. This will help to diversify sources of income and will achieve sustainable growth, ultimately achieving the objectives of Qatar National Vision 2030.

In 2021 we will continue to build on what we have achieved, and to focus on our investments which were launched during the year 2020. We seek to enter a new era of performance, choosing the most sustainable investment opportunities which benefit both the community and the shareholders. We will make our new projects, Qatar Schools, Madinatna & Barahat Al Janoub the cornerstone of our future journey, and the compass on which we choose our next investments. We are about to announce more investments over the next year, as we are now working on studying a number of promising investment opportunities, as well as continuing our work in diversifying sources of revenue through selling and renting real estates within our diversified and sustainable investment portfolio.

We will work with all our efforts to achieve the Group's mission in defining the sustainable development projects in which we invest, in a way that supports the development process in the State of Qatar. In addition to maximizing the benefit that accrues to shareholders, through the wise management of our financial resources, and building a solid base of projects that increase cash flows and protect the company's investments from economic market fluctuations.

We have a firm belief that the human element is the key to our success. Therefore, we put the needs of the diverse community groups in mind when considering and planning the available investment opportunities. This enables us to always develop pioneering residential cities with humanitarian and developmental dimensions that serve various segments of society and create sustainable cities according to the highest standards and specifications. This is the confidence that our shareholders and society have placed in us, and we will work to be up to this trust.

Our experience in the field of real estate development, our distinguished operational capabilities and the organizational structure of our team, are the basic elements that help us to continue our efforts for the company. It also helps us to strengthen Barwa's position as the leading real estate developer at the local and regional level, and the most prominent real estate partner to the government of the State of Qatar.

ABDULLAH BIN JOBARA AL-ROMAIHI

CEO OF BARWA REAL ESTATE GROUP

Our Market Drivers

1. GROWTH FROM NEW FREEHOLD ZONES

The Government of Qatar has increased the number of freehold zones from three to ten zones, under law no. 16, of the year 2018, regulating the ownership and use of real estate assets for non-Qataris. The objective is to encourage foreign investors, to invest in the freehold zones such as Lusail, West Bay and Onaiza, amongst other areas, which ultimately facilitates a mature investment market and increase the variety and price brackets of products to choose from.

What it means for Barwa?
The advent of these new freehold zones will create new opportunities for Barwa to build more mid-to-high range residential units under its 'built-to-lease' and 'built-to-sell' models.

2. MARKET TRENDS TOWARDS GREATER EASE & AFFORDABILITY

Turnkey developments, notably smaller suites, and serviced office spaces are witnessing an uptick in demand. Because of their value proposition based on affordability and flexibility, many existing and new businesses are steadily relocating in search of better deals. Going forward, with the government introducing initiatives such as 100% FDI in several sectors, it is expected that the demand for office space, especially compact suites, will strengthen over the short to middle term. Moreover, residential rents have largely stabilized following three years of decline.

What it means for Barwa?
The increasing affordability of apartments and offices in Qatar has led to an increase in demand in prime locations such as The Pearl and West Bay, while residential towers in Lusail have also recently come to the market. Barwa's participation in this segment will give the company ample opportunity for growth.

3. GROWING DISPOSABLE INCOME & LIFESTYLE ASPIRATIONS

Qatar has one of the highest GDP per capita in the world The retail sector has, therefore, benefitted considerably from high levels of disposable income, coupled with a large 'expat' population. Furthermore, multiple retail centers have sprung-up and established themselves as leading shopping, leisure and entertainment spaces, meeting the aspirations of many people wanting a better lifestyle.

What it means for Barwa?
As household incomes have risen, so has the demand for having a more comfortable lifestyle. This opens up doors to various opportunities for Barwa, in terms of developing quality neighborhood centers, offering aspirational retails brands to a range of fast-food to fine-dining concepts, and supported by adjacent entertainment hubs.

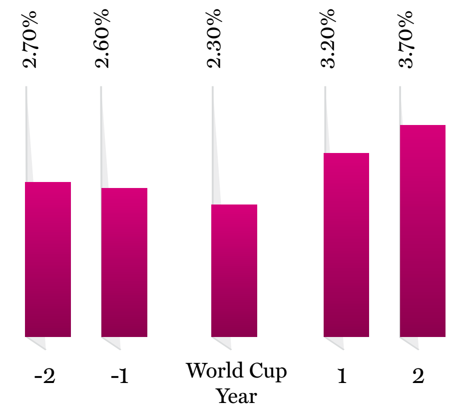
4. THE MULTIPLIER EFFECT OF THE WORLD CUP 2022

Qatar's successful bid for The World Cup 2022 is expected to have a multifold positive impact on Qatar's economy. By acting as a catalyst in accelerating various projects in preparation of the World Cup, policy makers are generating major growth impetus to multiple sectors, including infrastructure, utilities, real estate, tourism, and hospitality.

What it means for Barwa?
Barwa judiciously selects and plans its future product offering to be in alignment with policy frameworks and market demand. With the upcoming FIFA World Cup in 2022, the company expects future occupancy levels to improve over the short to medium term. Beyond the World Cup, Barwa has also aligned itself to the future growth drivers derived from the strategic "Qatar Vision 2030" programs, key catalysts for the country's long-term growth.

The Host Effect of World Cup

AVERAGE GDP GROWTH IN WC HOST COUNTRY



Source: IMF, Credit Suisse estimates

5. GROWTH IN INBOUND TOURISM

The National Tourism Council has continued to introduce measures to boost tourism numbers following the introduction of visa-free travel for 80 countries. The 'Summer in Qatar' initiative taking place between Eid al-Fitr and Eid al-Adha aims to increase hotel occupancy and retail spending, in what is traditionally the quietest time of the year.

What it means for Barwa?
The demand for good luxury outlets among modern retail facilities is active with the growth in tourists and affluent population. Current hotel supply remains skewed towards the five-star segment despite recent price sensitivity witnessed among regional travelers. Over the short to medium term, the demand for business, budget and economy hotels are expected to continue to outpace supply.

HOW ARE WE RESPONDING?

1. Additional Debt for growing Capex

The Company believes that its Balance sheet strength gives it enough headroom to secure additional debt for future Capex, if required. The Company is currently participating in multiple tenders on development for the education and healthcare sectors. As and when the Company is awarded projects, it expects to fund its 'capex' through a mix of internal accruals and the fresh issuance of debt.

2. Developing assets in the Freehold Areas

The Company is conducting feasibility studies to evaluate the potential opportunities of different types of projects in Lusail. Based on the results, the Company may choose to work with the government on various projects, electing to adopt both built-to-sell (BTS) or built-to-lease (BTL) models, or even to sell a portion of its land-bank in small parcel formats.

3. Strategies towards diversification

Barwa will continue to explore the opportunities based on evolving market demand drivers. Currently, Barwa is planning to foray into developing assets in the education and healthcare sectors; and for moving up the value chain by developing mid to high-mid residential segments for lease and/or sale.

Our Well Positioned Development Pipeline

As our Government continues to introduce reforms for capacity building and encouraging economic growth, we plan to diversify our asset portfolio by carefully entering into new high growth sectors, such as healthcare and education. We plan to achieve this feat while maintaining our foothold in traditional well-established sectors, such as residential, retail, logistics, commercial and workforce residential assets.

Armored with over 15 years of experience in correctly assessing the demand trends within the market, BARWA have an in-depth understanding of the residential and commercial real estate sectors in Qatar. In the residential segment, we are planning to enter the high-value end of the business with more upmarket and aspirational assets, both for leasing and for sale.

Currently, our asset portfolio is made up of "low-to-mid" range of residential, retail and commercial units, a 5-star hotel, warehouses and workshops across Qatar. Moreover, our revenue from recurring sources of income for this year stood at QR 1,637 million.

We have an overarching objective to become a highly sustainable source of value creation for all our stakeholders. Although we are well-positioned with our existing portfolio, with 90% of our profit coming in as recurring annuities, we see significant justification for diversifying our portfolio further, to protect ourselves even better from market fluctuations and economic cycles.

Our long-term strategy includes a continuous assessment of the changing market dynamics that new government initiatives may bring. The government of Qatar allocated QR 19.2 billion — 9.3% of its total budget — to develop the education sector, of which QR 6.8 billion is earmarked to be spent on building several new schools within five years. Additionally, QR 22.7 billion — 11% of the total budget — has been allocated towards the development of the healthcare sector, which includes the construction of 5 new health centers. These allocations have opened new doors for us to diversify our product portfolio across new sectors, and we will continue to explore such strategic opportunities based on evolving market demand drivers.

Moreover, the government of Qatar increased the number of freehold zones from three to ten in Lusail, West Bay and the Onaiza region. This amendment, allowing foreign investors to hold full ownership in Qatar's residential and commercial sectors, is a significant game-changer for the country's real estate sector. This development has opened up new opportunities for us to build more mid-to-high range residential units under a built-to-sell model.

As an agile company adjusting to market conditions, we take calculated steps after performing extensive feasibility studies and assessing the viability of fresh market opportunities. In the near future, we aspire to enter into various projects within the healthcare and education sectors, while also developing assets in the freehold zone of Lusail as well as in other key locations within Qatar

QR 1,637 million
Revenue from Recurring Sources of Income

Freehold Zones A Growing Opportunity

The increase in freehold zones will create new opportunities for Barwa, to build more mid to high range residential units under a blended business model, incorporating a healthy mix of both selling and leasing.

With an aim to encourage non-Qatari real estate investments into Lusail, West Bay and Onaiza, amongst other areas. The government of Qatar increased the number of freehold zones in March 2019 from three to ten. This represents a quantum leap in the expansion of the country's real estate marketplace and size.

Even though its short-term impact seems to be marginal due to the prevailing challenging market conditions, it is expected that in the long term, this emergence of multiple new urban centers will create more opportunities for investors and owner-occupiers to purchase and own yielding real estate in Qatar. Over time, this policy is also expected to facilitate a more mature investment climate, encouraging an increasingly evolved and vibrant marketplace that thrives on improved choice of products, and a price range that caters to multiple income groups.

Such initiatives by the government is also creating substantial opportunities for Barwa, including the potential to build more residential projects such as the Dara A in Lusail, which includes mid to high-mid affordable luxury residential apartments. By including a built-to-sell (BTS) business model for some of the developed units, and by offering some portion of our land bank to other developers on outright sale, we are exploring exciting options for garnering the ideal ROIs from our investments.

To explore these initiatives fully, we are conducting feasibility studies to evaluate potential opportunities for different types of projects in Lusail. This includes a variety of options to work with the government on strategic projects; adopting a blended mix of built-to-sell and built-to-lease models to enhance both short-term and long-term returns; and also monetize a portion of our investment through the sale of some portion of our large land parcels.

As Qatar develops and expands its urban footprint, so will Barwa grow in sync with the government's strategic expansion programs.

Securing Barwa's ICT Framework

During the year, we have enhanced the company's foundational array of tools, technologies, and digital services to comply with the measures, policies and controls of the state-wide cybersecurity framework.

CYBERSECURITY AND DIGITAL TRANSFORMATION

In Qatar, the Ministry of Transport and Communications strives to build a vibrant Information and Communications Technology (ICT) sector that will encourage the development of an advanced knowledge economy and a prosperous future for its citizens. To serve this purpose, the Ministry gives significant importance to digital government and cybersecurity.

In 2020, Barwa continued its significant policies towards promoting a set of digital tools, technologies, and digital services to comply with the measures, policies and controls of the state-wide cybersecurity framework. As a result, IT department has addressed the areas and components that required immediate attention to enhance the levels of information security offered to the Group and its associated digital assets. Most importantly, IT department have introduced the required technology to enhance the security of financial business activities.

Through these initiatives, Barwa have actively taken care of essential upgrades, improvements and customizations to offer increasingly secure and highly responsive tools that have the ability to cope with the growing demands of Barwa's functions and operations.

On the level of electronic communication, the Information Technology Department activated the electronic correspondence system in the company and linked it electronically with the subsidiaries of the Group in addition to the entities and Ministries in the country, in line with the Group's strategy for the digital transformation.

As part of its work plans to address the repercussions of the pandemic, Barwa Real Estate has used the latest technology programs that ensured the continuity of all businesses and their remote management without having to violate any measures taken by the government, in a way that achieves all economic and social goals. Barwa has adopted strong foundations for digital transformation so that technology becomes a pillar of conducting business and daily transactions, and the experience of working remotely has made a tremendous change in the way employees communicate with each other. The technology has also been used for marketing projects through certain platforms of the Group's subsidiaries. Moreover, in compliance with the government's decisions to limit gatherings, this technology was used in all meetings, whether between employees, with partners, or with shareholders, as the Group held the Ordinary General Assembly meeting in mid-April 2020 through visual communication technology, which played an effective role in implementing the agenda of the meeting.

Actively Managing Risk

Barwa is committed to effective risk management in pursuit of our business objectives, with the ultimate aim of growing value sustainably for all stakeholders, by embedding risk management into key decision-making processes and day-to-day activities.

OUR RISK MANAGEMENT PROCESS

Risk management is inextricably linked to our strategy and is an essential element of sound corporate governance, as well as a key enabler to derive benefit from opportunities. We understand the risks associated with our business, and we manage them proactively and effectively, within our Company risk appetite and tolerance levels and as guided by our Risk Management Framework, to optimize business returns. Our Group top risks are identified with due consideration of both our external and internal operating context, which is everchanging. This year, there was also an increased focus on crisis management and business continuity.

OUR TOP RISKS PROFILE

The four aspects which reflect key business imperatives are anchors for our Company's top risks as they could have a material impact on our strategy:

1 — BUSINESS SUSTAINABILITY AND EARNINGS GROWTH

- Creating a safe and caring environment anchored in "zero harm" where safety performance is top-of-mind.
- Short-to-medium term execution of strategy anchored in our ability to remain profitable, and deliver on earnings growth which exceeds cost of capital.

2 — LONG-TERM BUSINESS VIABILITY

- Long-term sustainability, delivery on long-term strategy and opportunity management.
- Ensuring a balanced approach between growth and returning value to shareholders.

3 — EMPLOYEE VALUE PROPOSITION

- Ability to attract new talent, retain and develop talent, have engaged and high-performing talent, and be acknowledged as employer of choice.
- Transformation and global diversity management.

4 — STAKEHOLDER IMPACT

- Being a credible stakeholder partner, which implies a company with:
- Good reputation performance; and
- Ability to effectively manage stakeholder relations.

OUR RISK MANAGEMENT PROCESS IS ITERATIVE AND APPLIED IN A DYNAMIC OPERATING CONTEXT

How we identify and review our risks

Our focus areas, aligned with our strategy, guide and inform our top risks. We regularly review these risks with due consideration of both our external and internal operating context.

How we respond to our identified risks

We understand and assess our capability to respond to our top risks by identifying key responses. We regularly review the appropriateness and efficacy of our key responses.

How we ensure appropriate risk governance and assurance

We have mandated governance and oversight structures at Board and management level, with defined risk management responsibilities. We adopt combined assurance management principles, obtain and provide internal, external, management and/or independent assurance on key responses on our risk management processes.

How we report on our risks

We have regular risk reporting and assurance reports to mandated governance and oversight structures. We communicate and report significant risks to external stakeholders in accordance with statutory and non-statutory requirements.

APPLICATION OF MATERIALITY LENS TO ASSESS THE POTENTIAL IMPACT OF OUR TOP RISKS

We express our Company's top risks as either key undesirable events or opportunities and apply a materiality lens to assess the potential impact should the risks occur. We consider both quantitative and qualitative impacts.

ASSESS POTENTIAL IMPACTS USING THE MATERIALITY LENS

- Financial (earnings, cost)
- Geopolitical and reputational (breakdown in stakeholder relations, reputational harm share price)
- Operational (production losses or interruptions, safety, health and environmental)
- Legal and regulatory (fines, penalties, class actions)
- Market (loss of customers, sales or market share)
- People (skills shortages, productivity, employee engagement)

Materiality lens to assess potential impact of top risk

Our People: Bringing Barwa's Vision and Values to Life

We know it's our people who make Barwa successful. Their talent, commitment to customers, and pride in Barwa are crucial to our long-term growth.

At Barwa, we are committed to driving a sustainable business that is both commercially successful and socially and environmentally responsible. This approach includes providing our employees with a safe and healthy working environment and having an organizational culture that promotes diversity, inclusivity, personal development and respect.

131 Employees	50% /50% Qataris/Expatriates ratio %
91% retention Rate	69% /31% Male/Female Ratio %

OUR CULTURE

We strongly believe that our people are our partners and the key to the success of our business. We respect and value the individuality and diversity that every employee brings to the Company. Over the years, we have built a team that mirrors the diversity of our customers, clients and communities. We are proud to say that 31% of our workforce is women, and Qatari nationals make up around 50% of our workforce. We recognize that progress and consistency work hand in hand, and that we are on a continuous journey towards creating an environment that is conducive to mutual respect, transparency and teamwork.

INVESTING IN OUR HUMAN CAPITAL

Our Company benefits from having employees with a diverse range of educational and professional backgrounds, combined with a shared passion for significantly contributing to the business. We encourage our team to be productive and innovative in generating new ideas and sharpening their decision-making skills. We continuously encourage our teams to attain greater excellence by enhancing their creativity and problem-solving skills through a variety of development and training programmes, for both soft skills and technical training.

BUILDING A MORE INCLUSIVE WORKFORCE

Our organization is actively contributing towards the defined goals of the stated Qatar National Vision 2030, which aims to develop a competent Qatari workforce through education and training. We recognize that the success of such strategies relies upon individual ownership, the mobilization of resources, and the support of employees and managers. Through our initiatives, we have been able to increase our focus on the nationalisation of key positions through performance-based learning and development. As of today, not only have we achieved Qatarization for 50% of our total head count, but most of our senior management positions are occupied by Qatari nationals.

A PEOPLE FIRST COMPANY

In seeking to always 'do the right thing', when determining our global principles, we have been mindful of international standards and benchmarks, including those set out by the Civil Defence Department in Qatar. We place the foremost priority on the health and safety of our employees by promoting regular well-being awareness campaigns and providing a safe and ergonomic office environment.

WHAT WE DID IN 2020

OUR ACHIEVEMENTS

- Retained the Qatarization rate of 50%.
- Training and Development of selected Qatari Nationals.
- Promotion of employees to higher positions instead of recruiting from outside, and recruited fresh Qatari national graduates to help them progress in their chosen careers.

Our Commitment to Community

At Barwa, we believe in the virtuous circle of strong communities supporting a strong business, and that businesses can only be as prosperous and successful as the societies they serve.

Barwa is committed to being a force for good by actively working to promote social development across the business activities and in the communities in which it operates. We always work to develop action plans that reflect the needs of local communities. We undertake meaningful and long-term initiatives, and we make strategic investments which leverage on our resources and capabilities to make a positive impact. Moreover, we are keen to enhance our partnership with the government of Qatar in several real estate initiatives. Barwa adopts an architectural philosophy which focuses on developing communities rather than constructing solid buildings, which helps the group develop solutions to meet the requirements of various social groups at competitive prices.

FOSTERING THE WIDER COMMUNITY

Barwa Real Estate realizes that its human element is its most important investment ever, hence, it has developed strategic and comprehensive plans to provide support and care to individuals, whether tenants, investors, national expertise and talents, or members of the community. The investment plans of Barwa Real Estate supports the strategic partnership of Barwa with the government of Qatar by developing projects that add a human dimension and go beyond the traditional principle of constructing real estate buildings, and elevates the quality of life of individuals and the community in general, maximizes shareholders' return, and achieves balance for the company's assets portfolio.

During the year 2020, Barwa continued its efforts to develop pioneering developmental projects according to the needs of the real estate market, and in order to create sustainable communities, with highest standards and specifications, reflecting the growth in population and in urban development in Qatar, all in line with the Qatar National Vision 2030. During the year 2020, Barwa launched "Madinatna", a family residential city striving to provide quality of life for various groups of Qatari community.

FOSTERING WORKERS

Barwa Real Estate pays special attention to the workers being a significant contributor to the urban and economic development of Qatar. As the country continues to experience economic growth, there is an expected acceleration in demand for various real estate initiatives and related services to raise the living standards of these communities.

By providing real estate solutions to serve these sections of society, Barwa is in the unique position to also offer a myriad of services and facilities that creates a sustainable residential environment in line with the objectives of Qatar National Vision 2030. During the year 2020, Barwa embarked on the development of the Barahat Al Janoub, a residential city for workers, aiming to provide high quality housing units and services by the year 2022. Barwa is also keen on its long-term partnerships with government entities such as the Ministry of Administrative Development and Social Affairs to provide support and care to the working group.

Waseef, Barwa Real Estate's Property and Facility management arm, is the one in charge of managing worker communities. Waseef continuously organizes a variety of events serving the community of workers residing in these projects.

SAFETY AND SECURITY

Barwa Real Estate presented a successful model in overcoming the repercussions of the emerging Coronavirus (Covid-19) pandemic, by adopting a comprehensive action plan that of precautionary measures, in addition to applying all preventive and precautionary measures approved by the State to reduce the spread of this pandemic, in a way that reflects the Group's commitment to its national duty and its social responsibility. It became an alternate to the efforts made by the State's institutions and bodies in dealing with the virus.

SAFETY OF EMPLOYEES AND VISITORS

Out of its duty to maintain the safety of employees and the visitors, Barwa Real Estate has reduced the number of employees present at the workplace to 20%, while the rest of the workers carried their work remotely from their homes, since the Council of Ministers' decision issued on March 18, 2020 to reduce the number of employees in the workplace. On July 22, and in response with the implementation of the step-by-step plan to tightly lift the restrictions imposed in the State of Qatar as a result of the (Covid-19) virus, no more than 80% of the total number of employees in the Group have started their work from the workplace, in addition to adhering to the number of working hours stipulated by State decisions.

The company was also keen on the necessity of showing "Ehteraz" application by the employees or visitors before entering its headquarters or the Group's offices for its subsidiary companies in the projects it owns, with the necessity to wear masks, and this procedure contributed to encouraging citizens and residents to download the application to help the competent authorities in uncovering transitional chains of the virus and to promote virus prevention.
In compliance with its national duty and social responsibility, Barwa, through its subsidiary company, Waseef, has developed a comprehensive program for periodic disinfection and sterilization of all assets and facilities for the projects owned by the Group, in addition to launching awareness programs about COVID-19 virus for the residents and beneficiaries of these projects.

COOPERATING WITH VARIOUS AUTHORITIES

Continuing its efforts to limit the spread of the virus, Barwa Real Estate, through Waseef Company, has cooperated with a number of relevant authorities to be in sync with the efforts made by the government entities. Waseef cooperated with Qatar Charity to organize awareness and preventive campaigns to address the Coronavirus for workers residing in the company's projects, with the aim to provide all information about the virus to raise the level of workers 'readiness to protect themselves, in addition to providing health education in the different languages to ensure workers understanding and application, as well as providing sterilization and personal care tools to reduce the possibility of infection. The number of beneficiaries of the campaign reached nearly 12 thousand workers, and Qatar Charity distributed to the beneficiaries more than 12 thousand health and awareness bags containing personal hygiene tools, sterilizers and masks, in addition to awareness leaflets for each worker in his language.

SAFETY AND SECURITY INSIDE PROJECTS

At Barwa, we excel in providing the highest level of safety and security at all our developments by setting the best quality standards for application and inspection.
The safety of tenants is critical to Barwa Real Estate. Waseef, one of our subsidiaries that supervises property management, implements safety and security measures set by the government in cooperation with the Department of Civil Defense of the Ministry of Interior. Our projects also provide amenities such as trained security guards and CCTV cameras with 24/7 surveillance facilities. We have also installed firefighting systems in all our projects to minimize any fire-related accidents.
Barwa subsidiaries are as well committed towards Health and Safety in the way they operate.
Waseef, for instance, conducts various programs and initiatives in this regard, which includes:

1. Health and Safety Inductions
2. Toolbox Training for safe work practices
3. Training of Standard operating procedures of Health and safety
4. Implementation of safety work permit systems
5. Conducting periodic safety drills
6. Coordinating lift rescue training with specialist service providers

NON-PROFIT SOCIAL INITIATIVES

Barwa is always keen to effectively contribute to the development of the residential solutions that are affordable, yet of high quality. Our efforts are evident in our projects, namely Barwa Village, Masaken Mesaimeer and Masaken Al Sailiya.

Barwa Real Estate in collaboration with Hamad Medical Corporation held blood donation campaigns at Barwa Al-Sadd Towers, in order to support the blood bank with the resources it needs. In addition to supporting the Qatar Cancer Society, as well as Lusail Circuit Sports Club through sponsoring the local sports championships organized by the club.

SUPPORTING TENANTS

In support of entrepreneurs and investors, and in response to the measures taken by the government to limit the effects on the real estate sector as a result of the repercussions of the Coronavirus pandemic, Barwa decided to postpone the payment of the rents of commercial units, stores, workshops, showrooms and offices of its projects affected by the surrounding conditions for a period of three months, starting from the April 2020 rent, with facilitating the payment of dues, which reflects the extent of the Group's social responsibility in supporting the national economy, and enhances the relationship of investors and beneficiaries with the owners to support the achievement of the common interest and bear all the burdens that the exceptional circumstances create in parallel.

SUPPORTING NATIONAL COMPANIES

As part of the efforts made by Barwa Real Estate in offering development cities that meet the needs of all segments of society and enhance the quality of life, in the year 2020, Barwa was keen to support Qatari expertise by cooperating with qualified and experienced national companies in the construction sector and real estate development.

DEVELOPING NATIONAL TALENTS & SUPPORTING EDUCATION

Barwa Real Estate realizes the importance of its expertise in the industry and Qatari market and being able to use this knowledge to serve Qatar and contribute to the developmental movement on both business and education levels. Hence, Barwa launched initiatives to help share these experiences with Qatari youth. Barwa collaborated with Qatar University to share its knowledge with Qatari talents in the field of architecture, providing them field experience. Barwa developed a one-month field training program for engineering students from Qatar University, during which the engineering team in charge from Group Real Estate developments at Barwa, presented an integrated program of fieldwork, discussions and intensive studies.

SUSTAINABILITY

Barwa is well known for its diversified portfolio of real estate projects, and its social and economic responsibility which adopt the concepts of sustainability. The group also works to create a more suitable community environment for all by integrating its investments to include residential, commercial, logistical and educational institutions, which embodies the true meaning of the concept of sustainable cities.

ENSURING QUALITY LIVING

Barwa continuously seeks to achieve real estate integration through its subsidiary Waseef, which provides all the facilities and services across all real estate projects to achieve a sustainable residential environment that meets the requirements of the residents and visitors. Waseef plays a vital role in covering a wide range of property management, facility management, leasing and sales activities by providing integrated customer services 24x7. Tenants can use these services through different platforms such as call centres, the website and social media networks. Waseef also makes its various services available to customers through digital platforms and promotional marketing campaigns. It also provides excellent rental solutions with regular maintenance services. Alternatively, Waseef has organized Eid Al Fitr & Al Adha festivities and entertainment activities for residents and families of several residential properties under management. The venues targeted the residents of Masaken Mesaimeer, Masaken Sailiya and Barwa Village, providing a warm and welcoming atmosphere allowing families with their children to spend quality time and enjoy the offerings

QATAR NATIONAL DAY

Barwa constantly looks forward to supporting and sponsoring activities and celebrations of Qatar National Day to demonstrate solidarity, national unity and pride in the Qatari national identity. Barwa Real Estate offers sponsorship as part of the Qatar National Day celebrations, which aims to create interaction with the people of Qatar.

Real Estate Projects In Qatar

Barwa's property portfolio has a long-term investment horizon. Strong investment discipline is required to mitigate the risk of sacrificing long-term growth for shorter-term distribution growth targets.

OPERATIONAL PROJECTS

- Dara A
- Al Baraha Workshops & Storages
- Barwa Al Sadd
- Barwa Village
- Masaken Mesaimeer & Masaken Al Sailiya
- Barwa Al Baraha
- Barwa Al Khor Shell Staff Housing
- Al Khor Workers Sports Complex
- Madinat Mawater Phase 1 & 2
- Umm Shahrain Warehouses
- Mukaynis Compound – Affordable Residential City Zone 1

ONGOING PROJECTS

- Mukaynis Compound - Affordable Residential City Phase 2 & 3
- Madinat Mawater Phase 3
- Madinatna
- Barahat Al Janoub
- Qatar Schools Package 1

LAND BANK

- Umm Shahrain Extension
- Barwa City Phase 3
- Lusail Land
- Barwa Al Doha
- Barwa Al Baraha Phase 3
- Al Khor Shell extension

Qatar Real Estate Investments

Operational Projects   Ongoing Projects   Land Bank

Residential

BARWA AL KHOR - SHELL STAFF HOUSING

Barwa Al Khor – Shell Staff Housing is a residential project extending over 124,044 square meters, offering 50 villas and 300 apartments along with features such as clubhouse, child daycare, supermarket and a mosque. The project was completed in the third quarter of 2016 and has been handed over to Shell Company for ten years.

DARA A

Dara A is located in the northern part of Fox Hills Zone, Lusail City.
Implemented over a total area of 16,421 square meters, Dara A comprises of four residential five-story buildings of 271 varying sized apartments, with a basement car park with a total area of 13,513 square meters. Having successfully completed the construction of the project, in the year 2020, Barwa has commenced the sales of the apartments to end-users and investors and more than 80 apartments have been sold.

ASAS TWIN TOWER

Located at Ambassador's Street in West Bay, the residential towers were developed in 2004. The towers, directly overlooking the sea, are composed of fully furnished residential apartments, containing 2,3,4 and 5 bedrooms. They also provide various services, including centralised cooling, free Internet access, cleaning services, in addition to a gym, business center, a beauty center & spa, beside other amenities and services.

MASAKEN MESAIMEER AND MASAKEN AL SAILIYA

Masaken Mesaimeer and Masaken Al Sailiya are designed to provide affordable community housing. Built on two separate sites, which together comprise a total area of 400,000 square meters, the two developments consist of 62 residential buildings, offering 1,984 two and three-bedroom apartment units. The developments also feature playgrounds, health clubs, nurseries, a supermarket and green areas.

AL KHOR COMMUNITY

Al Khor community project consists of 11 packages including different types of residential units of total 3,171 units (villas and apartments) which have been leased out to QP and its subsidiaries. The community has been developed following the concept of self-contained residential city including all required services such as, schools, mosques, recreational facilities covered with beautiful landscapes.

Residential

MADINATNA

Located at Al Wakra District on Plot No 91110010, the city's total plot area is 1,141,689 square meters aims at building an integrated residential city for families to provide quality living for its residents.

The city is based on community cluster with designs inspired by traditional Qatari architecture with G+4 buildings. Madinatna will be equipped with the latest smart city technologies. to provide innovative solutions and services to different segments of the Qatari community, with residential environments that meet the highest standards and specifications, required by the local market for residential units for families.

Madinatna houses a total no. of 6,780 residential units - a mix of 4,740, consisting of 2 Bedroom Units and 2,040 consisting of 3 Bedroom Units.

The development also comprises of amenities such as Hypermarket, Local Retails, Central Retail, Kindergartens, Small Clubhouses, Main Clubhouse, Daily Mosques, Friday Mosque, Warehouse, Substations, Primary Substation, Waseef Building and Sewage Treatment Plant.

The project has a Total Built-up Area (BUA) of 1,038,654 square meters and has 166,481 square meters of green area and 714,249 square meters Driveway/Walkway/Parking area. The construction of Madinatna was awarded to a Qatari contracting company, UrbaCon Trading and Contracting UCC. The construction works of the city was launched late 2020 and is expected to be completed by May 2022.

Mixed Use & Commercial

BARWA VILLAGE

Located in Al Wakra district, Barwa Village is a master-planned development. Spreading over 400,000 square meters with a built-up area of 186,000 square meters, Barwa Village consists of 18 commercial and residential complexes that offer 918 retail units, 96 studio apartments, 262 one-bedroom apartments and 100 two-bedroom apartments. Project facilities feature a health club, an international school, a nursery, a medical clinic, a shopping center, commercial units, workshops, a mosque, restaurants, car parking facilities and a range of green spaces.
After completion in 2010, Barwa Village soon achieved high occupancy rates. For that reason, the Group expanded the project through the development of an additional building stretching on a land plot of 11,094 square meters. The total built-up area is 34,492 square meters with residential apartments and retail shops in addition to a hypermarket. The overall expansion offers a total of 71 shops and 177 different sized residential units, including 1 bedroom and 2 bedroom units. The construction of the project is completed. It is currently under operation.

MADINAT MAWATER

Madinat Mawater is the main destination for all used car related services, including sale, purchase and maintenance. Located in Rawdat Rashid near Salwa road intersection, Madinat Mawater extends over a land area of 1,151,731 square meters. It provides used car showrooms, residential accommodations, workshops, in addition to retail shops. It also offers essential facilities and services such as offices for the Traffic Department, banks, car insurance companies as well as a petrol station and car technical testing service.

Madinat Mawater comes as one of Barwa's projects aiming to serve both the community and economy of the State of Qatar. Barwa Real Estate is developing and operating the project in several stages through the BOT system (Build-Operate-Transfer) for 30 years. Phase one of the project has been completed in the second quarter of 2017 to include 60 used-car showrooms, 10 retail shops, 88 different sized apartments, 88 different sized offices, shops, workshops and a petrol station, in addition to all the infrastructure work.

Due to the growing leasing demands on Madinat Mawater, Barwa Real Estate has developed Phase two of the project with a total built-up area of 12,357 sq. m. including 59 used car showrooms, 88 apartments, 88 offices, 10 retail shops and 5 workshops, in addition to the necessary infrastructure. All the construction works have been completed, and the leasing and operation of this phase have begun. Furthermore, a plot area of around 26,000 square meters has been allocated for the establishment of a Car Inspection Service Center (Fahes) by WOQOD Company.

The company also started building car service centers on 1st August 2019 as first part of the third phase of Madinat Mawater, which is an extension of the first and second phases. Also in 1st July 2020 started the building of second part of the third phase of Madinat Mawater. This phase will be implemented on a land area of approx. 340,000 thousand sq. m. to provide 118 used car showrooms, a hypermarket, mosque, a car parts sales center and a showroom for one of the car dealers. Additional car services are now under study to be added as part of the new phases of the project.

BARWA AL SADD

Barwa Al Sadd is a mixed-use development covering an area of 27,654 square meters. The project consists of 3 office towers (two of 21 floors and one of 18) and a five-star hotel with 232 rooms and suites. All are surrounded by a three-level podium, two levels for retail and one for office space.

The development also includes three apartment buildings with total 261 flats, 129 of which are two bedrooms and 132 of which are three bedrooms buildings and incorporates a lower ground floor and 11 upper floors (G+10) that provide a total of 87 flats per block, a three storey recreational building, two basement levels, a five storey car park building and accommodating 1,702 cars and a utility building. The project is completed and leased.

DUKHAN CITY PROJECT – SOUQ DUKHAN, DUKHAN HOUSING AND COMMUNITY CENTRE

In 2008, AlAqaria completed the development of Souq Dukhan that includes 18 commercial shops and 10 offices, offering diversified services, as well as Souq Zekreet which is close to Dukhan Highway, which includes 31 accommodations and 40 different sized shops.
Al Aqaria developed a number of projects in Dukhan city, including Dukhan Housing – Packages 1, 2, 3 and Dukhan Community Center. Currently, Al Aqaria Garden Dukhan has 48 residential units. The project features consist of a Bowling Alley, Electronics Game Area, Indoor Sports Area, Multi-purpose Lounge, Coffee Shop, Community Library, Function Hall, Management Offices, Storage Areas and Maintenance Areas with associated infrastructure and with an overall plot area of 9,633 square meters.

ALAQARIA TOWER

Established in 2008, the administrative tower, is located in Museum Street in Old Salata Area. It is composed of a ground floor, a mezzanine and 14 floors, including furnished and unfurnished administrative offices with multiple rental sizes. The building also provides different services such as 24 hours security and maintenance services. The tower offers two banks, Doha Bank & Al Ahli Bank, and two basement parking lots.

ALAQARIA PROJECTS MESAIEED

Al Aqaria has diversified real estate projects in Mesaieed. The azcompany has completed the development of six workers accommodation villages in six phases. Currently 4 labour accommodations are operational, offering 275 units for Senior staff, 442 units for Junior staff and 1,733 labour housing units. Each village features several services and recreational amenities, including dining halls, supermarkets, playgrounds, recreational halls and a mosque. Moreover, Al Aqaria started to operate Dunes Mall in 2002 after completing its development. Located in the heart of Mesaieed near the big Mosque, the mall is composed of 190 shops and 19 offices, this includes banks, hypermarket, etc.

At the beginning of 2014, Al Aqaria completed the development of Souq Mesaieed. Located in the heart of the industrial city with all its premises overlooking the main street, it comprises of 3 blocks (G+M+3 floors), including 108 shops, 70 office units, 138 flats.

INDUSTRIAL

UMM SHAHRAIN WAREHOUSES

Located in Umm Shahrain area, the project's plot land is 500,000 square meters. It provides low-cost warehousing areas with a total built-up area of 259,446 square meters, including 131,671 square meters of dry storage areas, 62,812 square meters of air-conditioned storage areas, 36,992 square meters of chilled storages and 19,028 square meters of freezer storages. The project also includes a residential compound for the accommodation of workers employed in it with a total plot area of 7,655 square meters, in addition to 532 square meters of offices and a total of 38 retail shops on a plot area of 1,676 square meters and a 700 square meter mosque.

The infrastructure works of the project consist of 13 electrical substations, internal roads with loading and unloading areas, networks for potable water, firefighting systems, irrigation, stormwater and foul water and their respective tanks. Furthermore, it will include CCTV surveillance, pump rooms, security rooms, and a surrounding fence. The total built-up area of the project is 273,311 square meters. Umm Shaharian Warehouses are now completed and fully leased.
The Group is currently studying the potential of adding new phase to this development by establishing Umm Shaharian Warehouses Extension project. This extension project will be developed on a land plot of 59,136 square meters. The development of this project was awarded to Barwa Real Estate Company as part of four logistic projects awarded to several developers by Manateq Company in 2015.

AL BARAHA WORKSHOPS & STORAGES

It is an extension of Barwa Al Baraha project. This is the area adjacent to workers accommodation project which was formerly called "Truck Parking". On a plot area of 684,134 square meters, the project offers suitable spaces to be used as warehouses for small and medium enterprises, offering mechanical and electrical workshops to meet the needs of craftsmen in the Industrial Area. It includes 561 warehouses and 118 workshops on a built-up area of 187 thousand square meters. This phase was completed in September 2019, leasing activities for the warehouses and the workshops are currently underway and the project is fully operational.

Workers Accommodation

QR 9,287 million

Book Value of Barwa Real Estate Land Bank

QR 15,450 million

Book Value of Barwa Real Estate Properties

WORKERS ACCOMMODATION IN BARWA AL BARAHA

The project is located in the Industrial Area, offering 64 Buildings extended over 659,563 land, the project includes 8,576 rooms for the accommodation of 50,000 workers and technicians, together with restaurants and retail shops. The project is currently operational.

MUKAYNIS COMPOUND – AFFORDABLE RESIDENTIAL CITY

Mukaynis Compound is located on Salwa Road and aims at developing an integrated residential city for workers. It is constructed on a land area of 994,567 square meters. The project covers the construction of 3,170 residential houses, comprising of 8-bedroom units with eight toilets, and one kitchen. In addition to that, it will include shops and mosques with project total built-up area of 730,728 square meters. Moreover, the construction will focus on providing full services covering all infrastructure works of 25 power substations, internal roads, potable water, irrigation, fire and sewage networks as well as CCTV cameras, as well as security services. An adjacent land plot of 183,538 square meters is allocated as parking lots for buses, in addition to a hypermarket, a security center and government services.

Mukaynis Compound is designed to ensure the privacy of the city's residents as it includes a private courtyard for each house, allowing its residents to enjoy the outdoor activity while ensuring their privacy. The traditional Arab style of the residential units is compatible with surrounding environmental conditions.

Mukaynis Compound has been developed as part of the efforts to improve the housing standards of workers in Qatar and meet the needs of the local market in line with the objectives of Qatar National Vision 2030 and Qatar's preparations for hosting the 2022 World Cup, through developing a sustainable residential environment in terms of quality and security and providing all required services and facilities.

In the challenging COVID-19 situation, and in coordination with the authorities, Mukaynis Compound also served as a quarantine facility for patients and incoming travelers to Qatar.

AL KHOR WORKERS SPORTS COMPLEX

A recreation facility in Al Khor Industrial Area aims to improve the quality of life of the workers by providing integrated leisure and sports facilities. It features four cricket fields, four football pitches, three volleyball courts, four basketball courts and four kabaddi fields. It also includes a supermarket, 35 shops, 2 open air cinemas, a mosque, a plaza area and other facilities. The complex hosts numerous events and sports activities and it has been utilized by several government and private corporations like the Ministry of Interior which Barwa collaborated with to organize on-going programs for workers. Covering all national and sports events in Qatar, the number of visitors of the program has exceeded 504,613 visitors Throughout the year 2019.

The Group added a new phase to the project; "Al Khor Recreation extension Project" on a plot area of 69,757 square meters. The expansion project consists of 216 one-bedroom apartments, 300 two-bedroom apartments, 8,000 square meter hypermarket and 300 square meter multi-purpose hall. In addition to the construction of infrastructure works that consist of one electrical substation, internal roads with parking lots for cars and buses, networks for potable water, firefighting systems, irrigation, storm water and foul water with their respective tanks. Furthermore, it includes CCTV surveillance and security rooms as well as pump rooms and a surrounding fence with total built-up area of 53,639 square meters. The construction works of the project has completed, and its now under operation.

BARAHAT AL JANOUB

Located at Al Wakra District on Plot No. 90020337, the city's total plot area is 773,457 square meters, aims at building an integrated accommodation for workers to provide quality living for 67,392 workers.
Barahat Al Janoub designs are inspired by traditional Qatari architecture with Ground G+2 buildings.
The city will be equipped with the latest smart city technologies. to provide innovative solutions and services to different segments of the community, with residential environments that meet the highest standards and specifications, required by the local market for residential units for workers.

is based on an urban grid fabric reminiscent of traditional clustered Arabic courtyard houses
The city will offer 1,404 accommodation units. Each unit will consist of 4 rooms at each level, providing capacity of 16,848 rooms.

Barahat Al Janoub comprises of amenities such as Daily Mosques, Friday Mosque, Hypermarket, Central Retail, Local Retails, Substations, Primary Substation, MOI Building, Waseef Building and Sewage Treatment Plant. Outdoor facilities and other services have been added to cater to the tenant's necessities and leisure requirements. Barahat Al Janoub has 126,938 square meters of green areas, 425,235 square meters Driveway/Walkway/ Parking area and a Total Built up Area (BUA) of 754,674 square meters. The construction of Barahat Al Janoub was awarded to a Qatari contracting company, UrbaCon Trading and Contracting UCC. The construction works of the city was launched late 2020 and is expected to be completed by May 2022.

RAS LAFFAN PROJECTS WORKERS ACCOMMODATION

The worker's accommodation in Ras Laffan is one of the projects aiming at supporting the industrial areas in Qatar. The project comprises of 560 workers units and 128 senior units. Consisting of two floors, in addition to the ground floor. Al Aqaria also developed four other accommodation blocks for Senior and Junior Staff, a two-storey building for dining halls, a mosque and a commercial block.

MESAIEED VILLAGES – WORKERS ACCOMODATION

These projects have been developed and completed considering workers welfare. The amenities offered in the projects are wifi, TVs, first aid, kitchen and dining blocks, outdoor gym, supermarkets, indoor and outdoor play areas and mosques.

DUKHAN CITY PROJECT – WORKERS VILLAGE ZEKREET

Al Aqaria has different projects in Dukhan city that include Al aqaria Labor Village Zekreet, which was completed in 2009 and had 200 residential units for workers and 48 residential units for junior staff members.

PPP DEVELOPMENT PROGRAMME

QATAR SCHOOLS - PACKAGE 1

Qatar Schools PPP Development Programme – Package 1, is the first Public-Private Partnership (PPP) project in the State of Qatar. Barwa Real Estate Group which is also represented by its subsidiary, Dar Al Eloum, and the Public Works Authority (Ashghal) have signed a Public-Private Partnership (PPP) agreement for projects that would benefit the education sector. This partnership aims to enhance the contribution of the private sector in implementing major state projects in order to achieve economic development and encourage competition and innovation.

Under this agreement, Barwa Real Estate will Design, Build, Finance, Operate, Maintain and Transfer (DBFOMT) to Authority 8 schools in different locations across Qatar by 2022 and provide maintenance support over a period of 25 years under the Qatar Schools PPP Development Programme – Package 1.

The schools will be directly leased to the Ministry of Education and Higher Education upon completion of all construction works. This agreement comes in line with Law No 12 of 2020 issued by His Highness the Amir Sheikh Tamim bin Hamad al-Thani, which governs the partnership between the public and private sectors.

The project will offer 8 schools consisting of two preparatory schools, two primary schools and four secondary schools respectively with a total built up area 106,979.93m^2 [BUA], all the schools are Ground floor + First Floor.
Four schools are in Doha North (two schools in Al Kheesa, one school in Umm Slal, one schools in Bu Faseela,) and the other four schools are in Doha south (two schools in Wukair, one school in Al Wakra, and one school in Rawdat Al Naisar).

Each of the new schools will comprise of 30 classrooms, including allocated classes and facilities for special needs. A school will accommodate 786 students according to the approved design model. This School design model will have dedicated and equipped educational facilities for science, linguistics, IT, sports, arts, and activities, as well as libraries. Schools will also offer outdoor spaces, sports fields, car parks, and service buildings.

The schools will feature new designs and new interior colours for different age groups. A three-star Global Sustainability Assessment System (GSAS) system will be implemented in educational facilities, which is based on the application of sustainability standards and green building requirements in design and construction.

The official project kick-off date is 1st of September 2020 to be handed over by 30th of June 2022. The project is awarded to a Qatari Contractor (Al Jaber Trading and Contracting).

Design Submissions are progressing; already obtained authority approval on Concept Design, Early Structural Package and Schematic Design Submissions. DC1 Applications successfully opened for the 8 Schools, construction activities are progressing for temporary site offices and earthworks works for the permanent structures.

Land Bank

LUSAIL LAND

Located in the northern part of Lusail City, Lusail land, known formerly as Lusail Golf, extends over a land area of 3.5 million square meters. It is a distinct addition to the group's available land bank, which will give the group a good advantage in developing new projects in the future. Barwa is currently studying best usage of Lusail land to become a distinct attraction in the city of Lusail, and for Qatar in the wider perspective, by adopting an approach of creative and demand-linked usage mix, diverse product offering and integration of facilities offered within the project.

INVESTMENT OPPORTUNITIES

Barwa is currently studying a number of investment opportunities, including the phase three of Barwa Al Baraha, phase three of Barwa City, phase two of Dara project (Dara B-F), as well as the Barwa Al Doha land. A detailed studies is being prepared to determine the feasibility of the proposed design ideas and accomplish best use and return for the project.

International Real Estate Investments

Mixed Use & Commercial

London

NORTH ROW PROPERTY

North Row property is located in the prestigious Mayfair area of London's West End, near Oxford Street. It was redeveloped and thoroughly refurbished in 2013 into high-quality offices on an area totalling around 24,000 square feet.

London

CAVENDISH PROPERTY

Boasting a sought-after location overlooking Cavendish Square, this building dates back to the forties of the 18th century. It extends over 11,156 square feet equivalent to six floors of premium serviced office space.

Land Bank

Morocco

MARRAKESH PROJECT

Located in Al Shohadaa area, Hivernage district-Marrakesh, the project spreads over an approximate area of 9,566 square metres.

Cyprus

LARNACA LAND

The land plot of 54,670 square meters is located in Larnaca Bay, southern Cyprus in the heart of the island's touristic quarter near the city of Larnaca.

Morocco

FEZ PROJECT

The project consists of 3 traditional Arabic houses built in the Moroccan style from the 19th century. Extending over a land plot of 3,300 square meters.

Bahrain

BAHRAIN BAY PROJECT

The project is located in Bahrain Bay, facing the beachfront with a total land area of 12,475 square metres.

Riyadh

RIYADH LAND - PLOT

Located in Al Janadriyah District in the Saudi capital city of Riyadh, the vacant land plot extends over an area of 2,216,060 square meters.

Independent Subsidiaries

Waseef

Waseef, a subsidiary of Barwa Real Estate, is one of the largest fully integrated, Property and Facility Management services companies in Qatar, that offers a "one-stop-shop" and full-service solution to its clients.

Waseef, a subsidiary of Barwa Real Estate, is one of the largest fully integrated Property and Facility Management services companies in Qatar.

Waseef provides services related to property management and facility management operations to Barwa's real estate projects, which include Masaken Mesaimeer, Masaken Al-Sailiya, Barwa Village, Barwa Al Sadd, Barwa Al Baraha Workers Accommodation, Barwa Al Khor-Shell Housing, Al-Khor Workers Sports Complex, Madinat Mawater Phases 1 & 2, Al-Baraha Workshops & Storages and Mukaynis Compound, Affordable Residential City.

In addition to its already massive portfolio, Waseef has been managing all 25 Al Aqaria real estate projects beginning Q1 2019. This includes eleven Al-Khor Housing Projects, four Workers Villages, three commercial centers in Mesaieed, three commercial markets and one Workers Accommodation in Dukhan, one Labor Village in Ras Laffan, Alaqaria Tower and Asas Twin Tower.

Waseef further extended its quality service offerings to external clients with prominent projects, such as The Commercial Avenue, Mesaimeer City, Manateq – Economic Zones, Hassad's three Central Markets (Umm Salal, Al Sailiyah and Wakrah), Al Erkyah City and Yasmeen City. Its recently completed projects were the 44 Al Furjan Markets, Museum of Islamic Arts and MIA Park.

Waseef secured its partnership with Qatar Free Zone Authority and will be providing its interim Facility Management Services at Ras Bufontas and Um Al Houl Free Zones since Q1 2020.

With in-house Call Center and specialty software for property management, accounting, procurement and facility management, its Customer Service teams are focused on serving client's needs in a thoroughly professional manner. Waseef is constantly implementing unified systems to stay on the forefront of technological advancement and to improve the lifestyle for our tenants continuously.

With the goal of serving not only Barwa but all of Qatar, Waseef is poised to be the most progressive leader in property and facility management in Qatar and the Middle East.

Qatar Project Management - QPM

QPM provides unrivaled real estate and infrastructure Project Management services that perpetuate world-class standards in the industry.

QPM, a subsidiary of the Barwa Real Estate Group, is a leading provider of world class project management services in the State of Qatar. Established in 2008, QPM successful manages and delivers various large-scale projects for prestigious clients in Qatar and the region.

The company is well positioned and has extensive experience to provide services for a variety of construction Projects including but not limited to civil infrastructure, commercial, leisure, real estate, and residential projects within the growing global marketplace.

QPM's expertise is grounded in a full range of professional project management services that include project management, design management, construction management, Programme Management, Contracts & Claims Management amongst other offerings that are tailored to the client's exact requirements.

One of QPM's goals is to maintain a world-class standard of project management. This is achieved by investing in the latest Project Management technologies and employing a highly skilled and experienced team of professionals.

Since its establishment, QPM has achieved excellent growth in both domestic and regional arena's throughout the years. The Company is currently managing several Iconic mega projects and has successfully delivered its integrated Project Management services for numerous developments from the initial concept phase through to commissioning and handover.

International Associate Companies

Nuzul Holdings

Bahrain

Nuzul Holdings is a joint stock company incorporated in Bahrain, and focused on owning and operating of serviced apartments. The company has currently invested in the 118-unit Somerset Al Fateh in Manama, Bahrain, and apartments in the Burj Al Jewar development in Mecca, Saudi Arabia.

Shaza Hotels Company

Saudi Arabia, Oman, United Arab Emirates

Formed in partnership with Kempinski Hotels and Resorts, the company's core business comprises of management of contemporary and luxury hotels. As an operator, Shaza is uniquely positioned in that it exclusively operates dry five-star hotels under the brand name "Shaza Hotels" and dry four-star hotels under the brand name "Mysk". Shaza stands out amongst hotel brands as it is designed specifically with the preferences and characteristics of intraregional travelers in mind and celebrates the rich hospitality of the cultures along the Silk Route.

Board Of Directors

HIS EXCELLENCY
MR. SALAH BIN GHANIM BIN NASSER AL ALI

Chairman of the Board of Directors

H.E. Mr. Salah Bin Ghanim Bin Nasser Al Ali was appointed as Qatar's Minister of Sports and Culture on January 27th, 2016 after more than two years as Minister of Youth and Sports. His Excellency held a number of public positions such as Chief of the State Audit Bureau between 2006 and 2011, during which H.E participated in developing a strategic plan for the Bureau aimed to assist in achieving sustainable development for Qatari society and to strengthen accountability. His Excellency was designated to take on various public service responsibilities, such as Head of the National Committee for Integrity and Transparency between 2007 and 2011.
He was also appointed as Head of the State National Day Celebrations Organizing Committee in 2008 whereas he participated in formulation of the National Day vision that calls for promoting loyalty, solidarity and pride in Qatari national identity. In 2011, he was appointed as consultant in the office of Heir Apparent till 2013. In 2012, H.E. participated in the launch of Al Rayyan TV with a mission to support the renaissance of Qatar, consolidate its national identity and take into account its sustainable development. This is in addition to being a member of the board and a trustee for many governmental institutions and bodies, such as the Social and Sport Contribution Fund, Supreme Committee for Delivery and Legacy, Qatar National Library, National Tourism Council and the Qatar Museums Authority. H.E. participated in many conferences and forums and provided many lectures and presentations in the field of innovation, motivation and governance. H.E. Mr. Al Ali graduated from US-based Pacific University in 1992 with a Bachelor of Science in Engineering Management.

ENG. ABDULLAH BIN HAMAD AL-ATTIYAH

Vice Chairman of Board of Directors

Eng. Abdullah bin Hamad Al Attiyah holds MSc in Chemical Engineering from the University of Nottingham, United Kingdom and a bachelor's degree in mechanical engineering from Cardiff University, United Kingdom. Eng. Al Attiyah has an extensive and vast work experience in many sectors in the country, where he started his career with Qatar Petroleum as Operations Engineer until 2011 when he moved to Ras Gas as a Senior Project Engineer, and in 2012 he became Director of Onshore Planning and Development.
In 2014, Eng. Al-Attiyah assumed new duties as the Acting Executive Director of the Program Management Office at the Supreme Committee for Delivery and Legacy, before promoting his career and occupying in 2015 the position of Director of the Technical Office in the Public Works Authority "Ashghal". Eng. Al-Attiyah progressed in positions until he became Assistant Chairman of the Ashghal Authority until the year 2018, when he was appointed as Deputy Chairman of the Board of Directors of Qatar Primary Materials Company, until he was subsequently assigned by the Board to assume the duties of the acting CEO of the company until early May 2018. It should be noted that during the same period, specifically in January 2017, Engineer Abdullah Al-Attiyah was appointed as a member of the Board of Directors of Qatari Diar Real Estate Investment Company, and in July 2018 he assumed the position of CEO of the company.

MR. NASSER BIN SULTAN NASSER AL-HEMAIDI

Board Member

Nasser bin Sultan Nasser Al-Hemaidi was appointed in 2017 a member of the Qatari Shura Council by Amiri Decree. Mr. Nasser Al-Hemaidi is a member of several boards of directors of Qatari shareholding companies. He is a member of the Board of Directors of Qatar Fuel Company WOQOD since 2008 and a member of the Board of Directors of Qatar National Cement Company. He also served as the Financial Director of the Qatar Olympic Committee as well as being a businessman involved in various business and economic activities. Mr. Nasser Al Hemaidi holds a Bachelor's Degree in Business Administration.

MR. NASSER BIN ALI AL HAJRI

Board Member

Mr. Nasser Ali Al Hajri works as the Director of Financial and Administrative Control in the office of H.H. the Father Emir. He is also a member of the Board of Directors and Managing Director of Q Steel Factory. Mr. Nasser Al-Hajri holds a PhD in Business Administration – Finance, the field in which Mr. Al Hajri has prepared many research papers.

MR. AHMAD KHALID AL-GHANIM

Board Member

Mr. Ahmad bin Khalid Al-Ghanim holds the position of Acting Director of the Prevention Department at the General Directorate of Civil Defense at the Ministry of Interior after he headed the Engineering Plans section in it. Mr. Al-Ghanim is a member of a number of committees, including the Engineers Admission Committee as a representative of the Ministry of Interior and Civil Defense, a member of the Committee for the Study of Planning Requirements at the Ministry of Municipality and Environment. He participated in many coordination meetings for major projects in the country, and he also attended several meetings for GCC Civil Defense Directors, as a representative of the General Directorate of Civil Defense. Mr. Ahmad bin Khalid Al-Ghanim holds a Bachelor's degree in Engineering from Eastern Kentucky University (EKU), USA.

DR. ABDULRAHMAN MOHAMMED AL-KHAYARIN

Board Member

Dr. Abdulrahman bin Muhammad Al-Khayarin is currently the Advisor to the Board of Directors at Widam Food Company after he served as CEO of the company. He also previously worked in the field of real estate investment in Qatari Diar, and he is registered as a real estate expert in the Ministry of Justice. He is a member in the Board of Directors of Masraf Al Rayan. Dr. Al-Khayarin holds many university degrees, the last of which is a Ph.D. in Urban Planning from the University of Wales Trinity Saint David in the United Kingdom.

AHMAD MOHAMMAD TAYEB

Board Member

Mr. Ahmed Mohamed Tayeb is currently working as Chief of Investments at the Qatari Diar Real Estate Investment Company in which he manages a portfolio of 35 billion USD. Mr. Ahmed Mohammad Tayeb began his career by working for seven years in the Department of Communications and Operations for the Special Forces - Ministry of Interior, after which he joined Ras Gas for six years, where he worked on a number of projects. Then he joined the Amiri Diwan to work on projects for two years, and before joining Qatari Diar Company, he worked for two years in the Project Management Office of the Supreme Committee for Delivery & Legacy. Prior to that, Mr. Ahmed Tayeb managed the family's business. He is also a chairman and member of several boards of directors of several companies inside the country. Mr. Ahmad holds a master's degree in electrical engineering from the University of Colorado Denver in the United States.

Corporate Governance Report 2020

Definitions

- **Information**

  Information, data, and documents related to the establishment of the company and its activities, and its reports and other information that the company must disclose and make it available to shareholders and enable them to access and obtain them according to the law and the provisions of this system and other legislations of the Authority.

- **The Authority**

  Qatar Financial Markets Authority (QFMA)

- **Board's Charter**

  The Charter prepared by the Board to define its tasks, responsibilities and the duties of its Chairman and members.

- **The Board**

  The Board of Directors of the listed company or the one that manages the listed legal entity, as appropriate.

- **Board's Secretary**

  The person appointed by the Board of Directors, in accordance with the requirements of the corporate governance system, and who is responsible for organizing and coordinating matters related to the Board and the company.

- **Chairman**

  The chairman of the company's board of directors is responsible for managing the company in accordance with the law, its articles of association and foundation.

- **Governance**

  The system by which the company is managed and controlled, and defines the basis and principles of the distribution of rights and responsibilities among the various stakeholders of the company, such as board members, managers, shareholders and other stakeholders, and clarifies the basis and procedures for taking decisions related to the affairs of the company.

- **Governance report**

  It is an independent annual report that includes the company's disclosure of its commitment to apply the principles and provisions of the governance system, to be approved by the Chairman and to be submitted to the Authority along with the company's annual report.

- **Cumulative voting**

  It is a voting method for selecting members of the Board of Directors. Each shareholder is granted a voting power for the number of shares he owns, so that he has the right to vote for one nominee or divide it among those he choose from the nominees without any repetition of these votes.

- **External Auditor**

  The person authorized in accordance with the provisions of the law and registered in the Authority's external auditors list to review and audit the financial statements and data and express an opinion thereon, in accordance with the principles of the profession and international auditing standards or auditing standards related to the Islamic financial institution and obtain confirmation of whether the financial statements are free from material misstatements in addition to the liquidation.

- **Independent member**

  He is a member of the Board of Directors who enjoys complete independence, except for the following examples and not limited to:

A. To be the owner of at least (1%) of the company's shares or any of its subsidiaries.

B. To be a representative of a legal person who owns at least (5%) of the shares of the company or any of its subsidiaries.

C. To be in the senior executive management of the company or any of its subsidiaries during the year preceding the elections of the Board.

D. To have a relative of first degree with any member of the Board of Directors or the senior executive management of the company, or in any of its subsidiaries.

E. To be a member of the board of directors of any subsidiary of the company nominating for a membership in its board of directors.

F. To be an employee during the two years preceding the elections of the Board with any of the parties associated with the company or any of its subsidiaries, such as certified accountants and major suppliers, or to own control shares with any of these parties during the two years preceding the elections of the Board.

G. Has direct or indirect transactions with the company or any of its subsidiaries during the two years preceding the elections of the Board.

- **Senior executive management**

  Chief executive officer and other executives directly reporting to him, including the heads of the internal control.

- **Internal Control**

  Financial auditing, performance evaluation, and risk management performed by one or more independent function of the company.

- **Major deal**

  Any connected deal or group of deals aimed at owning, selling, leasing, exchanging or disposing (except for the creation of guarantees) of the company's assets or assets that the company will acquire or that will change the basic nature of the company's business; or that its total value exceeds (10%) of the lowest value between the market value of the company or the net asset value of the company according to the latest published financial statements.

- **Market**

  It is the main market in Qatar Stock Exchange.

- **Non-executive member**

  He is a member of the Board of Directors who is not available to manage the company and does not receive a pay for it.

- **Related party**

  A person is considered a related to the company if he is a member of the board of directors of the company or any of its subsidiaries, or in the senior executive management of the company or any of its subsidiaries, or if he owns at least (5%) of the shares of the company or of its subsidiaries, or is a relative of any of the former Board members up to the second degree, and every legal person who is under control of a member of the company's board of directors or any of its subsidiaries or its senior executive management and their relatives up to the second degree, or who is involved in a project or company of any kind with the company or any company in its group.

- **Stakeholders**

  Everyone who has an interest with the company based on a right or legal status such as shareholders, employees, creditors, customers, suppliers and others.

Chairman's Message

Our valued shareholders,

I am pleased to present you the corporate governance report of Barwa Real Estate Company (Qatar Public Shareholding Company "QPSC"), which covers the fiscal year ending on December 31, 2020, highlighting the recent developments in the framework of corporate governance and based on the resolution of the Board of Directors of the Qatar Financial Markets Authority (QFMA) No. (5) of 2016 issuing the corporate governance system and legal entities listed in the main market.

The report was prepared in accordance with the requirements of the corporate governance system for shareholding companies listed in the main market issued by QFMA and other regulations and laws in force in the State of Qatar and Qatar financial market system.

In order to ensure that we meet the requirements of the authorities in the State of Qatar, and our goal for continuous progress in the company and the results of its performance, we are committed to issue the corporate governance report on an annual basis to present it to the shareholders during the General Assembly meeting.

God grants success,

Salah bin Ghanim Al-Ali

Chairman, Barwa Real Estate Company (QPSC)

1. PREFACE

Corporate governance is considered one of the most important pillars on which Barwa relies on to establish a culture of openness, transparency and clarity in its commercial and administrative dealings, in order to protect the rights of investors, the rights of other stakeholders, and minority shareholders to rectify its business and manage it in line with international best practices and approved regulatory frameworks.

Corporate governance laws are defined as the principles that regulate the relations between the main parties in the company (members of the board of directors, executive management, shareholders ...) to achieve one purpose of distributing rights and responsibilities among the various participants and other stakeholders.

Corporate governance is an integral part of the culture of Barwa Real Estate Company (QPSC) ("Barwa") and its commercial practices. Corporate governance for Barwa Real Estate Company aims to establish and achieve the following objectives:

- **Transparency:** Clarity in the company's commercial and operational processes, avoiding ambiguity, confidentiality and misinformation, and making all matters achievable and assured.
- **Accountability:** It is the shareholders' right to hold the organizational management accountable for its performance. This is a right guaranteed by the law and the company's articles of association. It also ensures the responsibility of the executive management before the Board and the responsibility of the Board before the shareholders.
- **Equality:** It is the equality between small and big investors, both domestic and foreign. Barwa's articles of association guarantees this principle in terms of equal voting rights, accountability, nomination, and access to information.
- **Responsibility:** It is the responsibility of Barwa to recognize the rights of stakeholders granted by law and encourage communication and participation between the company and stakeholders.

2. BOARD OF DIRECTORS REPORT ON COMPLIANCE WITH QATAR FINANCIAL MARKET AUTHORITY LEGISLATIONS, INCLUDING GOVERNANCE SYSTEM OF LISTED COMPANIES IN THE MAIN MARKET

The Board of Directors evaluated the compliance of the company with the related legislations ("Legislations") of QFMA ("Authority"), including the governance system of listed companies and legal entities in the main market ("System") issued by the Authority. According to this evaluation, the company assured its compliance with the system rules in regards with the essential aspects.

3. GOVERNANCE FRAMEWORK AND POLICIES

Barwa Real Estate Company is committed to applying the highest levels of corporate governance in its daily dealings, by achieving full compliance with the laws of corporate governance of companies listed in the market, which is regulated by QFMA.

The guiding framework for Barwa Real Estate Company's governance system is provided by the corporate governance system and legal entities listed in the main market and issued by the Resolution of the Board of Directors of QFMA No. 5 of 2016, which was published in the Official Gazette on May 15, 2017, in addition to the applicable laws and other regulations in the State of Qatar and the Qatar Stock Exchange.

The company is constantly working on updating its policies and procedures to reflect the updates of the laws by the regulatory authorities.

3.1 NOMINATION POLICY

The Board of Directors is one of the most important elements that lay the foundation of corporate governance and draw its course towards success and progress. Therefore, it was necessary to establish a policy for the provisions that govern the membership of the Board in light of the company's articles of association and corporate governance rules issued by QFMA. This policy has facilitated access to all the provisions and controls that determine the criteria and procedures for the membership of the Board of Directors and facilitated practicing them. It has shown how the Board is formed, its membership term, the nomination conditions, and the membership qualities under which a board member can be specified, executive and non-executive, dependent and independent. The policy also clarified the mechanism of Board elections, cases in which membership ends and the procedures of filling vacant positions.

3.2 REMUNERATION POLICY

The Board of Directors of Barwa Real Estate Company adheres to the remuneration policy in Article (40) of the company's articles of association, and mentioned in the Commercial Companies Law, which in its amendment issued in 2015, specified the remuneration of Board members can't exceed (5%) of the net profit after deduction legal reserves and dividends. The Board shall present the proposal of remuneration of the Board members to the General Assembly for approval.

3.3 CONFLICT OF INTEREST POLICY

Barwa Real Estate Company has adopted strict policies governing the transactions of insiders and conflict of interest that may arise from involving persons involved in trade and civil society to work as managers, executives and employees in Barwa Company. Barwa Company has set these policies to reveal these matters and avoid losing its objectivity, and to maintain the independence of decision-makers in a way that serves the interests of shareholders, as the company and all its employees are obliged to periodically disclose any common interests or operations between them or with any other party that has a direct relationship with the company.

3.4 DISCLOSURE POLICY

Barwa Real Estate Company adheres to the disclosure requirements established by the authority by developing a policy that aims to formally disclose the qualitative and quantitative information that the stakeholders disclose, and sets internal control systems to oversee the disclosure process. The company seeks to achieve financial transparency through the disclosure of financial reports, material information and information related to members of the Board of Directors and the executive management and disclosure of information for major shareholders or controlling shareholders, in accordance with the regulatory reporting requirements. This policy helps the board, executive management, and related company management understand their roles and responsibilities in the disclosure process.

3.5 EXTERNAL AUDITOR POLICY

The external audit is an integral part of the integrity of Barwa's business. In view of the importance of the external audit work, the company has developed a policy that regulates all external auditor affairs in full accordance with the relevant requirements and rules of governance.

Barwa Real Estate Company, in accordance with the decision of the General Assembly held on April 15, 2020, appointed Deloitte and Touche as the company's external auditor for the fiscal year ending on December 31, 2020 based on the recommendation of the Board of Directors and the technical and financial offers obtained in light of the requirements of the governance system issued by the Authority. Qatar Financial Markets. Deloitte & Touche is completely independent of the management of Barwa Real Estate Company and its Board of Directors and is registered in the auditors' register stipulated in Law No. (30) of 2004 regarding the regulation of the profession of auditing.

4. BOARD OF DIRECTORS

The Board of Directors is the authority that has all the powers necessary to carry out the company's business except for those that fall within the jurisdiction of the General Assembly in accordance with the law or the company's articles of association. The Board of Directors of Barwa is the main administrative entity. Among his roles and responsibilities, to support the administrative structure, maintain the strategic direction, ensure efficiency and effectiveness, enhance the general situation, maintain integrity and accountability, respond to the demands of shareholders, attend relevant regular important meetings and help in preserving the mission and vision of Barwa Company, discuss or agree on internal audit reports, appoint external auditors and present ideas that would enhance the performance of the company's operations, including its subsidiaries, and implement effective governance.

4.1 FORMATION OF THE BOARD OF DIRECTORS

According to the company's articles of association, the company is managed by a board of directors consisting of seven members, three of them are appointed by the shareholder that owns the preferred stock according to the current percentage of his ownership of the shares. It is not permissible to dismiss any of them except by a decision from the owner of the preferred share, and the remaining four members are elected by the ordinary general assembly by secret ballot. The owner of the preferred stock does not participate in the voting process. The Board of Directors shall, by secret ballot, elect a Chairman and Vice-Chairman for a term of (3) years.

The following table includes the members of the Board of Directors for 2020:

Board Member Name	Position	Status
His Excellency Mr. Salah bin Ghanem Al-Ali	Chairman (Qatari Diar)	Non-executive, non-independent
Mr. Abdullah Hamad Al Atiyyah	Vice Chairman; (Qatari Diar)	Non-executive, non-independent
Mr. Ahmed Mohamed Tayeb	Elected Member (Qatari Diar)	Non-executive, non-independent
Mr. Nasser Sultan Al-Hamidi	Member	Non-executive, independent
Mr. Abdulrahman Mohammed Al-Khayarin	Elected Member	Non-executive, independent
Mr. Nasser Ali Ghassab Al-Hajri	Elected Member Representing Ras Rokun Estate Investment company	Non-executive, independent
Mr. Ahmad Khalid Al Ghanem	Elected Member	Non-executive, independent

4.2 ABOUT THE MEMBERS OF THE BOARD OF DIRECTORS

The company's board of directors includes members with distinguished experiences, skills and competencies in various sectors. Kindly refer to Annexure 1 for more details about the experience of the Board members.

Below is a schedule showing the numbers of shares held by the Board members.

Board Member Name	Number of seized shares to guarantee membership in the Board	Number of shares owned to the company as of 31/12/2020	Number of shares owned to the company as of 31/12/2019
His Excellency Mr. Salah bin Ghanim Al-Ali (Representative for Qatari Diar)	0	0	0
Mr. Abdullah Hamad Al Atiyyah (Qatari Diar)	0	16,010	16,010
Mr. Ahmed Mohamed Tayeb (Qatari Diar)	0	7,140	7,140
Mr. Nasser Sultan Al-Hamidi	0	3,838,492	5,490,819
Mr. Abdulrahman Mohammed Al-Khayarin	0	1	0
Mr. Nasser Ali Ghassab Al-Hajri (Ras Rokun Estate Investment company)	0	0	0
Mr. Ahmad Khalid Al Ghanem	0	0	0

4.3 DUTIES OF THE CHAIRMAN

Among the responsibilities of the Chairman is to lead the company to achieve its strategic goals and the appropriate return for the shareholders. He also takes the lead of the Board and oversees its role in full and adopts the agendas of the Board's meetings, in addition to discussing with the Board's members the recommendations, improvements, strategic initiatives, estimated budgets and available investment opportunities and ensuring that the Board performs the tasks entrusted to it. In addition to periodically discussing the general affairs of the company with the members of the Board and ensuring the existence of a mechanism to evaluate the performance of the members, as well as to communicating with the shareholders. The Chairman may assign some of his duties to the members, committees, managing director or CEO, as he deems appropriate. He also coordinates with the CEO regarding financial and human resources to achieve the desired goals and periodically monitors the company's overall performance through the CEO.

4.4 DUTIES OF THE BOARD MEMBERS

Non-executive board members give independent proposals on strategic issues and develop related proposals, they also study management performance in achieving the agreed goals, monitor the company's performance in achieving its agreed goals and objectives, oversee the development of procedures of corporate governance, and ensure that priority is given to the interest of the company and the shareholders in the event of any conflict of interests. Non-executive board members also review the integrity of information, controls and financial systems, and ensure the strength and integrity of these controls, and providing their diverse skills and expertise to the Board or its various committees through their active participation in Board meetings and public assemblies, and understand shareholder's opinions in a balanced and fair manner.

4.5 BOARD MEMBERS' RESPONSIBILITIES AND OBLIGATIONS:

The Board of Directors must perform its functions and tasks and assume responsibilities according to the following:

1. The Board must perform its tasks with responsibility, good faith, seriousness and concern, and its decisions should be based on adequate information from the executive management, or from any other reliable source.
2. The Board member represents all shareholders, and has to abide by what is in the interest of the company, not the interest of the company he represents or whomever voted for him to appoint him in the Board.
3. The Board must specify the authorities given to the executive management, decision-making procedures and the duration of the delegation, as well as determine the matters in which it is authorized for them to decide upon, and the executive management shall submit periodic reports on its exercise of the delegated authorities.
4. The Board should ensure that procedures are in place to familiarize the new Board members with the company's work, especially the financial and legal aspects, as well as train them if necessary.
5. The Board must ensure that the company provides adequate information about its business to all members of the Board in general and to non-executive board members in particular in order to enable them to carry out their duties and tasks efficiently.
6. The Board is not permitted to obtain loan contracts of a maturity exceeding three years, or sell or mortgage the company's real estate, or to absolve the company's debtors of their obligations unless it is authorized to do so in the company's system and under the conditions set out in it, and if the company's system includes provisions in this regard, then the Board may not perform the mentioned actions without getting permission from the General Assembly, unless such actions are included in the company's business.
7. Regular attendance at Board meetings and committees, and not withdrawing from the Board except for necessity and at an appropriate time.
8. Boosting the interest of the company, partners, shareholders and other stakeholders, and giving it priority over the personal interest.
9. Express an opinion on the strategic issues of the company, its policy in implementing its projects, the accountability systems of its employees, its resources, basic appointments, and their applicable standards.
10. Monitor the company's performance in achieving its goals and objectives, and review reports on its performance, including annual, semi-annual and quarterly reports.
11. Supervise the development of the governance procedures, and work on implementing them in an optimal manner in accordance with this system.
12. Exploiting their various skills and experiences by diversifying their competencies and qualifications in managing the company in an effective and productive way, and working to achieve the interest of the company, partners, shareholders and other stakeholders.
13. Effective participation in the general assembly of the company, and achieving the demands of its members in a balanced and fair manner.
14. Not to make any declarations, statements or information without prior written permission of the Chairman or his delegate, and the Board shall designate the company's spokesperson.
15. Disclosure of financial and commercial relations, and judicial cases that may negatively affect the performance of the tasks and functions assigned to them.

4.6 BOARD CODE OF CONDUCT

Barwa's Board is committed to the highest levels of commercial integrity and conduct and to "code of ethics and professional conduct", and to the job description details stipulated in Barwa's Corporate Governance Manual and Policies. The Board is the representative of the interests of the shareholders in the company, as all members must apply the company's values, and practice all their dealings with honesty and integrity. The Board members also act in good faith and in the interest of Barwa and the shareholders, in addition to promoting a culture of moral behavior.

4.7 BOARD'S CHARTER

The company has prepared a "Board Charter" to help its Board to exercise its authorities and perform its duties. The charter details the purpose of the Board, its composition, the role and responsibilities of the Board, meeting procedures, quorum and decisions, and it has been published on the company's website to become a general reference for stakeholders.

4.8 SEPARATION OF TASKS

The company pursues the principle of separation between the position of Chairman of the Board and any executive position the company, where His Excellency Mr. Salah bin Ghanem Al Ali occupies the position of Chairman of the Board of Directors, while Mr. Abdullah Jobara Al Romaihi occupies the position of the CEO of Barwa Real Estate Company.

4.9 BOARD MEETINGS

Board meetings are held regularly in accordance with the requirements of the Commercial Companies Law No. (11) of 2015, the company's articles of association, the corporate governance system and legal entities listed in the main market issued by the Qatar Financial Markets Authority (QFMA).

The Board Secretary keeps the minutes of the Board's meetings and distributes agendas of the meetings. The Board of Directors of Barwa Real Estate Company held eleven meetings during 2020, during which the topics, strategies and projects of the company were discussed.

4.10 EVALUATION OF BOARD MEMBERS' PERFORMANCE

The Remuneration and Nominations Committee undertakes the evaluation process on an annual basis in accordance with the methodology adopted by the Board of Directors in the company's governance system during the year by providing an appropriate system to monitor the performance of the Board and to ensure that Board members are fully fulfilling their role and responsibilities.

4.11 BOARD REMUNERATIONS

The value of the Board's remuneration for the financial period ended.

4.12 BOARD'S SECRETARY

A secretary has been appointed to the company's Board with university qualifications and relevant work experience. The terms of reference and job description govern the functions of the Board's secretary in the corporate governance system. He is responsible for preparing agenda items for Board meetings, drafting the minutes of meeting, and coordinating between Board members, and between the Board and other stakeholders, including shareholders, management and employees, in addition to archiving, organizing and maintaining records of Board meeting minutes, documents and reports related to the work of the Board and its committees and related correspondence, in addition to ensuring communication and flow of information between the Board, the executive management and shareholders.

5. BOARD'S COMMITTEES

The Company's Board of Directors has a flexible administrative model to facilitate the conduct of its works. The pillars of this model are based on the formation of three committees from the Board of Directors, the Executive Committee, the Nomination and Remuneration Committee and the Audit Committee. Each committee plays a fundamental role in helping the Board to carry out the tasks and duties assigned to it in managing the company effectively.

Board committees adhere to their detailed terms of reference, and report regularly to the Board on their actions and deliberations. The Board approves the formation of these committees and their terms of reference. In this regard, the Board is committed to implementing the provisions of the governance system.

Below are the Board committees, tasks and members of each committee during 2020:

5.1 AUDIT COMMITTEE

The Audit Committee of Barwa Real Estate Company consists of three members chaired by an independent member with financial experience in the audit field. The Audit Committee monitors financial and accounting policies and financial and internal controls on a regular basis. The Internal Audit Department reports directly to the Audit Committee to ensure the independence of these internal controls. The Committee also recommends the external auditors to the Board for approval at the annual general assembly and manages them.

The Audit Committee held six meetings during 2020:

Members of the Audit Committee:

Mr. Nasser Sultan Al-Hamidi	Chairman	Non-executive	Independent
Mr. Ahmed Mohamed Tayeb	Member	Non-executive	Non-independent
Mr. Ahmad Khalid Al Ghanem	Member	Non-executive	Independent

The committee's major achievements for the year 2020 are the following:

1. Discussing the auditor's reports on the financial statements for the year 2020 and submit the recommendation to the Board of Directors.
2. Reviewing the quarterly, semi-annual and annual financial results for the fiscal year 2020 and submit the recommendation to the Board of Directors.
3. Submission of a proposal to the Board of Directors regarding the appointment of the external auditors for the fiscal year 2020 and their estimated fees.
4. Submission of a proposal to the Board of Directors regarding the appointment of the Sharia Supervisory Board for the fiscal year 2020 and their estimated fees.
5. Developing an internal audit plan for the year 2021.
6. Following up on the implementation of the audit plan and submit the recommendation to the Board of Directors.
7. Approve of the Internal Audit Department's budget for the year 2021.
8. Review of the organizational structure of the internal audit department.

Based on the annual evaluation, the Board is satisfied with the performance of the Committee in implementing its responsibilities, authorities and the recommendations it presented during the year ended December 31, 2020.

5.2 REMUNERATION AND NOMINATION COMMITTEE

Remuneration and Nomination Committee of Barwa Real Estate Company consists of three members, responsible for developing transparent procedures for the nomination and appointment of Board members, determining their responsibilities and ensuring the availability of appropriate skills and their adherence to deadlines. The committee also undertakes the task of supervising the evaluation of the Board and the administration, supervising the corporate governance affairs of the Board, including drafting and recommending governance principles and policies, and defining the remuneration policy in the company, including the remuneration of the Chairman, and all members of the Board and senior executive management receive.

Remuneration and Nomination Committee held five meetings during 2020.

Members of the Remuneration and Nomination Committee for the year 2020:

Mr. Nasser Ali Al Hajri	Chairman	Non-executive	Non-independent
Mr. Abdullah Hamad Al-Attiyah	Member	Non-executive	Non-independent
Mr. Ahmad Khalid Al Ghanem	Member	Non-executive	Independent

The committee's major achievements for the year 2020 are the following:

1. Re- examine and discuss the remuneration mechanism for the employees and the company's CEO.
2. Submit a proposal to the Board of Directors on the annual remunerations of the Board members and the members of the Board's Committees.
3. Discussed the performance evaluation of the members of the Board and its committees.
4. Interviewed a group of potential candidates for leadership roles in the company.
5. Submit a recommendation to the Board of Directors for the candidate of the CEO's position for the company.

Based on the annual evaluation, the Board is satisfied with the performance of the Committee in implementing its responsibilities, authorities and the recommendations it presented during the year ended December 31, 2020.

5.3 EXECUTIVE COMMITTEE

The Executive Committee of Barwa Real Estate Company consists of three non-executive members who were appointed by the Board to perform the role of the Board's advisory body, review the business strategy, the annual budget, and the capital structure of Barwa and provide recommendations to the entire Board.

The Executive Committee held eight meetings during 2020.

Members of the Executive Committee for the year 2020:

Mr. Abdullah Hamad Al Atiyyah	Chairman	Non-executive	Non-independent
Mr. Abdulrahman Mohammed Al-Khayarin	Member	Non-executive	Independent
Mr. Nasser Ali Al Hajri	Member	Non-executive	Independent

The committee's major achievements for the year 2020 are the following:

1. Discussed the estimated budget for 2021 and submit the recommendation to the Board of Directors.
2. Discuss the performance indicators for the year 2021 and submit the recommendation to the Board of Directors.
3. Study a set of financing and refinancing offers for the company and submit the recommendation to the Board of Directors.
4. Study the update of some department's policies and procedures in some departments of the company and submit the recommendations to the Board of Directors.
5. Follow-up on the work progress and related matters in Waseef company.
6. Review the feasibility studies of a group of projects and submit the recommendation to the Board of Directors.

1. Follow up on the implementation of the company's projects.
2. Study the proposal to amend the organizational structure of the company and submit the recommendation to the Board of Directors.
3. Review the company's cash position.

Based on the annual evaluation, the Board is satisfied with the performance of the Committee in implementing its responsibilities, authorities and the recommendations it made during the year ended December 31, 2020.

6. EXECUTIVE MANAGEMENT

Mr. Abdulla Jobara Alromaihi:
Mr. Abdulla Jobara Alromaihi is currently The Group CEO and Chairman of Qatar Project Management (QPM) as well as Chairman of the Investment Committee at the Ministry of Culture and Sports, prior to which he served as CEO of Wassef Asset Management and Vice Chairman of Qatar Project Management. He has also held several management and supervisory positions in several subsidiaries and associates of Barwa. "Alromaihi" has previously been appointed as Director of Audit of Barwa Real Estate Group, Chief Operating Officer and Project Manager at Barwa Bank, Chairman and Managing Director of Amlak Finance, and held several management positions in variant sectors related to project management and public administration.

He holds master's and bachelor's degrees in management and Information Systems from United Kingdom Universities, as well as an Executive Management Program from the University of Virginia in the United States of America.

"Alromaihi" has over 30 years of experience in management, financial, strategic, and operational leadership in a variety of sectors including Real Estate Investment and Development, Property and Facility Management, Asset Management, Banking and Finance, and Information Technology.

"Alromaihi" is a fellow of the Chartered Management Institute (CMI) and has been involved in number of executive courses and development tasks in various areas such as financial management, investment, governance, and strategies. He has a proven track record of leading organizations and being able to develop them and use their resources to achieve their vision and objectives and reach best practices within those organizations that are dynamic and changing.

Mr. Tamer El-Sayed:
Mr. Tamer El Sayed Mohamed is the Group's Chief Financial Officer since May 2014. Mr. Tamer joined Barwa Real Estate Group in the year 2008 and is currently serving as a Board Member for several subsidiary and associate companies of Barwa.

Mr. Tamer holds a Bachelor of Commerce – major accounting from Cairo University, and he holds many international professional qualifications such as CPA, CMA and preparing for level III, CFA.

The total professional experience of Mr. Tamer exceeds 21 years in different areas of external auditing and financing in many international firms and companies.

Mr. Yousef Al-Binali:
the Group Chief of Corporate Operations since April 2017, has held various positions during the course of the process, which started in 1995 in a number of companies and institutions, including Qatar Petroleum - Ministry of Education - Qatar Authority for Charitable Activities. He also board member of the executive management committees.

Mr. Youssef Al-Binali graduated from Qatar University in 1999 with the degree of Technological Diploma - Office Administration .

Mrs. Dana Abdul-Aziz Al-Ansari:

Mrs. Dana Abdulaziz Al-Ansari holds the position of Group Director of Legal and Compliance since January 2018. She held the positions of Manager of Litigation and Corporate Affairs at Barwa and Senior Legal Counsel in addition to other positions during her working period with Barwa since 2006. She is also a member of the Board of Directors of several subsidiaries and associates of Barwa in addition to the executive management committees.

She holds a bachelor's degree in Law from Qatar University and an Executive Master's degree in Law from Northwestern University, USA.

Mr. Mohammed Ibrahim Al-Emadi:
Mr. Mohammed Ibrahim Al-Emadi has held the position of Group Chief Asset Management Officer since July 2020. He has held many other positions in his career. He started his career as Maintenance Engineer and later achieved the position of Maintenance Department Manager in the Qatar Steel during the period 1995 to 2008. He also worked as a Chief Real-Estate Asset Management Officer at Qatar Real Estate Investment Company during the period 2008 to 2018.

Subsequently, he held the position of Director of Portfolio of Waseef Asset Management Co. during the period 2018 until July 2020.

Mr. Mohammed Ibrahim Al-Emadi received his Bachelor of Science in Engineering Degree in Industrial and Systems Engineering from University of Southern California (USC) in 1995.

Mr. Ahmad Ibraheem Al Darwish:
Eng. Ahmed Ibrahim Al Darwish is Group Chief Development Officer in Barwa Real Estate, Eng. Al-Darwish has long experience in his field, as he worked at Ras Gas Company for nearly 19 years, during which he advanced in a number of positions, working as Chief Human Capital Officer and Chief Management Services Officer. He then moved to Q-Chem as the Chief Administration Officer. Eng. Al Darwish holds a Bachelor's of Science in Civil Engineering from Qatar University, and Master of Business Administration from The University of Hull in the United Kingdom, and Master Certification in Project Management from George Washington University School of Business and Public Management.

Eng. Al-Darwish is a member of The Chartered Management Institute of the United Kingdom (CMI), and The Project Management Institute (PMI), as well as The International Facilities Management Association (IFMA).

Shares owned by Members of the Executive Management:

Mr. Yousef Ahmad Al-Binali, Group Chief of Corporate Operations, owns 5,410 shares.

Executive Management Remunerations and Compensations in 2020:
The value of executive management remunerations and compensation for the financial period ended December 31, 2020 amounted to QR 0000 thousand.

Achievements of the Executive Management in 2020:

1. Winning the tender for developing and operating Qatar schools – Package one in partnership with the Public Works Authority, Ashghal
2. Start of sales activities of Dara A units
3. Start of construction works for Madinatna & Barahat Al Janoub projects
4. Start of full operation for the first, second and third phases, as well as the shopping center of Mukaynis Compound – Affordable Residential City
5. Increasing rental income during the fiscal year 2020 by 13% compared to 2019
6. Extension of the contract for Al Khor land (Real Estate Company) for a period of 99 years
7. Start of operation for Al Khor Workers Sports Complex during the second quarter of 2020
8. Negotiating with banks to reduce the minimum costs of financing credit facilities
9. Termination of the settlement with Tanween regarding its claims
10. Hiring a consulting firm to support the brand and improve communication with the market
11. Formation of a Crisis Management Committee during Covid 19 pandemic

1. Activating electronic payments services with banks

2. Reaching 50% Qatarisation as of December 31, 2020

Based on the annual evaluation, the Board is satisfied with the performance of the Executive Management in implementing its responsibilities, authorities and the recommendations it presented during the year ended December 31, 2020.

7. INTERNAL CONTROL SYSTEM

The Board is fully responsible for the company's internal control system, and the purpose of this system is to establish trustworthy standards and regulations that contain the means of internal control and these controls are to ensure the accuracy and credibility of Barwa's accounts and records, the integrity of transaction licenses and the protection of group assets. The purpose of the internal control system is to disclose any risks that threaten Barwa's position or to comply with the regulations in order to set the record straight.

The internal control of the company includes the Internal Audit Department, which submits reports containing proposed corrective procedures for all problems that were found during the audit process, and the Compliance Department, which makes sure that the group complies with all the requirements of governance, laws and regulations prevailing in the State of Qatar, and works to avoid the risks resulting from non-compliance with these laws.

It is worth noting that the company evaluated the internal control system of the financial reports at the end of the 2020 fiscal year, the results were satisfactory, and the results were shared in the Annual report and the external auditor's report.

8. RISK DEPARTMENT

Barwa monitors through the Risk Management department regulatory risk issues and that the related activities are carried out in a safe manner and in accordance with the regulations. The audit committee monitors financial and accounting policies, financial controls, internal controls and Barwa's risk management system on a regular basis. It is the responsibility of management to regularly identify, assess, monitor and manage risks across the company. This system includes the internal procedures applied in the company. The company also has tight controls and inherent systems that govern the new deals and relationships with related parties.

In this context, the company will apply the risk management policy across the entire company. The main aspects of this policy are that the company's Board, with the support of the Audit Committee and the Internal Audit Department, reviews quarterly all the risks, that the company and its subsidiaries, may face. The responsibility for determining the risks that any of these companies may face rests with their Executive Management and their employees, while the company's risk management undertakes review and compilation of the identified risk assessments and ways of re-mediation. The Internal Audit Department independently reviews the risk management reports on a quarterly basis, and submits observations on the integrity of these reports to the Audit Committee and Risk Department. The competent department shall collect the risks and the procedures to be followed to mitigate the effects of the risks, and submit them quarterly to the Audit Committee.

9. COMPLIANCE DEPARTMENT

The primary responsibility of the Group's Compliance Department is to assist the Board of Directors and the Executive Management to comply efficiently in order to protect the Group from incurring any financial losses "that may occur" due to failure to comply with laws. Compliance risk includes legal / statutory risk in addition to material loss and reputational risk. The Compliance Department also helps both the Board of Directors and the Executive management to improve internal control procedures that reduce compliance risks and the risks of money laundering and terrorist financing. Moreover, it plays the role of coordinator between the group and the supervisory authorities, and informs management of any developments in laws and regulations.

10. INTERNAL AUDIT AND ITS ACTIVITIES

The Internal Audit Department provides assurances and advisory services objectively and independently, with the aim of adding value to the company and improving its operations. This activity carried out by the Internal Audit Department assists in achieving the company's goals through adopting a systematic and structured method to evaluate and improve the effectiveness of risk management, control and governance. The Internal Audit Department also reports to the Audit Committee periodically in accordance with the requirements of the relevant governance rules.

The Internal Audit Department's major achievements for the year 2020 are the following:

1. Preparation and implementation of a Risk-Based Internal Audit Plan.

2. Review and evaluate the Operations, Risk management and Internal Control Framework through the implementation of the Internal Audit Plan for Barwa Company and its main subsidiaries.

3. Follow up on the implementation of the previous internal audit recommendations.

4. Carry out advisory services, which go beyond internal audit services, to assist the management in achieving its objectives, in accordance with the International Standards of the internal auditors.

5. Issuance of periodic reports to the Audit Committee.

6. Conduct special reviews were conducted on the issues raised by the Audit Committee / Board of Directors and the results were presented to them.

7. Compliance with the Internal Audit Manual based on the International Standards for the Professional Practice of Internal Auditing.

The Internal Audit department is headed by Mr. Zayed Al-Mutawa:

Mr. Zayed Al-Mutawa has held the position of Head of Internal Audit for the Group since September 2013. He has held many other positions in his career. He started his career as an accountant in the Ministry of Finance and Economy during the period October 1997 to February 2001. He also worked as an auditor at the State Audit Bureau during the period April 2001 to October 2010. Subsequently, he held the position of Head of the Finance Department section of the Dreama Foundation during the period February 2011 to January 2012.

Mr. Zayed Al-Mutawa received his bachelor's degree in Accounting from the College of Administration and Economics at Qatar University in 2000.

11. EXTERNAL AUDIT

Barwa Real Estate Company appointed Deloitte and Touche "Deloitte" as External Auditor for Barwa to provide semi-annual auditing and year-end audit services.

This appointment comes after the approval of the General Assembly at its meeting on April 15, 2020 to appoint the external auditor (Deloitte) and determine its compensations, as it is one of the firms registered in the auditors register stipulated in Law No. (30) of 2004 regulating the profession of auditing, and it has practiced the profession for at least ten continuous years, and it is independent of the company.

In addition to Articles (65-66) of the amended Articles of Association of the company that govern the work and missions of the auditor, the company's internal governance manual includes the roles and responsibilities assigned to the external auditor and the appointment and termination policy in addition to the role of the Audit Committee in overseeing the work of the external auditor.

12. INSIDE TRADING AND RELATED PARTIES

The company follows tight controls and inherent systems that control its entry in the new deals and relationships with related parties, and the company's policy prohibits the Chairman, board members and executives from entering into any sales or purchase deals for the company's shares during the specified period from the Qatar Stock Exchange until the public announcement of the financial statements and none of the related parties had any deals within the ban period during 2020.

In light of the disclosure requirements set out in the Corporate Governance Law approved by the Qatar Financial Markets Authority (QFMA), the company has strengthened its policies for related parties, especially its current annual disclosure by members of the Board and senior management regarding their interests, their contribution, the company's stock trading, and other boards of directors, Significant deals with the company, employment and contribution of relatives, qualifications, experience and other interests.

The company has also formulated clear guidelines for inside trading in accordance with the Corporate Governance Manual and policies to prevent board members and employees from dealing in the company's shares that may be subject to inside trading, and to disclose relevant information when it is available.

Information about transactions with related parties can be obtained by checking the notes to the audited and consolidated financial statements for the financial year ended 31 December 2020.

13. SHAREHOLDER'S RIGHTS AND AVAILABILITY OF INFORMATION

The company guarantees that all shareholders have the right to see all relevant information and disclosures by publishing them on the website in addition to the annual reports. All information related to members of the board of directors and their qualifications, shares they own in the company, their superiors or their membership in boards of other companies, as well as information related to company's executives. All stakeholders can obtain all relevant information in a manner that does not harm the interest of the company.

The shareholder or shareholders who own less than 10% of the company's capital are entitled, for serious reasons, to request the general assembly to convene, while the shareholders who represent at least 25% of the capital are entitled to request the extraordinary general assembly to convene, as this item is not present in the articles of association. It will be added during this year.

Profits are also distributed in accordance with the recommendation of the Board of Directors and the decision of the general assembly of the company in its annual regular meeting, and in light of the provisions of Article (40) of the company's articles of association.

According to the provisions of Article (18) of the company's articles of association, which stipulates that "every share entitles its owner to a share equal to the others without discrimination, whether with regard to the ownership of the company's assets or in the profits that are divided according to the manner shown below", the profits are distributed to the shareholders. According to the provisions of Article (50) of the company's articles of association, every shareholder has the right to attend the General Assembly, either on his behalf or through proxy.

This is with a statement that the company's management is about to study a mechanism for determining a minimum net profits that must be distributed to shareholders. The company will add this item to the company's articles of association upon completion of this study, as required by the governance system.

14. SHAREHOLDER'S REGISTER

Taking into consideration the provisions of the company's articles of association, Article (159) of the Commercial Companies Law No. (11) of 2015, Article (30) of the Corporate Governance law and legal entities listed in the main market issued by the Qatar Financial Markets Authority, and based on the direction of the Qatar Stock Exchange, the company keeps correct, accurate and up-to-date records of the company's shareholders, as the company requests a monthly shareholder register from Qatar Central Securities Depository Company. Any shareholder or any related parties can view the shareholders' register and obtain all relevant information.

The following is information showing the shares of the major shareholders of the company:

Shareholder Name	Country	Number of Shares	%
Qatari Diar Company	Qatari	1,751,060,870	45%

15. CASES, CONFLICTS AND VIOLATIONS

Barwa Real Estate Company adheres to the governance systems applicable in the Qatar Financial Markets Authority, the corporate governance system of joint stock companies listed in the main market, the regulations, laws and procedures applied in the State of Qatar, and the relevant international procedures and laws to secure the highest levels of commitment and compliance. The company's regulations and systems and corporate governance system have been developed to ensure this commitment.

The Corporate Governance Manual approved by the company contains a clear policy related to reporting violations, as well as detailed procedures on how to implement this policy in the company. The company did not commit any violations during 2020.

It should be noted that there are judicial disputes in the courts, with a total number of 11 cases in which the degrees of litigation range from primary to appeal.

16. SOCIAL RESPONSIBILITY

The corporate social responsibility focuses on ethical, social and environmental matters. Barwa is committed to ethical and legal standards in terms of exercising its activities and contributing to achieving economic development and working to improve the quality of living conditions for its employees in the company and their families in addition to the local community and society as a whole, and to respond to the demands of stakeholders and the environment in which it operates. Barwa believes that corporate social responsibility is not just about charitable work, but also includes investing in society. It also includes the management of the institution and all its employees. Therefore, the company is keen to invest in the local community in Qatar as well as in the communities in which it operates.

The amount paid for all social responsibility activities amounted to 37,569,000 QR during the year 2020.

The major achievements of social responsibility in 2020 are the following:

1. Cooperate with Waseef and Qatar Charity to organize awareness and preventive campaigns to address the Corona-virus for workers residing in Barwa projects, with the aim of providing all information about the virus in order to raise the level of workers' readiness to protect themselves, and providing health education in the different languages of the workers' nationalities to ensure their understanding and application.
2. Provide sterilization tools and personal care to workers to reduce the possibility of infection. The number of beneficiaries of the campaign reached nearly 12,000 workers, and Qatar Charity distributed to the beneficiaries more than 12 thousand health and awareness bags containing personal hygiene tools, sterilizers and masks, in addition to awareness leaflets for each worker in his language.
3. Organize blood donation campaigns, in cooperation with Hamad Medical Corporation, in Barwa Al-Sadd Towers, in order to support the blood bank with the resources it needs.
4. Postpone the payment of the rents of commercial units, stores, workshops, showrooms and offices of its projects affected by the surrounding conditions for a period of three months, starting from the April 2020 rent, with facilitating the payment of dues.
5. Support the Qatari expertise through cooperation with qualified and experienced national companies in the construction sector and real estate development.
6. Signed a joint cooperation agreement with Qatar University with the aim of exchanging expertise, scientific research and field training, which aims to nurture Qatari talent in the field of architecture and link them to the work market. In the same context, Barwa developed and provided a professional and field training program for engineering students from Qatar University that began in December 2020 for a month, during which the engineering team in charge of real estate development at Barwa Real Estate presented an integrated program of fieldwork, discussions and intensive studies.
7. Support and sponsor the activities of the National Day 2020, as the Group believes in consolidating the national identity.
8. Participated in the campaign "Beautify Qatar and our children plant a tree" organized by the Public Works Authority, which aims to spread awareness among young people about the importance of planting trees in preserving the environment and health.

Appendix (1) Board Member CVs

HIS EXCELLENCY MR. SALAH BIN GHANIM BIN NASSER AL ALI
CHAIRMAN OF THE BOARD OF DIRECTORS

H.E. Mr. Salah Bin Ghanim Bin Nasser Al Ali was appointed as Qatar's Minister of Sports and Culture on January 27th, 2016 after more than two years as Minister of Youth and Sports. His Excellency held a number of public positions such as Chief of the State Audit Bureau between 2006 and 2011, during which H.E participated in developing a strategic plan for the Bureau aimed to assisting in achieving sustainable development for Qatari society and to strengthen accountability. His Excellency was designated to take on various public service responsibilities, such as Head of the National Committee for Integrity and Transparency between 2007 and 2011.

He was also appointed as Head of the State National Day Celebrations Organizing Committee in 2008 whereas he participated in formulation of the National Day vision that calls for promoting loyalty, solidarity and pride in Qatari national identity. In 2011, he was appointed as consultant in the office of Heir Apparent till 2013. In 2012, H.E. participated in the launch of Al Rayyan TV with a mission to support the renaissance of Qatar, consolidate its national identity and take into account its sustainable development. This is in addition to being a member of the board and a trustee for many governmental institutions and bodies, such as the Social and Sport Contribution Fund, Supreme Committee for Delivery and Legacy, Qatar National Library, National Tourism Council and the Qatar Museums Authority. H.E. participated in many conferences and forums and provided many lectures and presentations in the field of innovation, motivation and governance. H.E. Mr. Al Ali graduated from US-based Pacific University in 1992 with a Bachelor of Science in Engineering Management.

ENG. ABDULLAH BIN HAMAD AL-ATTIYAH
VICE CHAIRMAN OF BOARD OF DIRECTORS

Eng. Abdullah bin Hamad Al Attiyah holds MSc in Chemical Engineering from the University of Nottingham, United Kingdom and a bachelor's degree in mechanical engineering from Cardiff University, United Kingdom. Eng. Al Attiyah has an extensive and vast work experience in many sectors in the country, where he started his career with Qatar Petroleum as Operations Engineer until 2011 when he moved to Ras Gas as a Senior Project Engineer, and in 2012 he became Director of Onshore Planning and Development.

In 2014, Eng. Al-Attiyah assumed new duties as the Acting Executive Director of the Program Management Office at the Supreme Committee for Delivery and Legacy, before promoting his career and occupying in 2015 the position of Director of the Technical Office in the Public Works Authority "Ashghal". Eng. Al-Attiyah progressed in positions until he became Assistant Chairman of the Ashghal Authority until the year 2018, when he was appointed as Deputy Chairman of the Board of Directors of Qatar Primary Materials Company, until he was subsequently assigned by the Board to assume the duties of the acting CEO of the company until early May 2018. It should be noted that during the same period, specifically in January 2017, Engineer Abdullah Al-Attiyah was appointed as a member of the Board of Directors of Qatari Diar Real Estate Investment Company, and in July 2018 he assumed the position of CEO of the company.

MR. AHMAD MOHAMMAD TAYEB
BOARD MEMBER

Mr. Ahmed Mohamed Tayeb is currently working as Chief of Investments at the Qatari Diar Real Estate Investment Company in which he manages a portfolio of 35 billion USD. Mr. Ahmed Mohammad Tayeb began his career by working for seven years in the Department of Communications and Operations for the Special Forces - Ministry of Interior, after which he joined Ras Gas for six years, where he worked on a number of projects. Then he joined the Amiri Diwan to work on projects for two years, and before joining Qatari Diar Company, he worked for two years in the Project Management Office of the Supreme Committee for Delivery & Legacy. Prior to that, Mr. Ahmed Tayeb managed the family's business. He is also a chairman and member of several boards of directors of several companies inside the country. Mr. Ahmad holds a master's degree in electrical engineering from the University of Colorado Denver in the United States.

MR. NASSER BIN SULTAN NASSER AL-HEMAIDI
BOARD MEMBER

Nasser bin Sultan Nasser Al-Hemaidi was appointed in 2017 a member of the Qatari Shura Council by Amiri Decree. Mr. Nasser Al-Hemaidi is a member of several boards of directors of Qatari shareholding companies. He is a member of the Board of Directors of Qatar Fuel Company WOQOD since 2008 and a member of the Board of Directors of Qatar National Cement Company. He also served as the Financial Director of the Qatar Olympic Committee as well as being a businessman involved in various business and economic activities. Mr. Nasser Al Hemaidi holds a Bachelor's Degree in Business Administration.

DR. ABDULRAHMAN MOHAMMED AL-KHAYARIN
BOARD MEMBER

Dr. Abdulrahman bin Muhammad Al-Khayarin is currently the Advisor to the Board of Directors at Widam Food Company after he served as CEO of the company. He also previously worked in the field of real estate investment in Qatari Diar, and he is registered as a real estate expert in the Ministry of Justice. He is a member in the Board of Directors of Masraf Al Rayan. Dr. Al-Khayarin holds many university degrees, the last of which is a Ph.D. in Urban Planning from the University of Wales Trinity Saint David in the United Kingdom.

DR. NASSER BIN ALI AL HAJRI
BOARD MEMBER.

Dr. Nasser Ali Al Hajri works as the Director of Financial and Administrative Control in the office of H.H. the Father Emir. He is also a member of the Board of Directors and Managing Director of Q Steel Factory. Dr. Nasser Al-Hajri holds a PhD in Business Administration – Finance, the field in which Dr. Al Hajri has prepared many research papers.

MR. AHMAD KHALID AL-GHANIM
BOARD MEMBER

Mr. Ahmad bin Khalid Al-Ghanim holds the position of Acting Director of the Prevention Department at the General Directorate of Civil Defense at the Ministry of Interior after he headed the Engineering Plans section in it. Mr. Al-Ghanim is a member of a number of committees, including the Engineers Admission Committee as a representative of the Ministry of Interior and Civil Defense, a member of the Committee for the Study of Planning Requirements at the Ministry of Municipality and Environment. He participated in many coordination meetings for major projects in the country, and he also attended several meetings for GCC Civil Defense Directors, as a representative of the General Directorate of Civil Defense. Mr. Ahmad bin Khalid Al-Ghanim holds a Bachelor's degree in Engineering from Eastern Kentucky University (EKU), USA.

MR. FAHAD AHMED AL-KUWARI
BOARD OF DIRECTORS SECRETARY

Mr. Fahad Al Kuwari holds a Bachelor of Science in 1996 from Qatar University. He worked in several positions in Barwa Real Estate, including the position of, Assistant Secretary for the Board of Directors, Director of Property Management and Director of Operations Projects. Before joining Barwa, Mr. Al Kuwari worked in the Public Works Authority and held several positions there. Mr. Fahd Al-Kuwari also worked in the Ministry of Municipal Affairs and Agriculture in sanitation affairs, and the public relations at the Ports Department of the Ministry of Transport and Communications.

Management Assessment of Internal Control over Financial Reporting

General

The Board of Directors of Barwa Real Estate Company Q.P.S.C and its consolidated subsidiaries (are referred to as the "Group") is responsible for establishing and maintaining ade¬quate internal control over financial reporting ("ICOFR") as required by Qatar Financial Markets Authority ("QFMA"). Our internal control over financial reporting is a process de-signed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Group's consolidated financial statements for external reporting purposes in accordance with International Financial Reporting Standards (IFRS). ICOFR also includes our disclosure controls and procedures designed to prevent misstatements.

Risks in Financial Reporting

The main risks in financial reporting are that either the consolidated financial statements are not presented fairly due to inad¬vertent or intentional errors or the publication of consolidated financial statements is not done on a timely basis. A lack of fair presentation arises when one or more financial statement accounts or disclosures contain misstatements (or omissions) that are material. Misstatements are deemed material if they could, individually or collectively, influence economic decisions that users make on the basis of the consolidated financial statements.

To confine those risks of financial reporting, the Group has established ICOFR with the aim of provid¬ing reasonable but not absolute assurance against material misstatements. We have also assessed the design, implementation and operating effectiveness of the Group's ICOFR based on the criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). COSO recommends the establishment of specific objectives to facilitate the design and evaluate the adequacy of a control system. As a result, in establishing ICOFR, management has adopted the following financial statement objec¬tives:

- Existence / Occurrence - assets and liabilities exist and transactions have occurred;
- Completeness - all transactions are recorded, account balances are included in the consolidated financial statements;
- Valuation / Measurement - assets, liabilities and transactions are recorded in the financial reports at the appropriate amounts;
- Rights and Obligations and ownership - rights and obligations are appropriately recorded as assets and liabilities; and
- Presentation and disclosures - classification, disclosure and presentation of financial reporting is appropriate.

However, any internal control system, including ICOFR, no matter how well designed and operated, can provide only reasonable, but not absolute assurance that the objectives of that control system are met. As such, disclosure controls and procedures or systems for ICOFR may not prevent all errors and fraud. Furthermore, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs.

Organization of the Internal Control System

Functions Involved in the System of Internal Control over Financial Reporting

Controls within the system of ICOFR are performed by all business and support functions with an in¬volvement in reviewing the reliability of the books and records that underlie the consolidated financial statements. As a result, the operation of ICOFR involves staff based in various functions across the organization.

Controls to Minimize the Risk of Financial Reporting Misstatement

The system of ICOFR consists of a large number of internal controls and procedures aimed at minimizing the risk of misstatement of the consolidated financial statements. Such controls are integrated into the operating process and include those which:

- Are ongoing or permanent in nature such as supervision within written policies and procedures or segregation of duties;
- Operate on a periodic basis such as those which are performed as part of the annual consolidated financial statement preparation process;
- Are preventative or detective in nature;
- Have a direct or indirect impact on the consolidated financial statements themselves. Controls which have an indirect effect on the consolidated financial statements include entity level controls and Information Technology general controls such as system access and deployment controls whereas a control with a direct impact could be, for example, a reconciliation which directly supports a balance sheet line item; and
- Feature automated and/or manual components. Automated controls are control functions embedded within system processes such as application enforced segregation of duty controls and interface checks over the completeness and accuracy of inputs. Manual internal controls are those operated by an individual or group of individuals such as authorization of transactions.

Measuring Design, Implementation and Operating Effectiveness of Internal Control

- For the financial year 2020, the Group has undertaken a formal evaluation of the adequacy of the design, implementation and operating effectiveness of the system of ICOFR considering:
- -The risk of misstatement of the consolidated financial statement line items, considering such factors as materiality and the susceptibility of the financial statement item to misstatement; and
- -The susceptibility of identified controls to failure, considering such factors as the degree of automation, complexity, and risk of management override, competence of personnel and the level of judgment required.
- These factors, in aggregate, determine the nature, timing and extent of evidence that management requires in order to assess whether the design, implementation and operating effectiveness of the system of ICOFR is effective. The evidence itself is generated from pro¬cedures integrated within the daily responsibilities of staff or from procedures implemented specifically for purposes of the ICOFR evaluation.
- The evaluation has included an assessment of the design, implementation, and operating effectiveness of controls within various processes including revenue, receivables and receipts, procurement, payables and payments, leases, financial and non-financial investments, cash and treasury, human resources and payroll, investment and trading properties, property, general ledger and financial reporting, fixed assets, technology and systems controls, and entity level controls.

The evaluation also included an assessment of the design, implementation, and operating effectiveness of Entity Level Controls, Information Technology General Controls, and Disclosure Controls.

As a result of the assessment of the design, implementation, and operating effectiveness of ICOFR, management did not identify any material weaknesses and concluded that ICOFR is appropriately designed, implemented, and operated effectively as of December 31, 2020.

Shari'a Supervisory Board Report

In the name of Allah the merciful

FATWA AND SHARIA COMPLIANCE AUTHORITY REPORT REGARDING BARWA REAL ESTATE CO.

Alhamdulillah and Peace be upon His prophet Mohammed, his family, companions and followers.

We at the Fatwa and Shari'a Supervisory Authority of Barwa Real Estate Company, have checked the applied principles and the transactions related to contracts, as well as the applications which the company had implemented during the year ended 31 December 2020, and carried out the required check for giving our opinion about whether the company has complied with the provisions and principles of the Islamic Shari'a and the fatwas, decisions and specific directives previously issued from our part.

The Authority through its executive member has carried out the check which included inspecting the documentation and the adopted procedures, on the basis of examining each kind of the transactions, and in our opinion:

1. The contracts, transactions and dealings which the company concluded during the year ended 31 December 2020, which we have perused were accomplished in accordance with the provisions of the Islamic Shari'a.

2. The profit distribution and loss bearing on the investment accounts, complies with the basis approved by us in accordance with the provisions and principles of Islamic Shari'a.

3. The Charity computation (Zakat) was in accordance with the provisions and principles of Islamic Shari'a.

We seize this opportunity to express our gratitude and appreciation to the company's management for its positive response and cooperation with the Authority, and to all the shareholders and dealers with Barwa, asking God to bless their efforts for serving the Islamic economy and developing our Country in a manner that achieves welfare for all.

Dr. Osama Qais Al Dereai
Executive Member of Shari'a Supervisory Board of Barwa Real Estate

FINANCIAL REPORT 2020

Independent Auditor's Report

The Shareholders of
Barwa Real Estate Company Q.P.S.C.
Doha, Qatar.

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the consolidated financial statements of Barwa Real Estate Company Q.P.S.C., (the "Company") and its subsidiaries (the "Group") which comprise the consolidated statement of financial position as at December 31, 2020, and the related consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs').

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements in State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

Key Audit Matters	How the matter was addressed in our audit
Valuation of investment properties	
The Group owns investment properties which are measured at fair value in the financial statements. Changes in fair value are presented in the consolidated statement of profit or loss. Note 12 to the consolidated financial statements discloses, inter alia, that the Group's investment properties are carried at QR. 28.1 billion (2019: QR. 26.5 billion) as at December 31, 2020 and a fair value gain of QR. 786 million (2019: QR. 1.1 billion) was recognized in the consolidated statement of profit or loss. The investment property portfolio includes completed investment properties and properties under construction. The methodology applied in determining the fair value of the investment properties is disclosed in note 12 of the consolidated financial statements. The valuation of investment properties is inherently judgmental due to, amongst other factors, the individual nature of each property, its location and key unobservable data for that particular property. The valuations were carried out by third party experts (the "Valuers") appointed by the directors. In addition, there are wider challenges currently facing the real estate markets following the COVID-19 pandemic. Due to the estimation uncertainty related to the impact of COVID-19 and guidance from the Royal Institute of Chartered Surveyors ("RICS"), the Valuer included a 'material valuation uncertainty' statement in their valuation reports highlighting the impact COVID-19 is having on real estate markets. We focused on this area due to the significance of the balance at year end and the existence of significant judgments and estimates in arriving at the value of the properties and therefore we considered this to be a key audit matter.	Our audit procedures to address the key audit matter include but are not limited to the following: • We evaluated the design and implementation and tested the operating effectiveness of the key controls over the methods, assumptions and data used in estimation of the fair value of the investment properties; • We assessed the competence and capabilities of the Valuers and assessed their terms of engagement with the Group to determine if the scope of their work was sufficient; • We considered the impact of the 'material valuation uncertainty' statement in the expert's valuation reports and assessed the additional disclosures made as a result of this matter in note 12. • We utilized our internal specialists to assess, for selected properties, whether the valuation approach and methods used are in accordance with the established standards regulating valuation of properties and whether these methods are suitable for use in determining the fair value of these properties Further, we reviewed the appropriateness of assumptions and data used in the valuation, for example, comparable data, discount rate, capitalization rate, growth rate and capital expenditure, where applicable; • We tested, on a sample basis, the accuracy of the standing data provided by the Group to the Valuers; • We reperformed the mathematical accuracy of the valuations on a sample basis. • We agreed the results of the valuation performed by the Valuers to the amount reported in the consolidated financial statements.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the Director's report, but does not include the consolidated financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance or 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.

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulations 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 communications.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Further, as required by the Qatar Commercial Companies' Law, we report the following:

- The Company has maintained proper books of account and the consolidated financial statements are in agreement therewith;

- We obtained all the information and explanations which we considered necessary for our audit; and

- To the best of our knowledge and belief and according to the information given to us, no contraventions of the applicable provisions of Qatar Commercial Companies Law and the Company's Articles of Associations were committed during the year which would materially affect the Group's financial position or its financial performance.

Deloitte & Touche
Doha – Qatar
15 February 2021
Midhat Salha
Partner
License No. 257
QFMA Auditor License No. 120156

Consolidated Statement Of Financial Position

As At 31 December 2020

	Notes	2020 QR'000	2019 QR'000
ASSETS			
Cash and bank balances	4	746,157	1,254,716
Financial assets at fair value through profit or loss	5	35,792	30,619
Receivables and prepayments	6	602,122	529,728
Trading properties	7	1,440,108	1,509,248
Finance lease receivables	8	32,427	103,770
Due from related parties	9	153,086	208,184
Financial assets at fair value through other comprehensive income	10	170,032	131,928
Advances for projects and investments	11	525,492	140,502
Investment properties	12	28,158,282	26,598,318
Property, plant and equipment	13	675,175	726,420
Right-of-use assets	14	18,680	49,562
Investments in associates	15	455,493	529,947
Intangible assets	16	132,411	132,411
Deferred tax assets	17	9,787	2,297
TOTAL ASSETS		**33,155,044**	31,947,650
LIABILITIES AND EQUITY			
LIABILITIES			
Payables and other liabilities	18	1,834,249	1,671,610
Provisions	19	42,800	61,014
End of service benefits	20	114,453	101,494
Due to related parties	9	192,620	314,174
Lease liabilities	21	354,553	330,080
Obligations under Islamic finance contracts	22	10,082,855	9,406,049
Deferred tax liabilities	17	20,963	1,752
Total Liabilities		**12,642,493**	11,886,173
EQUITY			
Share capital	23	3,891,246	3,891,246
Legal reserve	24	1,952,704	1,952,417
General reserve	25	4,639,231	4,639,231
Other reserves	26	(340,191)	(401,298)
Retained earnings		10,186,699	9,781,402
Total equity attributable to equity holders of the Parent		20,329,689	19,862,998
Non-controlling interests		182,862	198,479
Total equity		**20,512,551**	20,061,477
TOTAL LIABILITIES AND EQUITY		**33,155,044**	31,947,650

These consolidated financial statements were prepared by the company and authorised for issuance by the Board of Directors on 15 February 2021 and signed on their behalf by:

H.E. SALAH BIN GHANEM AL ALI — Chairman

ABDULLA BIN JOBARA AL-ROMAIHI — Group Chief Executive Officer

The attached explanatory notes 1 to 50 form an integral part of these consolidated financial statements.

Consolidated Statement Of Profit Or Loss

For The Year Ended 31 December 2020

	Notes	2020 QR'000	2019 QR'000
Rental income	28.1	1,334,131	1,179,581
Rental operation expenses	27	(290,007)	(283,249)
Net rental income		1,044,124	896,332
Finance lease income	8	10,857	20,101
Net rental and finance lease income		**1,054,981**	916,433
Income from consultancy and other services	28.2	302,817	356,244
Consulting operation and other services expenses	29	(266,737)	(282,728)
Net consulting and other service income		**36,080**	73,516
Profit on sale of property	30	8,577	3,344
Net fair value gain on investment properties	12	786,413	1,127,428
Share of results of associates	15	(70,887)	63,949
Gain / (loss) on financial assets at fair value through profit or loss		1,557	(1,262)
General and administrative expenses	31	(219,691)	(243,302)
Net impairment losses	32	(125,674)	(95,143)
Other income	33	127,225	28,962
Operating profit before finance cost, depreciation, amortisation and income tax		**1,598,581**	1,873,925
Finance income	34	8,524	38,839
Finance cost	34	(308,401)	(347,336)
Net finance cost		**(299,877)**	(308,497)
Profit before depreciation, amortisation and income tax		1,298,704	1,565,428
Depreciation	13	(25,974)	(14,592)
Amortisation of right-of-use assets	14	(30,887)	(30,934)
Profit before income tax and zakat		**1,241,843**	1,519,902
Tax and Zakat expenses	17	(27,142)	(14,762)
Profit of the year		**1,214,701**	1,505,140
Attributable to:			
Equity holders of the Parent		1,214,188	1,502,763
Non-controlling interests		513	2,377
		1,214,701	1,505,140
Basic and diluted earnings per share			
(attributable to equity holders of the Parent expressed in QR per share)	35	**0.31**	0.39

This statement has been prepared by the Company

The attached explanatory notes 1 to 50 form an integral part of these consolidated financial statements.

Consolidated Statement Of Comprehensive Income
For The Year Ended 31 December 2020

	2020 QR'000	2019 QR'000
Profit for the year	**1,214,701**	1,505,140
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	32,094	36,499
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Net change in the fair value of financial assets at fair value through other comprehensive income	29,991	(8,551)
Other reserves	(950)	-
Other comprehensive income for the year	**61,135**	27,948
Total comprehensive income for the year	**1,275,836**	1,533,088
Attributable to:		
Equity holders of the parent	1,275,295	1,528,364
Non-controlling interests	**541**	4,724
	1,275,836	1,533,088

This statement has been prepared by the Company

The attached explanatory notes 1 to 50 form an integral part of these consolidated financial statements.

Consolidated Statement Of Changes In Equity
For The Year Ended 31 December 2020

	Attributable to equity holders of the Parent							
	Share Capital QR'000	Legal reserve QR'000	General reserve QR'000	Other reseves QR'000	Retained earnings QR'000	Total QR'000	Non-controlling interest QR'000	Total QR'000
Balance at 31 December 2018	**3,891,246**	**1,793,489**	**4,639,231**	**(430,274)**	**9,451,322**	**19,345,014**	**205,073**	**19,550,087**
Profit for the year	-	-	-	-	**1,502,763**	**1,502,763**	**2,377**	**1,505,140**
Other comprehensive income for the year	-	-	-	**25,601**	-	**25,601**	**2,347**	**27,948**
Total comprehensive income for the year	-	-	-	**25,601**	**1,502,763**	**1,528,364**	**4,724**	**1,533,088**
Transfer of loss on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	**3,375**	**(3,375)**	-	-	-
Transfer to Legal Reserve	-	**158,928**	-	-	**(158,928)**	-	-	-
Conribution to the Social and Sports Fund (Note 38)	-	-	-	-	**(37,569)**	**(37,569)**	-	**(37,569)**
Transactions with shareholders in their capacity as owners:								
Dividends for 2018 (Note 37)	-	-	-	-	**(972,811)**	**(972,811)**	-	**(972,811)**
Dividend paid to non-controlling interest of subsidiaries	-	-	-	-	-	-	**(11,318)**	**(11,318)**
Balance at 31 December 2019	**3,891,246**	**1,952,417**	**4,639,231**	**(401,298)**	**9,781,402**	**19,862,998**	**198,479**	**20,061,477**
Profit for the year	-	-	-	-	1,214,188	1,214,188	513	1,214,701
Other comprehensive income for the year	-	-	-	61,107	-	61,107	28	61,135
Total comprehensive income for the year	-	-	-	61,107	1,214,188	1,275,295	541	1,275,836
Transfer to Legal Reserve	-	287	-	-	(287)	-	-	-
Contribution to the Social and Sports Fund (Note 38)	-	-	-	-	(30,355)	(30,355)	-	(30,355)
Transactions with shareholders in their capacity as owners:								
Dividends for 2019 (Note 37)	-	-	-	-	(778,249)	(778,249)	-	(778,249)
Dividend paid to non-controlling interest of subsidiaries	-	-	-	-	-	-	(16,158)	(16,158)
Balance at 31 December 2020	**3,891,246**	**1,952,704**	**4,639,231**	**(340,191)**	**10,186,699**	**20,329,689**	**182,862**	**20,512,551**

The attached explanatory notes 1 to 50 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows
For the year ended 31 December 2020

	Notes	31 December 2020 QR'000	31 December 2019 QR'000
OPERATING ACTIVITIES			
Profit for the year		1,214,701	1,505,140
Adjustments for:			
Finance cost	34	267,233	302,028
Unwinding of deferred finance cost	34	41,168	45,308
Finance income	34	(8,524)	(38,839)
Net fair value gain on investment properties	12	(786,413)	(1,127,428)
Depreciation	(i)	69,561	65,115
Amortisation of right-of-use assets	14	30,887	30,934
Share of results of associates	15	70,887	(63,949)
Provision for end of service benefit	20	31,334	33,674
Provision for income tax	17	9,754	9,379
Net impairment losses	32	125,674	95,143
Finance lease income	8	(10,857)	(20,101)
Other income	33	(127,225)	(28,554)
Operating gain before working capital changes		**928,180**	807,850
Changes in working capital:			
Change in receivables and prepayments		(124,499)	(103,351)
Change in trading properties		43,538	28,096
Change in finance lease receivables		44,680	127,266
Change in amounts due from / due to related parties		(72,609)	12,162
Change in provisions		10,274	10,000
Change in payables and accruals		(187,387)	(718,303)
Cash flows from operations		**642,177**	163,720
End of service benefit paid	20	(18,436)	(41,999)
Income tax paid		(7,758)	-
Payment for construction services		-	(268)
NET CASH GENERATED FROM OPERATING ACTIVITIES		**615,983**	121,453
INVESTING ACTIVITIES			
Finance income received		9,490	56,055
Dividends received from associates		4,000	30,608
Proceeds from disposal of an associate		-	1,995
Payments for purchase of investment properties		(134,718)	(250,139)
Proceeds from sale of financial assets at fair value through other comprehensive income		-	6,599
Advances paid for purchase of projects and investments		(439,073)	(35,845)
Payments for purchase of property, plant and equipment		(14,323)	(10,231)
Proceeds from sale of property, plant and equipment	13	82	26
Dividend income received		2,958	6,578
Net payments for financial assets at fair value through profit or loss		(2,511)	(3,157)
Net movement in short term deposits maturing after three months	4	201,136	338,802
NET CASH FROM / (USED IN) INVESTING ACTIVITIES		**(372,959)**	141,291
FINANCING ACTIVITIES			
Finance cost paid	22	(354,373)	(495,536)
Proceeds from obligations under Islamic finance contracts	22	1,962,170	2,000,000
Payments for obligations under Islamic finance contracts		(1,346,330)	(517,724)
Payment to non-controlling interest		-	(11,318)
Dividend paid to non-controlling interest		(16,158)	-
Dividends paid	21	(764,178)	(964,681)
Repayment of lease liabilities	4	(41,984)	(47,888)
Change in restricted bank balances		5,831	140,294
NET CASH (USED IN) / FROM FINANCING ACTIVITIES		**(555,022)**	103,147
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**(311,998)**	365,891
Net foreign exchange difference		9,871	20,447
Cash and cash equivalents at 1 January	4	718,181	331,843
CASH AND CASH EQUIVALENTS AT 31 December	4	**416,054**	718,181

Notes:

(i) Depreciation for the year ended 31 December 2020 includes an amount of QR 43,587 thousand charged to consulting operation and other services expenses (note 29) in the consolidated statement of profit or loss (2019 - QR 50,523 thousand).

(ii) The above consolidated statement of cash flows should be read in conjunction with note 39.

The attached explanatory notes 1 to 50 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Barwa Real Estate Company Q.P.S.C. ("the Company" or "the Parent") was incorporated pursuant to the provision of Article 68 of the Qatar Commercial Companies Law No. 5 of 2002 as Qatari Shareholding Company under Commercial Registration No. 31901 dated 27 December 2005. The term of the Company is 100 years starting from the date of declaration in the Commercial Register. The Company is a listed entity on the Qatar Exchange.

The Company's registered office address is P.O. Box 27777, Doha, State of Qatar.

The principal activities of the Company and its subsidiaries (together, "the Group") include investment in all types of real estate including acquiring, reclamation, dividing, developing and reselling of land and to establish agricultural, industrial, commercial projects on land, or lease those land, and also buying, selling and leasing buildings or projects. It also administers and operates real estate investments in and outside the State of Qatar. The Group is engaged in the business of developing domestic and international real estate projects, investing, hotels ownership and management, projects consulting and others.

Qatar Companies Law No. 11 of 2015 (Companies Law) which is applicable to the Group has come into effect from 16 September 2015. The Company and its subsidiaries' amended articles of association have been approved by the Ministry of Commerce and Industry (MOCI).

2. SIGNIFICANT CHANGES IN THE CURRENT REPORTING YEAR

The consolidated financial position and performance of the group was particularly affected by the following events and transactions during the reporting year:

- Receipt of additional bank borrowings amounting to QR 1.9 Billion (Statement Cash flow).
- Start of construction related work of two new projects located in Al Wakra area.
- The Group has been awarded a tender from "Ashghal" to develop eight schools under a PPP Development Program. Under this project, The Group will develop and maintain eight schools across Qatar for a period of 25 years. Final arrangements in respect of the executed contract, signing the construction package and the related financing arrangements were still in progress at 31 December 2020.

3. SEGMENT INFORMATION

The group has three reportable segments, as described below, which are the group's strategic divisions. The strategic divisions offer different businesses and are managed separately because they require different expertise. For each of the strategic divisions, the group's top management (the chief operating decision maker) reviews internal management reports on a regular basis. The real estate segment develops, sells and lease condominiums, villas and plots of land. Business services segment provides business support services and other services.

The operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results, which are considered as a measure of the individual segment's profit or losses.

Operating Segments

The operating segments are presented as follows:

For the year ended 31 December 2020	Real estate	Business services	Other services	Eliminations		Total
	QR'000	QR'000	QR'000	QR'000		QR'000
Revenues and gains						
External parties						
- Profit on sale of property	8,577	-	-	-		8,577
- Rental income	1,334,131	-	-	-	(ii)	1,334,131
- Income from consultancy and other services	-	189,242	113,575	-		302,817
- Finance lease income	10,857	-	-	-		10,857
- Net fair value gain on investment properties	786,413	-	-	-		786,413
- Others	-	-	128,782	-		128,782
Internal segments	118,933	126,959	-	(245,892)	(i)	-
Total revenues and gains	2,258,911	316,201	242,357	(245,892)		2,571,577
Segment profit	1,527,667	47,118	273,942	(37,140)		1,811,587
- Share of results of associates	-	-	(70,887)	-		(70,887)
-Net finance cost	(296,813)	(3,064)	-	-		(299,877)
-Impairment losses	(107,369)	(14,048)	(4,257)	-		(125,674)
-Depreciation and amortisation	(22,904)	(3,119)	(74,425)	-		(100,448)
Profit for the year	1,100,581	26,887	124,373	(37,140)		1,214,701

For the year ended 31 December 2019	Real estate	Business services	Other services	Eliminations		Total
	QR'000	QR'000	QR'000	QR'000		QR'000
Revenues and gains						
External parties						
- Profit on sale of property	3,344	-	-	-		3,344
- Rental income	1,179,581	-	-	-	(ii)	1,179,581
- Income from consultancy and other services	-	164,304	191,940	-		356,244
- Finance lease income	20,101	-	-	-		20,101
- Net fair value gain on investment properties	1,142,600	(15,172)	-	-		1,127,428
- Others	-	-	27,700	-		27,700
Internal segments	100,395	100,094	-	(200,489)	(i)	-
Total revenues and gains	2,446,021	249,226	219,640	(200,489)		2,714,398
Segment profit	1,766,068	20,152	144,155	(20,429)		1,909,946
- Share of results of associates	-	-	63,949	-		63,949
-Net finance cost	(308,423)	(74)	-	-		(308,497)
-Impairment losses	(81,153)	(2,582)	(11,408)	-		(95,143)
-Depreciation and amortisation	(43,103)	(2,423)	(50,523)	-		(96,049)
Profit for the year	1,364,208	15,188	146,173	(20,429)		1,505,140

Note:

(i) Inter-segment revenues are eliminated at consolidation level.
(ii) Rental income include income from ancillary and other related services of QR 74,319 thousand (2019: QR 74,626 thousand)

The following table presents segment assets and liabilities of the group's operating segments as at 31 December 2020 and 2019:

At 31 December 2020	Real estate		Business services	Other services	Eliminations	Total
	QR'000		QR'000	QR'000	QR'000	QR'000
Current assets	**2,667,835**		**397,605**	**181,973**	**-**	**3,247,413**
Non-current assets	**29,440,379**		**504,891**	**675,031**	**(712,670)**	**29,907,631**
Total assets	**32,108,214**		**902,496**	**857,004**	**(712,670)**	**33,155,044**
Current liabilities	**(3,571,848)**		**(267,160)**	**(47,704)**	**-**	**(3,886,712)**
Non-current liabilities	**(8,612,622)**		**(249,911)**	**(455,869)**	**562,621**	**(8,755,781)**
Total liabilities	**(12,184,470)**		**(517,071)**	**(503,573)**	**562,621**	**(12,642,493)**
Investment in associates	**-**		**-**	**455,493**	**-**	**455,493**
Capital expenditures	**782,902**	(i)	**-**	**-**	**-**	**782,902**

At 31 December 2019	Real estate		Business services	Other services	Eliminations	Total
	QR'000		QR'000	QR'000	QR'000	QR'000
Current assets	3,080,171		324,734	178,476	-	3,583,381
Non-current assets	27,596,319		379,531	740,557	(352,138)	28,364,269
Total assets	30,676,490		704,265	919,033	(352,138)	31,947,650
Current liabilities	(2,505,481)		(163,748)	(29,226)	-	(2,698,455)
Non-current liabilities	(8,884,639)		(200,644)	(469,477)	367,042	(9,187,718)
Total liabilities	(11,390,120)		(364,392)	(498,703)	367,042	(11,886,173)
Investment in associates	-		-	529,947	-	529,947
Capital expenditures	447,347	(i)	-	-	-	447,347

Note:

(i) Capital expenditure consists of additions and capitalized finance cost to trading properties (Note 7), investment properties (Note 12) and property, plant and equipment (Note 13).

The Group's revenue from external parties and information about its segment of non- current assets by geographical location are detailed below:

	Revenue from external parties		Non-current assets	
	December 31, 2020 QR'000	December 31, 2019 QR'000	**December 31, 2020 QR'000**	December 31, 2019 QR'000
State of Qatar	**2,551,884**	2,600,947	**28,847,197**	27,293,615
Other GCC countries	**18,302**	110,309	**641,232**	678,230
Europe & North Africa	**1,391**	3,142	**419,202**	392,424
	2,571,577	2,714,398	**29,907,631**	28,364,269

Accounting policy:

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components, whose operating results are reviewed regularly by the group's top management (being the chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

4. CASH AND BANK BALANCES

	2020 QR'000	2019 QR'000
Cash on hand		
Short term deposits	298	304
Current accounts	200,061	814,807
Call accounts	183,694	141,731
Restricted bank balances (iii)	202,461	132,935
Margin bank accounts	152,315	164,269
	9,578	3,455
Allowance for impairment	748,407	1,257,501
	(2,250)	(2,785)
Total cash and bank balances	**746,157**	1,254,716
Short term deposits maturing after 3 months	(170,460)	(371,596)
Restricted bank balances and margin accounts	(161,893)	(167,724)
Reversal of non-cash provision	2,250	2,785
Cash and cash equivalents	**416,054**	718,181

Notes:

i. Cash and cash equivalents include fixed deposits with maturity dates from one to three months amounting to QR 29,601 thousand (2019: QR 443,211 thousand).

ii. Short term deposits are made for varying periods depending on cash requirements of the group with original maturity period equal to or less than twelve months at commercial market profit rates.

iii. Restricted bank balances are restricted mainly to cover certain bank guarantees issued by the Group and the settlement of dividends yet unclaimed by the parent's shareholders.

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Accordingly, management of the Group estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 month ECL. None of the balances with banks at the end of the reporting period are past due, and taking into account the historical default experience and the current credit ratings of the bank.

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

2020	1 January 2020 QR'000	Net Inflows / (Outflows) from Financing activities QR'000	New leases QR'000	Other changes QR'000	31 December 2020 QR'000
Obligations from Islamic financing contracts	**9,406,049**	**615,840**	**-**	**60,966**	**10,082,855**
Lease liabilities	**330,080**	**(31,241)**	**68,106**	**(12,392)**	**354,553**

2019	1 January 2019 QR'000	Net Inflows / (Outflows) from Financing activities QR'000	New leases QR'000	Other changes QR'000	31 December 2019 QR'000
Obligations from Islamic financing contracts	7,925,280	1,482,276	-	(1,507)	9,406,049
Lease liabilities	362,152	(28,837)	49,691	(52,926)	330,080

Accounting policy:

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash and bank balances and bank deposits with original maturities of three months or less, unrestricted balances held with banks, and highly liquid financial assets with original maturities of three months or less, which are subject to insignificant risk of changes in their fair value.

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	2020 QR'000	2019 QR'000
Investments in equity securities:		
Quoted	**35,792**	30,619

Accounting policy:

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL.

Dividend income is recognised in the consolidated statement of profit or loss in the period in which the investee declares dividends.

The gain or loss on disposal of financial assets carried at FVTPL are recognised as a difference between the sale proceeds and carrying value of the financial assets as on the transaction date and recognised in the consolidated statement of profit or loss. Any change in fair value due to movement in market price of the equity securities is recognised in the consolidated statement of profit or loss.

6. RECEIVABLES AND PREPAYMENTS

Receivables and prepayments are segregated between non-current and current portion as follows:

2020	Non-current QR'000	Current QR'000	Total QR'000
Trade receivables	-	**442,491**	**442,491**
Prepaid expenses	-	**9,907**	**9,907**
Accrued income	**129,796**	**85,296**	**215,092**
Refundable deposits	**7,771**	**10,943**	**18,714**
Staff receivables	-	**16,192**	**16,192**
Accrued profit on Islamic financial deposits	-	**4,966**	**4,966**
Other receivables	**13,031**	**96,764**	**109,795**
Allowance for impairment of trade receivables	-	**(185,244)**	**(185,244)**
Allowance for impairment of other receivables	**(199)**	**(29,592)**	**(29,791)**
	150,399	**451,723**	**602,122**
2019			
Trade receivables	-	362,125	362,125
Prepaid expenses	-	10,024	10,024
Accrued income	138,251	29,448	167,699
Refundable deposits	8,341	11,913	20,254
Staff receivables	-	14,197	14,197
Accrued profit on Islamic financial deposits	-	5,931	5,931
Other receivables	-	66,759	66,759
Allowance for impairment of trade receivables	-	(87,820)	(87,820)
Allowance for impairment of other receivables	(199)	(29,242)	(29,441)
	146,393	**383,335**	**529,728**

As at 31 December 2020, trade receivables amounting to QR 185,244 thousand (2019: QR 87,820 thousand) were impaired and fully provided for. Movements in the allowance for impairment of trade receivables is as follows:

	2020 QR'000	2019 QR'000
At 1 January	**87,820**	75,308
Allowance charge for the year	**113,840**	15,922
Reversal of provision	**(16,516)**	(3,410)
Translation adjustment	**100**	-
At 31 December	**185,244**	87,820

The impairment allowance as at 31 December 2020 and 31 December 2019 were determined as follows for trade receivables. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer segments:

31 December 2020	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected loss rate	**2.43%**	**2.49%**	**37.56%**	**54.62%**	
Gross carrying amount (QR'000)	**64,914**	**28,512**	**45,237**	**303,828**	**442,491**
Impairment allowance (QR'000)	**(1,580)**	**(711)**	**(16,993)**	**(165,960)**	**(185,244)**
31 December 2019	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 120 days past due**	**Total**
Expected loss rate	3.37%	7.86%	29.11%	27.24%	
Gross carrying amount (QR'000)	35,403	14,246	20,953	291,523	362,125
Impairment allowance (QR'000)	(1,194)	(1,120)	(6,100)	(79,406)	(87,820)

At 31 December, the aging of unimpaired trade receivables is as follows:

		Past due but not impaired				
	Total	0 – 30 days	31- 60 days	61- 90 days	91- 120 days	121- 365 days
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
2020	**257,247**	**63,334**	**27,801**	**20,581**	**7,663**	**137,868**
2019	274,305	34,209	13,126	9,678	5,175	212,117

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtor operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Accounting policy:

Trade and other receivables

Trade and other receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current.

7. TRADING PROPERTIES

	2020 QR'000	2019 QR'000
Properties available for sale (A)	**201,304**	114,470
Properties under development (B)	**1,238,804**	1,394,778
	1,440,108	1,509,248

(A) Movements of properties available for sale during the year were as follows:

	2020 QR'000	2019 QR'000
At 1 January	**114,470**	150,573
Cost of properties sold	**(50,440)**	(36,656)
Transferred from Trading properties – properties under development	**137,274**	553
At 31 December	**201,304**	114,470

(B) Movements in the properties under development during the year were as follows:

	2020 QR'000	2019 QR'000
At 1 January	**1,394,778**	1,421,966
Additions	**8,130**	6,454
Capitalised finance cost (i) and (Note 34)	**1,706**	89,789
Transferred to investment properties (Note 12)	**(4,567)**	(126,802)
Transferred to Trading properties – properties available for sale	**(137,274)**	(553)
Net impairment / reversal of impairments (ii) and (Note 32)	**(29,684)**	4,171
Foreign exchange adjustments	**5,715**	(247)
At 31 December	**1,238,804**	1,394,778

Properties under development mainly include 2 plots of land under development in the state of Qatar and the kingdom of Saudi Arabia.

Notes:

(i) Capitalized finance cost is calculated based on the actual qualifying expenditures related to the properties under development. Finance cost is capitalised using the group's weighted average finance cost.

(ii) The group carried an estimate of net realizable value of its trading properties at year end. Independent accredited property appraisers were engaged to provide relevant commercial and marketing inputs to this process and to advise on current market trends in areas such as achievable market prices. The exercise revealed that the fair values less costs to sell being the net realizable value were higher than the carrying amount of the trading properties at 31 December 2020 and 31 December 2019 except for the properties for which a write down to net realizable value has been made.

Accounting policy:

a) Recognition and classification of trading properties (inventories)

Trading properties are real estate properties (including non-developed plots of land) 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 property is 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 include:

- Freehold and leasehold rights for land
- Amounts paid to contractors for construction
- 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 recognised 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.

b) Sale of trading property

A property is regarded as sold when the control has been transferred to the buyer, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions are satisfied.

c) Sales of property under development

Where property is under development and agreement has been reached to sell such property when construction is complete, the management considers whether the contract comprises:

- A contract to construct a property

Or

- A contract for the sale of a completed property

Critical accounting judgments and estimates:

Where a contract is judged to be for the construction of a property and based on the nature of these contracts, revenue is recognised over time as construction progresses.

Where the contract is judged to be for the sale of a completed property, revenue is recognised at point in timewhen the control over the real estate has been transferred to the buyer. If, however, the legal terms of the contract are such that the construction represents the continuous transfer of work in progress to the purchaser, the percentage-of-completion method of revenue recognition is applied and revenue is recognised as work progresses. Continuous transfer of work in progress is applied when:

- The buyer controls the work in progress, typically when the land on which the development takes place is owned by the final customer

And

- Control over the work in progress in its present state is transferred to the buyer as construction progresses, typically, when the buyer cannot put the incomplete property back to the group.

In such situations, the percentage of work completed is measured based on the costs incurred up until the end of the reporting period as a proportion of total costs expected to be incurred.

Revenue recognition

Revenue from sale of trading properties is recognised when control over the property is transferred to the buyer, the associated costs can be estimated reliably, and there is no continuing management involvement to the degree usually associated with ownership or effective control over the trading properties sold. In instances where the consideration is to be received over a longer term, the discounted value of the consideration is considered for revenue recognition.

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 and commercial properties that the group develops and intends to sell before or on completion of construction.

Estimation of net realizable value for 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 represent the market rate per square meter of land and estimated development cost.

8. FINANCE LEASE RECEIVABLES

	2020 QR'000	2019 QR'000
Non-current portion:		
Finance leases - gross receivables	**1,790**	35,783
Unearned finance income	**(82)**	(1,650)
Impairment allowance	**(725)**	(2,319)
Net non-current portion of finance lease receivables	**983**	31,814
Current portion:		
Finance leases - gross receivables	**33,993**	85,955
Unearned finance income	**(1,567)**	(10,856)
Impairment allowance	**(982)**	(3,143)
Net current portion of finance lease receivables	**31,444**	71,956
Net investment in finance leases	**32,427**	103,770

Contractual maturities of finance lease receivables are as follows:

	2020 QR'000	2019 QR'000
Gross receivables from finance leases:		
Year 1	**33,993**	85,955
Year 2	**1,790**	35,783
Year 3	**-**	-
Year 4	**-**	-
Year 5	**-**	-
later than 5 years	**-**	-
	35,783	121,738
Unearned finance income	**(1,649)**	(12,506)
Impairment allowance	**(1,707)**	(5,462)
Net investment in finance leases	**32,427**	103,770

Movements in finance lease receivables during the year were as follows:

	2020 QR'000	2019 QR'000
At 1 January	**103,770**	166,886
Installments due and collected during the year	**(44,680)**	(127,266)
Transferred (to) / from trade receivables	**(41,275)**	41,228
Finance lease income	**10,857**	20,101
Net reversal of impairment	**3,755**	2,821
At 31 December	**32,427**	103,770

The above balances relate to the group's 100% owned subsidiary Qatar Real Estate Investment Company P.J.S.C. ("Al Aqaria"). The minimum lease receipts are discounted at the incremental borrowing rate. Income from finance leases is recognized based on a pattern reflecting a constant periodic rate of return on the group's net investment in the finance leases.

As at 31 December 2020, 87% (2019: 93%) of the total finance lease receivables balance is due from a single customer.

The Company estimates the loss allowance on finance lease receivables at the end of the reporting period at an amount equal to lifetime ECL. None of the finance lease receivables at the end of the reporting period is past due, and taking into account the historical default experience and the future prospects of the industries in which the lessees operate, the company considers that adequate loss allowance has been made against finance lease receivables.

There have been no changes in the estimation techniques or significant assumptions made during the current year in assessing the loss allowance for finance lease receivables.

Accounting policy:

Finance lease income

Income from finance lease in which the group is the lessor is recognized based on a pattern reflecting a constant periodic rate of return on the group's net investment in the finance lease.

Group as a lessor

Leases where the group transfer substantially all the risks and benefits incidental to the ownership of the leased item are classified as finance leases and are presented as receivables at an amount equal to the net investment in the lease. Net investment in the lease is the gross investment in the lease discounted at the profit rate implicit in the lease. Income from finance leases in which the group is a lessor is recognised based on a pattern reflecting a constant periodic rate of return on the group's net investment in the finance lease. Contingent rents are recognised as revenue in the period in which they are earned.

9. RELATED PARTY DISCLOSURES

Qatari Diar Real Estate Investment Co. ("QD") incorporated in the State of Qatar is the main shareholder of the company which owns 45% of the company's shares including one preferred share that carries preferred rights over the financial and operating policies. The remaining 55% of the shares are traded on Qatar Stock Exchange and widely held.

Related parties comprise of the main shareholder, associates of the group and entities over which they have the ability to control, jointly control or exercise significant influence in making financial and operating decisions in addition to key management personnel of the company.

Related party transactions

Transactions with related parties during the year were as follows:

	2020 QR'000	2019 QR'000
Income from consultancy and other services - Main shareholder	**58,726**	65,702
Rental income - Main shareholder	**2,275**	8,842

Related party balances

Balances with related parties included in the consolidated statement of financial position are as follows:

	Due from related parties		Due to related parties	
	2020 QR'000	2019 QR'000	2020 QR'000	2019 QR'000
Qatari Diar Real Estate Investment Company Q.S.C. and associated companies	**152,889**	203,848	**186,801**	290,308
Associate companies	**197**	3,872	**4,422**	20,010
Other related parties	-	464	**1,397**	3,856
	153,086	208,184	**192,620**	314,174

Current and non-current portions of due from and due to related parties are as follows:

	Due from related parties		Due to related parties	
	2020 QR'000	2019 QR'000	2020 QR'000	2019 QR'000
Non-current	-	-	**579**	579
Current	**153,086**	208,184	**192,041**	313,595
	153,086	208,184	**192,620**	314,174

Movements in the allowance for impairment of due from related parties are as follows:

	2020 QR'000	2019 QR'000
At 1 January	**88,468**	77,868
Net impairment losses (Note 32)	**15,105**	10,600
At 31 December	**103,573**	88,468

For the years ended 31 December 2020 and 2019, the group carried out an impairment testing for due from related parties. The group recognized an additional impairment of QR 15,105 thousand during the year (2019: QR 10,600 thousand) (Note 32). In the opinion of the management, based on recent available information, there is no evidence of further impairment in the value of due from related parties. This assessment is undertaken in each financial year through examining the financial position of the related parties and the market in which the related parties operate.

Compensation of directors and other key management personnel

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

	2020 QR'000	2019 QR'000
Short term benefits (ii)	**16,143**	18,488
End of service benefits	**1,869**	1,915
	18,012	20,403

Notes:

(i) All outstanding balances at the year-end are unsecured, free of finance cost and the settlement occurs in cash and no guarantees provided or received for outstanding balances at reporting date.

(ii) Short term benefits includes a proposed board of directors' remuneration amounting to QR 8,500 thousand for the year 2020 subject to the approval of the company's Annual General Assembly (2019: QR 8,500 thousand, approved by the shareholders of the Company at the Annual General Meeting held on 15 April 2020).

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)

Financial assets at fair value through other comprehensive income are analyzed as follows

	2020 QR'000	2019 QR'000
Investments in equity securities :		
Quoted	**112,810**	82,131
Unquoted	**57,222**	49,797
	170,032	131,928

Accounting Policies:

The policy applicable to the year ended 31 December 2020 is disclosed in note 48

Fair value of unquoted equity and debt investments

If the market for a financial asset is not active or not available, the group establishes fair value by using valuation techniques which include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models refined to reflect the issuer's specific circumstances. This valuation requires the group to make estimates about expected future cash flows and discount rates that are subject to uncertainty.

Reconciliation of level 3 fair value measurement of unlisted equity instruments classified at fair value through other comprehensive income:

	2020 QR'000	2019 QR'000
Balance at January 1,	**49,797**	55,355
Total gains or losses:		
- In profit or loss	-	-
- In other comprehensive income	**7,425**	(5,558)
Balance at December 31,	**57,222**	49,797

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined.

Financial assets	Valuation Technique and key input	Significant unobservable inputs	Relationship and sensitivity of unobservable inputs to fair value
Investment in unlisted shares	Market Approach In this approach, comparable sets of publicly-traded companies in Qatar/GCC were identified and the average ratios between their Price and Book Value (P/B Multiples) were ascertained. These multiples were then applied to the Equity (Book) Value of the investee companies to arrive at the Fair Value of the Group's ownership in them.	Adjustments were made for factors such as control premium, business outlook and continuity, discounts for lack of marketability & illiquidity, transaction costs, etc.	The adjustments made to arrive at the Fair Value are adequate and in line with generally acceptable practices and methodologies

11. ADVANCES FOR PROJECTS AND INVESTMENTS

	2020 QR'000	2019 QR'000
Advances for purchase of properties	**28,228**	28,228
Advances against exchange of land (i)	**1,836,459**	1,836,459
Advances to contractors and suppliers	**640,622**	255,763
	2,505,309	2,120,450
Less: allowance for impairment of advances	**(1,979,817)**	(1,979,948)
	525,492	140,502

The movement of allowance for impairment of advances is stated as under:

	2020 QR'000	2019 QR'000
Balance as at Jan 1,	**1,979,948**	1,979,948
Charge during the year	**-**	-
Reclassification to receivables	**(131)**	-
Balance as at 31 December	**1,979,817**	1,979,948

Notes:

(i) During the year 2008, the Government of Qatar took over a piece of land located in Al-Khour district which was owned by the group and other related parties. The Government committed to provide another plot of land located in Salwa district in exchange of the withdrawn land. The group paid the above advances to a related party, in order for the group to fully own the new land that will be received from the Government. Since 2008, the group management has been working with the Government authorities to identify the plot of land that shall be transferred to the group. However, all the efforts during this period have not resulted in any conclusive direction of when and where the land will be received and therefore during the year 2012, the group management, on a conservative basis decided to make a full provision against these advances as doubtful of recovery. The group will continue to pursue the matter with the Government for an amicable settlement.

Accounting policy:

Advances against exchange of land

Advances for land are carried at amounts paid, and recognized as advance payments at the time of payment. It will be reclassified as a land once the Group settles the whole purchase price of the land and registers in the Group's name.

12. INVESTMENT PROPERTIES

	2020 QR'000	2019 QR'000
At 1 January	**26,598,318**	18,261,969
Additions during the year	**595,296**	287,583
Capitalised finance cost (Note 34)	**81,738**	53,290
Right-of-Use Assets (adoption of IFRS 16)	**-**	290,285
Right-of-Use Assets - Additions during the year	**68,106**	-
Right-of-Use Assets - lease modification	**7,634**	-
Transfer from trading properties - properties under development (Note 7.B)	**4,567**	126,802
Transfer from property, plant and equipment (Note 13)	**-**	5,539
Transfer from advance for purchase of property (i)	**-**	4,832,246
Transfer from intangible assets (Note 16)	**-**	1,605,364
Net fair value gain	**786,413**	1,127,428
Foreign exchange adjustment	**16,210**	7,812
At 31 December	**28,158,282**	26,598,318

(i) Advances for purchase of properties of QR 4,832,246 thousand paid on account of the purchase of a plot of land in Lusail District with an area of 3,475,863 sqm have been transferred to investment properties during 2019. The land has been handed over to the group in 2019.

As a result of the COVID-19 outbreak and the wide ranging impacts on businesses globally as well as locally in the State of Qatar, the Group's external Valuers have taken into account latest guidelines from RICS and reported the Group's investment property valuations on the basis of 'material valuation uncertainty'. Management have evaluated the basis, and meaning, of such preparation. Although uncertainty is present within the wider real estate market, with varying impacts being observed, Management considers that the existing investment property portfolio of the group to be less impacted by such adverse events due to inherent characteristics of the portfolio including diversification across asset categories, geographic spread locally and the nature of partially secured future cashflow in relation to the income generating portfolio of assets. Management understands the basis of such preparation, which primarily intends to highlight future uncertainty and a higher degree of caution. Management have considered this in respect of key sources of estimation uncertainty and have concluded based upon the Group's investment property portfolio inherent characteristics and trends observed, relative to the wider real estate market in the State of Qatar, that the events of COVID-19 do not give rise to new course of key estimation uncertainty, nor do they impact the potential sensitivity level of a reasonable and possible change that may occur within the next 12 months.

Notes:

(i) Investment properties are primarily located in the State of Qatar, representing 98.13% of the carrying value of investment properties as at 31 december 2020 (2019: 98.29%) with few properties located in Kingdom of Bahrain, Republic of Cyprus, United Kingdom and the Kingdom of Saudi Arabia.

(ii) Investment properties are stated at fair value, which has been determined based on valuations performed by accredited independent valuers as at 31 December 2020. Those valuers are accredited independent valuers with a recognised and relevant professional qualifications and with recent experience in the location and category of those investment properties being valued. In arriving at estimated market values, the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparable. In the absence of current prices in an active market, the valuations are based on the aggregate of the estimated cash flows expected to be received from renting the property. A yield that reflects the specific risks inherent in the net cash flows is applied to the net annual cash flows to arrive at the property valuation.

(iii) The group has no restrictions on the realisability of its investment properties.

(iv) Fair value hierarchy disclosures for investment properties have been provided in note 43.

(v) Capitalised finance cost is calculated based on the actual qualifying expenditures related to the projects under development, that is part of the investment properties.

(vi) Included in investment properties are certain properties with a fair value of QR 8,380,638 thousand at 31 December 2020 (31 December 2019: QR 8,988,190 thousand) for which the transfer of the title deeds is in progress. The consolidated financial statements have been prepared on the basis that the beneficial interest of these investment properties resides with the group.

(vii) Description of valuation techniques used by the group and key inputs to valuation of the most significant investment properties are as follows:

Type of properties	Valuation technique	Significant unobservable inputs	Range (weighted average)	
			2020	2019
Commercial properties	DCF method	Estimated rental value per sqm per month	**QR 20-293**	QR 20-250
		Rent growth p.a.	**0%-0%**	0%-2.5%
		Long-term vacancy rate	**0%-15%**	0%-25%
		Discount rate	**6.90% - 7.30%**	7.50% - 7.90%
		Market cap	**7.30%**	7.50%
Residential properties	DCF method	Rental value per unit per month		
		Labour accommodation / Residential (non-premium) rental value per room/unit	**QR 350 – 7,500**	QR 350 – 8,115
		Residential (Premium) - rental value per unit	**QR 9,000- 22,250**	QR 9,000-22,250
		Rent growth p.a.	**0%-0%**	0%-2.5%
		Long-term vacancy rate	**0%-25%**	0%-30%
		Discount rate	**5.95% - 7.30%**	7.30% - 7.90%
		Market cap	**7.30%**	7.50%
Land Bank	Direct Comparison	Estimated land value per sqm	**QR 960 – 11,044**	QR 1,050 – 13,090

Discounted Cash Flow Method (DCF): The most commonly used technique for assessing Market Value within the income approach is discounted cash-flow. This is a financial modelling technique based on explicit assumptions regarding the prospective cash-flow to a property or business and the costs associated with being able to generate the income. A market-derived discount rate is applied to estimated cash flows to establish a present value of the income stream. This Net Present Value ("NPV") is an indication of market value.

Direct Comparison Approach: This approach involves a comparison of the subject property to similar properties that have actually been sold in arms'-length transactions or are offered for sale. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market and is particularly useful in estimating the value of the land and properties that are typically traded on a unit basis. Generally, the opinion on value is based on evidence of open market transactions in similar property with adjustments of the comparable to differentiate the differences between the subject property and the comparable.

(viii) Operating leases in which the Group is a lessor, relate to investment properties owned by the Group with lease term of between 1 to 18 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. Minimum lease collections under operating leases of investment properties not recognised in the consolidated financial statements are receivable as follows:

	2020 QR'000	2019 QR'000
Within 1 year	**714,851**	1,007,011
Between 1 and 5 years	**1,705,689**	1,562,091
More than 5 years	**2,053,702**	2,350,507
Total	**4,474,242**	4,919,609

There has been no change to the valuation technique during the year. Details of the Group's investment properties and information about the fair value hierarchy as at the end of the reporting period are as follows:

December 31 2020	Fair Value QR'000	Level 2 QR'000	Level 3 QR'000
Vacant lands	**8,073,156**	-	8,073,156
Completed properties	**17,935,892**	-	17,935,892
Under construction properties	**2,149,234**	-	2,149,234
	28,158,282	-	28,158,282

December 31 2019	Fair Value QR'000	Level 2 QR'000	Level 3 QR'000
Vacant lands	**8,664,130**	-	8,664,130
Completed properties	**16,521,456**	-	16,521,456
Under construction properties	**1,412,732**	-	1,412,732
	26,598,318	-	26,598,318

For all investment property that is measured at fair value, the current use of the property is considered the highest and best use. In Addition, there were no changes in valuation techniques during the year. As at 31 December 2020, property with an aggregate value of QR.10,012,690 thousand (2019: QR.7,306,165 thousand) is held under lease agreements. Future lease payments are presented in Note 21.

For right-of-use assets that are classified as investment property, the Group expects to make use of the full lease terms which typically vary between 1 and 99 years.

The fair value of investment properties disclosed in the consolidated financial statements represent the value of the properties estimated by the independent valuers adjusted for assets or liabilities separately recognized in the consolidated statement of financial position, in accordance with International Financial Reporting Standards.

Accounting policy

Recognition of investment properties

Investment property comprises completed property and property under construction or re-development that is held to earn rentals or for capital appreciation or both rather than for sale in the ordinary course of business or for use in administratve function. Property held under a lease contract is classified as investment property when the definition of an investment property is met.

Investment property is measured initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair values are included in the consolidated statement of profit or loss in the year in which they arise.

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment property are recognised in the consolidated statement of profit or loss in the year of retirement or disposal.

Gains or losses on the disposal of investment property are determined as the difference between net disposal proceeds and the carrying value of the asset.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation or commencement of an operating lease. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sell.

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 "Property, plant and equipment" or IAS 2 "Inventories" 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 results between the fair value of the property at that date and its previous carrying amount shall be recognized in the consolidated statement of profit or loss.

Critical accounting judgments and estimates:

Classification of property

The group determines whether a property is classified as investment property or trading property. Investment property comprises land and buildings (principally residential, commercial and showrooms) which are not occupied substantially for use by, or in the operations of the group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.

For a property that is partially used in the operations of the Group, the Group accounts for the portion used by the Group companies as property and equipment, based on the proportion of the square area of that portion. In management's judgement, different portions of such property can be sold separately or leased out separately under a finance lease arrangement.

Valuation of investment property

Investment properties are stated at fair value. The group used external independent valuers to determine the fair value of the investment properties in addition to the properties that are being valued by the management. The independent valuers uses the market situations, estimated yield and expected future cash flows and the recent real estate transactions with similar characteristics and location of properties for the valuation of investment properties.

Sensitivity analysis

At 31 December 2020, if discount rate for investment properties (valued using discounted cash flow method) had been higher/lower by 1% with all other variables held constant, the calculated fair valuation gains (losses) on investment properties for the year would have been QR 2,044,124 thousand lower and QR 2,412,942 thousand higher mainly as a result of lower/higher (higher/lower) fair value gain (loss) on investment properties.

At 31 December 2020, if market capitalization for investment properties (valued using discounted cash flow method) had been higher/lower by 1% with all other variables held constant, the calculated fair valuation gains (losses) on investment properties for the year would have been QR 766,104 thousand lower and QR 1,009,312 thousand higher mainly as a result of lower/higher (higher/lower) fair value gain (loss) on investment properties.

At 31 December 2020, if price per square foot for investment properties (valued using market approach) had been higher/lower by 1% with all other variables held constant, the calculated fair valuation gains (losses) on investment properties for the year would have been QR 84,715 thousand lower/higher (higher/lower) mainly as a result of higher/lower fair value gain (loss) on investment properties.

At 31 December 2020, if rental rates for investment properties (valued using discounted cash flow method) had been higher/lower by 1% with all other variables held constant, the calculated fair valuation gains (losses) on investment properties for the year would have been QR 229,424 thousand lower/higher (higher/lower) mainly as a result of higher/lower fair value gain (loss) on investment properties.

Fair value of the investment properties is also sensitive to the following inputs:

- Occupancy rates;
- Operating expenses and
- Other key estimates.

13. ROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Furniture and fixtures	Leasehold improvements	Cooling plants	Other fixed assets	Total
	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
Cost							
At 1 January 2019	175,561	404,808	221,113	119,784	234,658	120,725	1,276,649
Additions	-	-	5,233	859	102	4,037	10,231
Reclassifications	301	-	-	(158)	-	(143)	-
Transfer to investment properties (note 12)	-	(7,474)	-	-	-	(135)	(7,609)
Foreign exchange adjustment	463	306	92	27	-	13	901
Write off	-	-	(254)	-	-	(11,399)	(11,653)
At 31 December 2019	176,325	397,640	226,184	120,512	234,760	113,098	1,268,519
Accumulated depreciation							
At 1 January 2019	-	67,131	178,005	88,458	58,487	93,533	485,614
Charge for the year	-	9,080	203	1,175	-	4,134	14,592
Charged in operating expenses (note 29)	-	6,388	14,417	14,667	9,383	5,668	50,523
Impairment (Note 32)	-	-	-	3,712	-	1,140	4,852
Transfer to investment properties (note 12)	-	(2,070)	-	-	-	-	(2,070)
Foreign exchange adjustment	-	127	85	19	-	10	241
Write off	-	-	(254)	-	-	(11,399)	(11,653)
At 31 December 2019	-	80,656	192,456	108,031	67,870	93,086	542,099
Net Book Value at 31 December 2019	176,325	316,984	33,728	12,481	166,890	20,012	726,420
Cost							
At 1 January 2020	176,325	397,640	226,184	120,512	234,760	113,098	1,268,519
Additions	-	-	2,245	1,270	2,228	8,580	14,323
Disposals	-	-	(64)	-	-	(69)	(133)
Foreign exchange adjustment	3,326	1,371	403	(36)	-	(1)	5,063
At 31 December 2020	179,651	399,011	228,768	121,746	236,988	121,608	1,287,772
Accumulated depreciation							
At 1 January 2020	-	80,656	192,456	108,031	67,870	93,086	542,099
Charge for the year	-	17,600	2,660	800	-	4,914	25,974
Charged in operating expenses (note 29)	-	6,389	14,300	7,823	9,380	5,695	43,587
Disposals	-	-	(64)	-	-	(69)	(133)
Impairment loss (note 32)	-	-	-	-	-	761	761
Foreign exchange adjustment	-	301	37	(25)	-	(4)	309
At 31 December 2019	-	104,946	209,389	116,629	77,250	104,383	612,597
Net Book Value at 31 December 2020	179,651	294,065	19,379	5,117	159,738	17,225	675,175

Accounting policies:

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value.

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

Depreciation is recognised in the consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the group will obtain ownership by the end of the lease term. Land is not depreciated.

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

Buildings	20-33 years
Furniture and fixtures	3-7 years
Motor vehicles 5 years	
Computers software and hardware	3-5 years
Office equipment	3 years
Leasehold improvements	3 years
Cooling plants	25 years

The assets' useful lives and residual values are reviewed and adjusted as appropriate at each reporting date.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditures are capitalized only when they increase the future economic benefits of the related item of property, plant and equipment. All other expenditures are recognized in the consolidated statement of profit or loss as incurred. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the consolidated statement of profit or loss in the year the asset is derecognized. Gains and losses on disposals are determined by comparing proceeds with carrying amount.

Critical accounting judgments and estimates:

Useful lives of property, plant and equipment

The group's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset, physical wear and tear as well as technical and commercial obsolescence.

14. RIGHT-OF-USE ASSETS

The Company leases several buildings . The remaining lease term is 1 year.

	Buildings QR'000
Cost	
At 1 January 2019	80,449
Additions	-
Translation adjustments	47
31 December 2019	80,496
Accumulated amortisation	
At 1 January 2019	-
Charge for the year	(30,934)
At 31 December 2019	(30,934)
Net Book Value at 31 December 2019	49,562
Cost	
At 1 January 2020	**80,496**
Additions	**-**
Translation adjustments	**5**
At 31 December 2020	**80,501**
Accumulated amortisation	
At 1 January 2020	**(30,934)**
Charge for the year	**(30,887)**
At 31 December 2020	**(61,821)**
Net Book Value at 31 December 2020	**18,680**

Amounts recognised in consolidated statement of profit or loss during the year is summarized as follows:

	2020 QR'000	2019 QR'000
Amortisation of right-of-use assets	**30,887**	30,934

At December 31, 2020, the Group is committed to QR. Nil (2019: Nil) for short-term leases.

The Group had total cash outflows for leases of QR. 21,142 thousand in 2020 (QR. 41,880 thousand in 2019). Apart from the right of use assets and lease liabilities accounted for under IAS40, the Group also had non-cash additions to right-of-use assets and lease liabilities of QR. nil in 2020 (QR.Nil in 2019).

Critical accounting judgments and estimates

Determining the lease term with renewal optionsIn determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). No potential future cash outflows due to non-existence of an extension option.

• Property lease classification – the Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of this property and accounts for the contracts as operating leases.

• Amortisation of right of use assets

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

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

Discounting of lease payments

The lease payments are discounted using the Group's incremental borrowing rate ("IBR").

15. INVESTMENTS IN ASSOCIATES

The group has the following investments in associates:

	Nature of operation	Country of incorporation	Ownership%	
			2020	2019
Al Imtiaz Investment Company (K.S.C)	Investment	Kuwait	24.4%	24.4%
Emdad Equipment Leasing Company	Leasing	Qatar	22.08%	22.08%
Al Damaan Islamic Insurance Company	Insurance	Qatar	20%	20%
Smeet Investment Company W.L.L.	Manufacturing	Qatar	47.37%	47.37%
Tanween Company W.L.L.	Consultancy services	Qatar	40%	40%
Bait Al Mashura Financial Consulting Co.	Consultancy services	Qatar	20%	20%
Panceltica Holding Limited (i)	RE Development	UK	26%	26%

The following table illustrates the summarised financial information of the group's investment in associates:

	2020 QR'000	2019 QR'000
Total group's share of the associates' statement of financial position:		
Total assets	1,702,877	1,719,173
Total liabilities	(982,219)	(910,801)
Upstream profit	(232,498)	(232,498)
Impairment losses	(32,667)	(45,927)
Group share of net assets of associates	455,493	529,947
Carrying amount of the investments	455,493	529,947
Group's share of associates' revenues and results:		
Revenues	333,253	534,119
Results	(70,887)	63,949

Reconciliation of the summarized financial information presented to the carrying amount of its interest in associates are as follows:

At 31 December 2020	Total Assets QR'000	Total Liabilities QR'000	Equity attributable to owners of the Company QR'000	Non-controlling interests QR'000	% of ownership	Carrying value of the investments QR'000
Name of investee						
Al Imtiaz Investment Company (K.S.C)	4,409,826	2,059,517	2,350,309	405,157	24.40%	573,475
Al Damaan Islamic Insurance Company	626,467	223,718	402,749	-	20%	80,550
Smeet Investment Company W.L.L.	803,281	774,409	28,872	-	47.37%	13,676
Tanween Company W.L.L.	300,633	169,473	131,160	5,280	40%	52,464
Bait Al Mashura Financial Consulting Co.	4,100	1,529	2,571	-	20%	493
Total						720,658
Less: Upstream profit						(232,498)
Less: Impairment losses						(32,667)
Group share of net assets of associates						455,493

At 31 December 2019	Total Assets QR'000	Total Liabilities QR'000	Equity attributable to owners of the Company QR'000	Non-controlling interests QR'000	% of ownership	Carrying value of the investments QR'000
Name of investee						
Al Imtiaz Investment Company (K.S.C)	4,558,824	1,953,923	2,604,901	450,781	24.40%	635,596
Emdad Equipment Leasing Company	69,941	35,385	34,556	-	22.08%	7,630
Al Damaan Islamic Insurance Company	558,353	181,258	377,095	-	20%	75,419
Smeet Investment Company W.L.L.	844,067	775,211	68,856	-	47.37%	32,617
Tanween Company W.L.L.	203,606	42,923	160,683	5,322	40%	64,273
Bait Al Mashura Financial Consulting Co.	5,943	3,605	2,338	-	20%	467
Total						816,002
Less: Upstream profit						(232,498)
Less: Impairment losses						(53,557)
Group share of net assets of associates						529,947

(i) Based on impairment testing carried out by the management, the entire investment value of Panceltica Holding Limited and Emdad Equipment Leasing Company amounting to QR 200,935 and QR 7,630 thousand respectively was impaired during prior year(s).

Financial information relating to associates' revenues and Group's share of results of associates are as follows:

At 31 December 2020	Revenue QR'000	Profit / (loss) for the year QR'000	Dividend received from the associates during the year QR'000	Share of results QR'000
Name of investee				
Al Imtiaz Investment Company (K.S.C)	**138,430**	**(198,653)**	**-**	**(48,471)**
Al Damaan Islamic Insurance Company	**80,502**	**41,240**	**(4,000)**	**8,248**
Smeet Investment Company W.L.L	**587,973**	**(39,987)**	**-**	**(18,941)**
Tanween Company W.L.L.	**9,524**	**(29,375)**	**-**	**(11,748)**
Bait Al Mashura Financial Consulting Co.	**5,218**	**124**	**-**	**25**
Group's share of associates' results				**(70,887)**

At 31 December 2019	Revenue QR'000	Profit / (loss) for the year QR'000	Dividend received from the associates during the year QR'000	Share of results QR'000
Name of investee				
Al Imtiaz Investment Company (K.S.C)	780,467	237,898	-	58,047
Al Damaan Islamic Insurance Company	74,641	41,799	-	8,360
Smeet Investment Company W.L.L	609,338	19,299	-	11,005
Tanween Company W.L.L.	97,689	(33,757)	-	(13,503)
Bait Al Mashura Financial Consulting Co.	6,216	199	-	40
Group's share of associates' results				63,949

Reconciliation of the above summarized financial information to the carrying amount of the interest in Associates recognised in the consolidated financial statements are as under:

At 31 December 2020	Net assets of associate QR'000	Proportion of the Group's ownership interest in the associate QR'000	Goodwill QR'000	Other adjustments QR'000	Carrying amount of the Group's interest in the associate QR'000
Name of investee					
Al Imtiaz Investment Company (K.S.C)	**2,350,309**	**573,475**	**-**	**(232,498)**	**340,977**
Al Damaan Islamic Insurance Company	**402,749**	**80,550**	**-**	**-**	**80,550**
Smeet Investment Company W.L.L	**28,872**	**13,676**	**-**	**(676)**	**13,000**
Tanween Company W.L.L.	**131,160**	**52,464**	**-**	**(31,991)**	**20,473**
Bait Al Mashura Financial Consulting Co.	**2,571**	**493**	**-**	**-**	**493**
					455,493

At 31 December 2019	Net assets of associate QR'000	Proportion of the Group's ownership interest in the associate QR'000	Goodwill QR'000	Other adjustments QR'000	Carrying amount of the Group's interest in the associate QR'000
Name of investee					
Al Imtiaz Investment Company (K.S.C)	2,604,901	635,596	-	(232,498)	403,098
Emdad Equipment Leasing Company	34,556	7,630	-	(7,630)	-
Al Damaan Islamic Insurance Company	377,095	75,419	-	-	75,419
Smeet Investment Company W.L.L	68,856	32,616	-	(5,660)	26,956
Tanween Company W.L.L.	160,683	64,273	-	(40,267)	24,006
Bait Al Mashura Financial Consulting Co.	2,338	468	-	-	468
					529,947

Accounting policies:

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The group's share of post-acquisition profit or loss is recognised in the consolidated statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment.

When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Profits and losses resulting from upstream and downstream transactions between the group and its associates are recognised in the group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are changed if necessary to ensure consistency with the policies adopted by the group.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and charges the amount to the consolidated statement of profit or loss.

Dilution gains and losses arising in investments in associates are recognised in the consolidated statement of profit or loss.

The appropriate classification of certain investments as subsidiaries, associates and joint ventures requires significant analysis and management judgment as to whether the Group exercises control, significant influence or joint control over these investments. This may involve consideration of a number of factors, including ownership and voting rights, the extent of Board representation, contractual arrangements and indicators of de facto control.

16. INTANGIBLE ASSETS

	Goodwill (A)		Service Concession Arrangement (B)		TOTAL	
	2020 QR'000	2019 QR'000	2020 QR'000	2019 QR'000	2020 QR'000	2019 QR'000
At 1 January	**132,411**	210,180	-	1,605,096	**132,411**	1,815,276
Additions	-	-	-	268	-	268
Profit recognized	-	-	-	-	-	-
Impairment loss (Note 32)	-	(77,769)	-	-	-	(77,769)
Transfer to Investment Properties (Note 12)	-	-	-	(1,605,364)	-	(1,605,364)
At 31 December	**132,411**	132,411	-	-	**132,411**	132,411

(A) Goodwill

95% of the Goodwill is allocated to one of the Group's subsidiaries as a cash generating unit. the group performed its annual impairment test as at 31 December 2020 and 2019. To assess whether goodwill is impaired, the carrying amount of the real estate CGU is compared to its recoverable amount determined on a value in use basis.

Key assumptions used in value in use calculations

The recoverable amount of the real estate CGU has been determined based on a value in use calculation using free cash flow to equity projections from financial budgets approved by senior management covering a five-year period. The cash flows have been discounted by a WACC of 7.3% (2019: 7.9%). All cash flows beyond the five year period have an assumed growth rate of 2% (2019: 2%) for the CGU for the purpose of goodwill impairment testing; The strategic business plan assumes certain economic conditions and business performance, which are considered appropriate as they are consistent with current market expectations of the future. As a result of this analysis, no impairment allowances have been recognised against goodwill as at 31 December 2020 (2019: QR 77 million).

Sensitivity to changes in assumptions

Management considered alternative methods including comparable valuations using market multiples. Under these scenarios the recoverable amount of the CGU would continue to exceed its carrying value at 31 december 2020. The benchmarks of the CGU were updated to reflect the return variability projected by senior management in the five-year period.

At year-end, the Group's assessment of the reasonably possible change in key assumptions corresponded to the brackets of values used in the sensitivity tests which are presented below:

- 0.5 basis point increase in discount rate
- 0.5 basis point decrease in growth rate to infinity
- 0.5 basis point decrease in margin over 2020 to 2024 cash periods
- 10% decrease in working capital assumptions

(B) Service Concession Arrangement

- On 14 December 2017, the Group entered into an agreement with the Ministry of Municipality and Environment (MME) to develop a labour residential project on a land leased from the MME with a total area of 1,179,114 square meters. Based on the agreement, the Group is committed to build and operate the project during the lease term of 27 years.

- The terms of the service arrangement require the Group to construct a Labour Housing Project, a bus parking area and related infrastructure and maintain and operate the property to a specified standard with a right to collect rental income at a capped rental rate. No other performance obligations have been identified. The MME has the right to unilaterally terminate the agreement for the public interest. The land along with the project will be transferred back to the MME at the end of the lease.

- During 2019 and based on changes in the facts and circumstances relating to the arrangement, the transaction ceased to meet the recognition criteria of "Service Concession Arrangement" under IFRIC 12. Accordingly the management transferred the previously recognized intangible asset to investment properties under IAS 40 (Note 12).

Accounting policies

- Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognized directly in the profit or loss.

- For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs or group of CGUs that is expected to benefit from the synergies of the combination. Goodwill impairment testing is undertaken annually. Any impairment is recognized immediately as an expense and is not subsequently reversed.

17. TAX AND ZAKAT EXPENSES

Income tax and zakat expense are analysed as follows:

	2020 QR'000	2019 QR'000
Income tax (i)	**(21,901)**	(9,379)
Zakat expense (ii)	**(3,542)**	(4,001)
Other taxes	**(1,699)**	(1,382)
	(27,142)	(14,762)

Note (i):

The income tax represents amounts recognised by subsidiary companies. The major components of the income tax expense for the years ended 31 December 2020 and 2019 are:

	2020 QR'000	2019 QR'000
Current income tax		
Current income tax charge	**(9,754)**	(9,379)
Deferred income tax		
Relating to origination and reversal of temporary differences	**(12,147)**	-
Income tax expense reported in the consolidated statement of profit or loss	**(21,901)**	(9,379)

As per the newly issued tax law in 2019, the net profits of local Barwa Real Estate subsidiaries are subject to income taxes in the State of Qatar to the extent of the non-GCC nationals' shareholding in the Parent's listed shares. Listed companies are non-taxable. For the purpose of determining the taxable results for the year, the accounting profit of the companies were adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense. The adjustments are based on the current understanding of the existing laws, regulations and practices of each subsidiary jurisdiction. In view of the operations of the group being subject to various tax jurisdictions and regulations, it is not practical to provide a detailed reconciliation between accounting and taxable profits together with the details of the effective tax rates.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences to the extent that future taxable profits will be available against which those deductible temporary differences can be utilised.

Reflected in the consolidated statement of financial position as follows:

	2020 QR'000	2019 QR'000
Deferred tax assets	**9,787**	2,297
Deferred tax liabilities	**(20,963)**	(1,752)
	(11,176)	545

Note (ii):

Zakat expense has been charged on one of the group's subsidiaries in the Kingdom of Saudi Arabia.

The following are the major deferred tax assets and liabilities recognised by the Group and movements thereon during the current and prior period.

	Fair valuation of investment properties QR'000
At Jan 01, 2019	**556**
Charge to profit or loss	**-**
Exchange differences	**(11)**
At Jan 01, 2020	**545**
Charge to profit or loss	**(12,147)**
Exchange differences	**426**
At 31 December 2020	**(11,176)**

Accounting policies

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in the consolidated statement of other comprehensive income or directly in equity. In this case, the tax is also recognised in the consolidated statement of other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the consolidated statement of financial position date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements of the respective entity. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

18. PAYABLES AND OTHER LIABILITIES

Payables and other liabilities are classified into non-current and current portion as follows:

	Non-current QR'000	Current QR'000	Total QR'000
2020			
Contractors and suppliers	-	**618,952**	**618,952**
Clients advances and unearned income	-	**62,929**	**62,929**
Retention payable	**76,332**	**48,846**	**125,178**
Contribution to social and sports fund (Note 38)	-	**30,355**	**30,355**
Accrued expenses	-	**290,307**	**290,307**
Accrued finance cost	-	**36,082**	**36,082**
Other payables	**314,021**	**356,425**	**670,446**
	390,353	**1,443,896**	**1,834,249**

	Non-current QR'000	Current QR'000	Total QR'000
2019	-	403,482	403,482
Contractors and supplierss	-	68,753	68,753
Clients advances and unearned income	98,973	16,598	115,571
Retention payable	-	37,569	37,569
Contribution to social and sports fund (Note 38)	-	256,642	256,642
Accrued expenses	-	48,203	48,203
Accrued finance cost	381,619	359,771	741,390
Other payables	**480,592**	**1,191,018**	**1,671,610**

Accounting policy:

Liabilities are recognised for amounts to be paid in the future for services received or when the risks and rewards associated with goods are transferred to the group, whether billed by the supplier or not.

Trade payables are initially recognised at fair value and subsequently measured at amortised cost using effective profit rate method.

Contribution to social and sports fund

According to Qatari Law No. 13 of 2008 and the related clarifications issued in January 2010, the group is required to contribute 2.5% of its consolidated annual net profits, Attributable to the equity holders of the parent, to the State Social and Sports Fund. The clarification relating to Law No. 13 of 2008 requires the payable amount to be recognised as a distribution of net profit. Hence, this is recognised in the consolidated statement of changes in equity.

19. PROVISIONS

	2020 QR'000	2019 QR'000
Provision for litigations	**31,800**	27,114
Provision for claims	**11,000**	33,900
At 31 December	**42,800**	61,014

	2020 QR'000	2019 QR'000
At 1 January	**61,014**	51,014
Provided during the year	**44,668**	10,000
Reversal during the year	**(46,743)**	-
Utilised during the year	**(16,139)**	-
At 31 December	**42,800**	61,014

Accounting policy:

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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 increase in provision due to passage of time is recognised as net finance costs. Provisions are not recognized for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any item in the same class of obligation may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as finance cost.

20. END OF SERVICE BENEFITS

	2020 QR'000	2019 QR'000
At 1 January	**101,494**	109,814
Provided during the year	**31,334**	33,674
End of service benefits paid	**(18,436)**	(41,999)
Translation adjustment	**61**	5
At 31 December	**114,453**	101,494

End of service benefits

The group operates defined benefit and defined contribution retirement plans

Defined contribution plan

With respect to its national employees and citizens of GCC states, as well as other employees in certain locations outside Qatar, the group makes contributions to the General Pension Fund Authority and similar authorities of other countries, calculated as a percentage of the employees' salaries. The group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in the future payment is available.

21. LEASE LIABILITIES

	2020 QR'000	2019 QR'000
Balance as at 1 January (1st time adoption)	**330,080**	362,152
Additions	**68,106**	49,691
Modification	**5,551**	(49,026)
Unwinding of deferred finance cost (Note 34)	**14,415**	14,633
Payments	**(31,241)**	(28,837)
Prepaid	**(10,743)**	(10,746)
Transfer to accrued lease payable	**(22,877)**	(4,540)
Other adjustment	-	(3,549)
Translation adjustment	**1,262**	302
Balance as at 31 December	**354,553**	330,080
Lease liabilities are further analysed as follows:		
Current	**53,242**	62,518
Non-current	**301,311**	267,562
Balance as at 31 December	**354,553**	**330,080**

	2020 QR'000	2019 QR'000
Maturity analysis:		
Year 1	**66,806**	74,912
Year 2	**35,634**	66,821
Year 3	**36,406**	35,753
Year 4	**31,553**	28,469
Year 5	**17,254**	25,697
Later than 5 years	**472,694**	264,198
	660,347	**495,850**
Deferred finance cost	**(305,794)**	(165,770)
	354,553	**330,080**

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

During the year ended December 31, 2020, an existing land lease contract for a plot of land located in Al Khor area has been modified. The impact of the modification has been reflected in the consolidated financial statements as of December 31, 2020.

During the year, the Group agreed with the Ministry of Municipality and Environment to lease two plots of land in Al Wakra, State of Qatar, for a period of 50 years. Under the lease terms, the Group will build labor and families accommodations and operate those for the duration of the lease. While the key terms of the contract have been agreed in substance by the parties, the lease contracts are expected to be formally signed shortly. In connection with this transaction, the Group has recognized the investment properties under development with the associated fair value gain reflected in the statement of profit or loss.

22. OBLIGATIONS UNDER ISLAMIC FINANCE CONTRACTS

	2020 QR'000	2019 QR'000
At 1 January	**9,406,049**	7,925,280
Additional facilities obtained	**1,962,170**	2,000,000
Accrued finance cost	**55,160**	-
Repayments	**(1,346,330)**	(517,724)
Deferred finance charges	**5,937**	(1,551)
Foreign exchange adjustment	**(131)**	44
	10,082,855	9,406,049

	2020 QR'000	2019 QR'000
Un-secured facilities	**10,105,478**	9,434,609
Deferred finance charges	**(22,623)**	(28,560)
	10,082,855	9,406,049
The above balance is analyzed as follows:		
Non-current portion	**7,929,405**	8,332,020
Current portion	**2,153,450**	1,074,029
	10,082,855	9,406,049

Following is a summary of the terms of the borrowings at year end:

Currency	Original currency	Maturity	Profit	Profit rate	2020 QR'000	2019 QR'000
USD	US 1,776 million	2021-2026	Floating	Libor + margin	**6,466,875**	6,978,609
QAR	QR 3,638 million	2026-2028	Floating	QMRL +/-margin	**3,638,603**	2,456,000
					10,105,478	9,434,609

During the year, and as a result of the various market efforts to mitigate the impact of the COVID 19 pandemic, the Group successfully negotiated insignificant changes in the repayment schedule of certain borrowings. The Group concluded that none of these changes represent a substantial modification of borrowings under IFRS 9.

The Group has not breached any loan covenant during 2020 and 2019.

The above facilities have been obtained for the purpose of financing long term projects and working capital requirements of the group. The facilities carry profits at rates comparable to commercial rates prevailing in the market for facilities with the same terms and conditions like the group's facilities.

Accounting policy:

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

Gains or losses are recognized in the consolidated statement of profit or loss when the liabilities are derecognized as well as through the amortization process. Finance cost and other related charges are recognized as an expense when incurred.

Fees paid on the establishment of Islamic facilities are recognised as transaction costs of the financing to the extent that it is probable some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as prepayment for liquidity services and amortised over the period of the facility to which it relates.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from a different lender or same lender but on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

23. SHARE CAPITAL

	2020 No of shares (Thousands)	2019 No of shares (Thousands)
Authorised shares:		
Ordinary shares of QR 1 each (i)	**3,891,246**	3,891,246

	No of shares (Thousands)	QR'000
Ordinary shares issued and fully paid up:		
At 1 January 2019	3,891,246	3,891,246
At 31 December 2019 (i)	3,891,246	3,891,246
At 31 December 2020	**3,891,246**	3,891,246

(i) Share split

Please refer to note 35 (i) for more details about the implementation of the share split with effect from 1 July 2019.

All shares have equal rights except for one preferred share which is held by Qatari Diar Real Estate Investment Company Q.S.C. that carries preferred rights over the financial and operating policies of the Company.

Accounting policies:

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased (treasury shares), the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity until the shares are cancelled or reissued. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented separately in the equity.

24. LEGAL RESERVE

In accordance with the requirements of the Qatar Commercial Companies Law No. 11 of 2015 and the Articles of Association of the Parent and it's subsidiaries, an amount equal to 10% of the net profit for the year should be transferred to a legal reserve each year until this reserve is equal to 50% of the paid up share capital. The reserve is not available for distribution except in the circumstances stipulated in the above law and the Articles of Association of the Parent and it's subsidiaries. In accordance with their article of associations, and statutory laws requirements, the group companies are transferring a specific percentage from their annual net profit to the legal reserve.

25. GENERAL RESERVE

In accordance with the parent's articles of association, the premium on issue of share capital is added to general reserve. In addition, residual annual profits, after the required transfer to legal reserve (Note 24), can be appropriated and transferred to general reserve based on the general assembly meeting's approval.

	2020 QR'000	2019 QR'000
Balance at 1 January	**4,639,231**	4,639,231
Movement during the year	**-**	-
At 31 December	**4,639,231**	4,639,231

26. OTHER RESERVES

	2020 QR'000	2019 QR'000
Fair value reserve (i)	**(149,790)**	(179,781)
Translation reserve	**(189,451)**	(221,517)
Other reserve	**(950)**	-
At 31 December	**(340,191)**	(401,298)

(i) Fair value reserve:

The fair value reserve comprises the cumulative net change in the fair value of financial assets at fair value through other comprehensive income.

	2020 QR'000	2019 QR'000
Balance at 1 January	**(179,781)**	(174,606)
Movement during the year	**29,991**	(5,175)
At 31 December	**(149,790)**	(179,781)

27. RENTAL OPERATION EXPENSES

	2020 QR'000	2019 QR'000
Staff costs	**16,369**	22,105
Rent expenses	**848**	15,915
Maintenance and utilities expense	**187,924**	210,896
Property management expense	**68,973**	21,065
Facility management expense	**1,006**	5,706
Other expenses	**14,887**	7,562
	290,007	283,249

28. RENTAL INCOME AND INCOME FROM CONSULTANCY AND OTHER SERVICES

28.1. RENTAL INCOME

	2020 QR'000	2019 QR'000
Gross rental income	**1,331,477**	1,120,514
Tenant incentives "net"	**2,654**	59,067
Net rental income	**1,334,131**	1,179,581

Rental income include income from ancillary and other related services of QR 74,319 thousand (2019: QR 74,626 thousand)

28.2. INCOME FROM CONSULTANCY AND OTHER SERVICES

	2020 QR'000	2019 QR'000
Income from consultancy services (i)	**159,147**	139,956
Revenue from hotel operation	**56,166**	133,481
Revenue from cooling services	**56,076**	56,459
Secondment income (i)	**31,428**	26,348
	302,817	356,244

(I) Income from consultancy and other services are further analyzed as follows :

	2020 QR'000	2019 QR'000
Point-in time revenue	**13,698**	5,811
Over time revenue		
Consultancy revenue	**103,980**	114,878
Property management Revenue	**19,859**	20,702
Facility management revenue	**53,038**	24,913
Revenue from hotel operation	**56,166**	133,481
Revenue from cooling services	**56,076**	56,459
	302,817	356,244

Accounting policies:

Consultancy income

The Group renders project management services and advisory services to other companies; income is recognised in the accounting period in which the services are rendered by reference to the stage of completion of the specific transaction and assessed on the basis of the actual services (measured by hours using time sheets) provided on agreed rates.

Services revenues

Revenues from services rendered are recognized in the consolidated statement of profit or loss by reference to the stage of completion of the specific transaction and assessed on the basis of the actual service provided as proportion of the total services to be provided. Revenue earned but not invoiced at year end is accrued and included in accrued income.

Secondment income

The Group provides employees and manpower to the other companies, and the income is recognised in the accounting period in which the employees attend and join the other companies, it is measured by the time sheets that is approved by the other companies based on agreed rates with the Group .

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

a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

c) the Group's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

For performance obligations satisfied at a point in time, the Group considers the general requirements of control (i.e. direct the use of asset and obtain substantially all benefits) and the following non-exhaustive list of indicators of transfer of control:

- Entity has present right to payment
- Customer has legal title
- Entity has transferred legal possession
- Customer has significant risk and rewards
- Customer has accepted the asset in making their judgment, the directors considered the detailed criteria for the recognition of revenue set out in IFRS 15 and, in particular, whether the Group had transferred control of the services to the customer.

29. CONSULTING OPERATION AND OTHER SERVICES EXPENSES

	2020 QR'000	2019 QR'000
Staff costs	**78,738**	81,042
Hotel operation costs	**59,241**	87,910
Maintenance and utilities expense	**69,596**	52,655
Depreciation (Note 13)	**43,587**	50,523
Other expenses	**15,575**	10,598
	266,737	282,728

30. PROFIT ON SALE OF PROPERTY AND CONSTRUCTION SERVICES

	2020 QR'000	2019 QR'000
Profit on sale of property	**8,577**	-
Profit from sale of land	**-**	3,344
	8,577	3,344

31. GENERAL AND ADMINISTRATIVE EXPENSES

	2020 QR'000	2019 QR'000
Staff costs	**166,690**	184,084
Social contributions	**3,001**	4,335
Professional fee expenses	**14,807**	15,510
Provision expenses	**9,605**	10,000
Utilities expenses	**4,437**	5,255
Advertising and promotion expenses	**369**	3,531
Board of Directors remuneration and others (i)	**10,610**	10,610
Repair and maintenance expense	**5,798**	5,752
Travel expenses	**25**	376
Rent expenses	**288**	290
Government fees	**1,969**	2,278
Other expenses	**2,092**	1,281
	219,691	243,302

Note:

(i) The Directors' remuneration and others includes a proposed amount of QR 8,500 thousand subject to the approval of the company's Annual General Assembly (2019: QR 8,500 thousand, approved by the shareholders of the Company at the Annual General Meeting held on 15 April 2020).

32. NET IMPAIRMENT LOSSES

	2020 QR'000	2019 QR'000
Impairment losses :		
Cash and bank balances	**(312)**	(726)
Receivables	**(114,190)**	(21,494)
Trading properties (Note 7)	**(29,684)**	(47,209)
Investment in associates	**(83,287)**	(18,950)
Due from related parties (Note 9)	**(15,105)**	(10,843)
Intangible assets (goodwill) (Note 16)	**-**	(77,769)
Property,plant and equipment (Note 13)	**(761)**	(4,852)
Reversal of impairment:		
Cash and bank balances	**847**	882
Receivables	**16,516**	16,274
Trading properties (Note 7)	**-**	51,380
Investment in associates	**96,547**	15,100
Due from related parties (Note 9)	**-**	243
Finance lease receivables (Note 8)	**3,755**	2,821
Net impairment losses	**(125,674)**	(95,143)

33. OTHER INCOME

	2020 QR'000	2019 QR'000
Income from reversal of provisions for litigations & others	**17,654**	1,725
Dividend income	**3,020**	6,627
Gain on disposal of property, plant and equipment	**82**	27
Others	**106,469**	20,583
	127,225	28,962

Accounting policy:

Dividend income

Dividend income is recognized when the right to receive the dividend is established.

34. NET FINANCE COST

	2020 QR'000	2019 QR'000
Finance cost		
Finance cost on Islamic finance contracts	**(347,804)**	(435,737)
Less: Capitalized finance cost (Note 7.B & 12)	**83,444**	143,079
	(264,360)	(292,658)
Unwinding of deferred finance cost	**(26,753)**	(30,675)
Finance cost - lease liability (IFRS 16) (Note 21)	**(14,415)**	(14,633)
Net foreign exchange loss	**(2,873)**	(9,370)
Finance cost for the year	**(308,401)**	(347,336)
Finance income		
Income from Murabaha and Islamic deposits	**7,870**	37,790
Net gain on debt restructure	**654**	1,049
Finance income for the year	**8,524**	38,839
Net finance cost for the year	**(299,877)**	(308,497)

Accounting policy:

Finance income

Finance income from banks' deposits is recognized on a time apportionment basis using the effective profit rate method.

Finance costs

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

The group begins capitalizing financing costs as part of the cost of a qualifying asset on the commencement date. The commencement date for capitalization is the date when the group first meets all of the following conditions:

(a) incurs expenditures for the asset;

(b) incurs borrowing costs; and

(c) undertakes activities that are necessary to prepare the asset for its intended use or sale.

To the extent that the group borrows funds specifically for the purpose of obtaining a qualifying asset, the group determines the amount of financing costs eligible for capitalization as the actual financing costs incurred on that financing during the period less any investment income on the temporary investment of those financings, if any.

The financing costs applicable to the financing of the group that are outstanding during the period, are capitalized by applying a capitalization rate to the expenditures on that asset.

The amount of financing costs that the group capitalizes during the period is not to exceed the amount of financing costs it incurred during that period. The group suspends capitalization of borrowing costs during extended periods in which it suspends active development of a qualifying asset, and ceases capitalizing borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

35. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

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

The following reflects the profit and share data used in the basic and diluted earnings per share computations:

	2020	2019
Net profit attributable to equity holders of the Parent for basic earnings (in QR'000)	**1,214,188**	1,502,763
Ordinary shares issued and fully paid (thousand shares) (i)	**3,891,246**	3,891,246
Weighted average number of shares outstanding during the year (thousand shares)	**3,891,246**	3,891,246
Basic and diluted earnings per share (QR)	**0.31**	0.39

(i) Share split

During the Extraordinary General Meeting convened on 28 March 2019, the shareholders of the Parent approved amending the par value of the ordinary shares from QR 10 per share to QR 1 per share, in line with the instructions issued by the Qatar Financial Markets Authority.

The share split has been implemented on 1 July 2019 and this has led to an increase in the number of authorised, issued and fully paid shares from 389,124,637 shares to 3,891,246,369 ordinary shares and one preferred share.

Accounting policy:

The group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees, if any.

36. COMPONENTS OF OTHER COMPREHENSIVE INCOME

	2020 QR'000	2019 QR'000
Fair value reserves	**29,991**	(8,551)
Translation reserves	**32,094**	36,499
Other reserve	**(950)**	-
	61,135	27,948

37. DIVIDENDS

Dividends paid and proposed

	2020 QR'000	2019 QR'000
Declared, accrued and paid during the year:		
Final dividend for the year 2019, 20% of nominal value per share (2019 : final dividend for the year 2018, 25% of nominal value per share)	**778,249**	972,811

The shareholders of the Parent Company approved at the Annual General Meeting held on 15 April 2020 a cash dividend of 20% of nominal value per share, amounting to total of QR 778,249 thousand from the profit of 2019 (2019: cash dividend of 25% of nominal value per share; amounting to QR 972,811 thousand from the profit of 2018).

The proposed dividend for 2020 of 12.5% of nominal value per share will be submitted for formal approval at the Annual General Assembly Meeting.

Accounting policy:

The Company recognises a liability to make cash distributions to equity holders of the Parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Qatar Commercial Companies Law No. 11 of 2015, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

38. CONTRIBUTION TO THE SOCIAL AND SPORTS FUND

During the year, the group appropriated an amount of QR 30,355 thousand (2019: QR 37,569 thousand) representing 2.5% of the consolidated net profit for the year attributable to Equity holders of the Parent as a contribution to the Social and Sports Fund.

39. CASH FLOW INFORMATION

39.1. NON-CASH INVESTING AND FINANCING ACTIVITIES ARE SUMMARIZED AS FOLLOWS:

Description	2020 QR'000	2019 QR'000
Transfers from trading properties to investment properties	**4,567**	126,802
Transfer of advances to investment properties (note 11)	-	4,832,246
Transfer from intangible assets to investment properties (note 16)	-	1,605,364

39.2. NET DEBT RECONCILIATION:

Net debt analysis :	2020 QR'000	2019 QR'000
Cash and cash equivalents	**416,054**	718,182
Short term deposits maturing after 3 months	**170,460**	371,596
Liquid investments	**35,792**	30,619
Borrowing – repayable within one year	**(2,153,450)**	(1,074,029)
Borrowing – repayable after one year	**(7,929,405)**	(8,332,020)
Net debt	**(9,460,549)**	(8,285,652)
Cash, deposit and liquid investments	**622,306**	1,120,397
Gross debt – variable finance cost rates	**(10,082,855)**	(9,406,049)
Net debt	**(9,460,549)**	(8,285,652)

40. COMPARATIVE INFORMATION

The comparative figures for the year ended 31 December 2018 have been reclassified in order to conform with the presentation for the current year. Such reclassifications have been made by the group to improve the quality of information presented and did not have any impact on the previously reported equity and profits. Below is a summary of significant reclassifications made during the year:

	Previous presentation at 31 December 2019 QR'000	Reclassifications QR'000	Current presentation QR'000
Consolidated statement of Financial Position:			
Investment properties	**26,577,670**	20,648	26,598,318
Right-of-use assets	**72,677**	(23,115)	49,562
Lease liabilities	**(332,547)**	2,467	(330,080)
Consolidated statement of Profit or loss:			
Net fair value gain on investment properties	**1,131,425**	(3,997)	1,127,428
Amortisation of right-of-use assets	**(34,931)**	3,997	(30,934)

41. CONTINGENT LIABILITIES

The group had the following contingent liabilities from which it is anticipated that no material liabilities will arise.

	2020 QR'000	2019 QR'000
Bank guarantees	**114,746**	**141,257**

Litigations and claims

During the year, various legal cases were filed against the group. According to the group's Legal Counsel's best estimates, no material liabilities will arise as a result of these cases and accordingly no provisions have been made against them, except for what has been provided for in the consolidated financial statements in note 19.

42. COMMITMENTS

	2020 QR'000	2019 QR'000
Contractual commitments with contractors and suppliers for properties under development	**3,473,747**	329,087
Commitments for purchase of investments and properties	**8,587**	8,587

43. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair values

Set out below is a comparison by class of the carrying amounts and fair value of the group's financial assets and financial liabilities that are carried in the consolidated financial statements:

	Carrying amounts		Fair values	
	2020 QR'000	2019 QR'000	2020 QR'000	2019 QR'000
Financial assets				
At Amortised cost				
Bank balances (excluding cash)	**748,109**	1,257,197	**748,109**	1,257,197
Receivables	**592,215**	519,704	**592,215**	519,704
Finance lease receivables	**32,427**	103,770	**32,427**	103,770
Due from related parties	**153,086**	208,184	**153,086**	208,184
At fair value				
Financial assets at fair value through other comprehensive income	**170,032**	131,928	**170,032**	131,928
Financial assets at fair value through profit or loss	**35,792**	30,619	**35,792**	30,619
Financial liabilities				
At amortized cost				
Payables and other liabilities	**(1,771,320)**	(1,602,856)	**(1,771,320)**	(1,602,856)
Due to related parties	**(192,620)**	(314,174)	**(192,620)**	(314,174)
Obligations under Islamic finance contracts	**(10,082,855)**	(9,406,049)	**(10,082,855)**	(9,406,049)
Lease liabilities	**(354,553)**	(330,080)	**(354,553)**	(330,080)

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair values of bank balances, receivables, due from related parties, payables and other liabilities and due to related parties approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Finance lease receivables are evaluated by the group based on parameters such as profit rates and individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these finance lease receivables. At the end of the reporting year, the carrying amounts of such finance lease receivables, net of allowances, approximate their fair values.
- The fair value of the quoted financial assets at fair value through other comprehensive income is derived from quoted market prices in active markets.
- The fair value of unquoted financial assets at fair value through other comprehensive income are carried at fair value.
- The fair value of obligations under Islamic finance contracts approximates its carrying amount as these facilities are repriced periodicaly to reflect market rates through revolving Murabaha finance mechanism.

Fair value measurement

The following table provides the fair value measurement hierarchy of the group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2020 are as follows:

		Fair value measurement using			
	Date of valuation	Total QR'000	Quoted prices in active markets Level 1 QR'000	Significant observable inputs Level 2 QR'000	Significant unobservable inputs Level 3 QR'000
Assets measured at fair value:					
Investment properties (Note 12)	31 Dec 2020	**28,158,282**	-	-	**28,158,282**
Financial assets at fair value through other comprehensive income (Note 10):					
Quoted equity shares	31 Dec 2020	**112,810**	**112,810**	-	-
Unquoted equity shares	31 Dec 2020	**57,222**	-	-	**57,222**
Financial assets at fair value through profit or loss (Note 5):					
Quoted equity shares	31 Dec 2020	**35,792**	**35,792**	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2019 are as follows:

		Fair value measurement using			
	Date of valuation	Total QR'000	Quoted prices in active markets Level 1 QR'000	Significant observable inputs Level 2 QR'000	Significant unobservable inputs Level 3 QR'000
Assets measured at fair value:					
Investment properties (Note 12)	31 Dec 2019	26,598,318	-	-	26,598,318
financial assets at fair value through other comprehensive income (Note 10):					
Quoted equity shares	31 Dec 2019	82,131	82,131	-	-
Unquoted equity shares	31 Dec 2019	49,797	-	-	49,797
Financial assets at fair value through profit or loss (Note 5):					
Quoted equity shares	31 Dec 2019	30,619	30,619	-	-

There have been no transfers between Level 1 and Level 2 during 2020 (2019: no transfers), and no transfers into and out of Level 3 fair value measurements (2019: no transfers).

Business model assessment

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Finance Income (SPPFI) and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

44. BASIS OF PREPARATION AND CONSOLIDATION

The principle accounting policies applied in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

44.1. BASIS OF PREPARATION

The consolidated financial statements of the group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and applicable requirements of Qatar Commercial Companies' Law No. 11 of 2015, as amended.

The consolidated financial statements have been prepared under the historical cost convention, except for investment properties, financial assets at fair value through profit or loss and Financial assets at fair value through other comprehensive income which have been measured at fair value.

The consolidated financial statements are presented in Qatari Riyals, which is the Group's functional and presentational currency and all values are rounded to the nearest thousand (QR'000), except when otherwise indicated.

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to consolidated financial statements are disclosed in Note 47. The consolidated financial statements were authorised for issue by the directors on 15 February 2021.

44.2. BASIS OF CONSOLIDATION

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The group applies the acquisition method to account for business combinations.

The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in the consolidated statement of profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income.

Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.
Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

The group's subsidiaries accounting for more than 2% of the total assets and /or operational results of the group during the current or previous financial year are included in these consolidated financial statements are listed below. In addition to the below listed subsidiaries, there are number of other subsidiaries' financial statements that are consolidated into these consolidated financial statements and are accounting for less than 2% of the total assets and/ or operational results of the group.

Name of subsidiary	Country of incorporation	Group effective shareholding percentage	
		31 December 2020	31 December 2019
Asas Real Estate Company W.L.L	Qatar	**100%**	100%
Al-Waseef Asset Management Company W.L.L.	Qatar	**100%**	100%
Barwa International Company W.L.L.	Qatar	**100%**	100%
Barwa Al Sadd Company W.L.L.	Qatar	**100%**	100%
Barwa Salwa Company W.L.L	Qatar	**100%**	100%
Barwa Al Baraha Company W.L.L.	Qatar	**100%**	100%
Barwa Village Company W.L.L.	Qatar	**100%**	100%
Masaken Al Sailiya & Mesaimeer Company W.L.L.	Qatar	**100%**	100%
Barwa District Cooling Company W.L.L.	Qatar	**100%**	100%
Qatar Real Estate Investment Company P.J.S.C.	Qatar	**100%**	100%
Qatar Project Management Company Q.P.S.C.	Qatar	**70%**	70%
Lusail Golf Development Company W.L.L.	Qatar	**100%**	100%
Barwa Real Estate Saudi Arabia W.L.L.	KSA	**100%**	100%
Madinat Al Mawater W.L.L.	Qatar	**100%**	100%

All the abovementioned companies' are active in real estate development except for Al Waseef Asset Management Co. which is mainly active in property & facility Management, whereas Qatar Project Management Co. is mainly active in project management.

45. MATERIAL PARTLY-OWNED SUBSIDIARIES

The financial information of group's subsidiaries that have more than 10% of non-controlling interests are provided below:

Proportion of effective equity interest held by non-controlling interests are as follows:

Name of subsidiary	Country of incorporation	31 December 2020	31 December 2019
Qatar Project Management Company Q.P.S.C.	Qatar	**30%**	30%
Nuzul Qatar Company Limited W.L.L.	Qatar	**25.5%**	25.5%

	2020 QR'000	2019 QR'000
Accumulated balances of material non-controlling interest.		
Qatar Project Management Company Q.P.S.C.	**37,343**	43,973
Nuzul Qatar Company Limited W.L.L.	**41,686**	41,724
Profit allocated to material non-controlling interest:		
Qatar Project Management Company Q.P.S.C.	**8,318**	6,368
Nuzul Qatar Company Limited W.L.L.	**(38)**	(20)

The summarised financial information of these subsidiaries are provided below. These information are based on amounts before inter-company eliminations:

	Qatar Project Management Company Q.P.S.C. QR'000	Nuzul Qatar Company Limited W.L.L. QR'000
Summarised statement of profit or loss for 2020:		
Revenues and gains	**133,223**	-
Expenses and losses	**(105,497)**	**(149)**
Profit / (loss) for the year	**27,726**	**(149)**
Total comprehensive income / (loss)	**28,089**	**(149)**
Summarised statement of profit or loss for 2019:		
Revenues and gains	124,046	-
Expenses and losses	(102,819)	(78)
Profit / (loss) for the year	21,227	(78)
Total comprehensive income / (loss)	20,617	(78)
Summarised statement of financial position as at 31 December 2020:		
Non-current assets	**28,090**	-
Current assets	**161,225**	409,971
Non-current liabilities	**(16,090)**	-
Current liabilities	**(48,750)**	(246,498)
Net equity	**124,475**	163,473
Attributable to:		
Equity holders of Parent	**87,132**	121,787
Non-controlling interest	**37,343**	41,686
Total equity	**124,475**	163,473

	Qatar Project Management Company Q.P.S.C. QR'000	Nuzul Qatar Company Limited W.L.L. QR'000
Summarised statement of financial position as at 31 December 2019		
Non-current assets	28,631	-
Current assets	184,250	410,108
Non-current liabilities	(22,619)	-
Current liabilities	(43,685)	(246,486)
Net equity	146,577	163,622
Attributable to:		
Equity holders of Parent	102,604	121,898
Non-controlling interest	43,973	41,724
Total equity	146,577	163,622
Summarised cash flow information for the year ended 31 December 2020:		
Operating activities	**14,796**	-
Investing activities	**(42,878)**	-
Financing activities	**(36,051)**	-
Net decrease in cash and cash equivalents	**(64,133)**	-
Summarised cash flow information for the year ended 31 December 2019:		
Operating activities	18,675	(769)
Investing activities	(6,910)	-
Financing activities	(30,924)	-
Net decrease in cash and cash equivalents	(19,159)	(769)

46. FINANCIAL RISK MANAGEMENT

This note explains the group's exposure to financial risks and how these risks could affect the group's future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk	- Investments in equity securities	Sensitivity analysis	Portfolio diversification
	- Borrowings		
	- Foreign currency denominated financial assets and liabilities		
Credit risk	- Cash and cash equivalents	- Ageing analysis	Diversification of bank deposits, credit limits and letters of credit.
	- Trade receivables	- Credit ratings	
	- Finance lease receivables		
	- Due from related paties		
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities.

Objectives and policies

The group's principal financial liabilities comprise payables and other liabilities, due to related parties, obligations under Islamic finance contracts and lease liabilities. The main purpose of these financial liabilities is to raise finance for the group's operations. The group has various financial assets such as cash and bank balances, receivables, finance lease receivables, due from related parties, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which arise directly from its operations.

The main risks arising from the group's financial instruments are market risk, credit risk, liquidity risk, operational risk, real estate risk and other risks . The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

Market risk

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

(a) Profit rate risk

The group's financial assets and liabilities that are subject to profit rate risk comprise bank deposits, finance lease receivables and obligations under Islamic finance contracts. The group's exposure to the risk of changes in market profit rates relates primarily to the group's financial assets and liabilities with floating profit rates.

The group manages its profit rate risk through portfolio diversification relating to obligations under Islamic finance contracts and finance lease receivable.

At the reporting date the profit rate profile of the group's profit bearing financial instruments was:

	Carrying amounts	
	2020 QR'000	2019 QR'000
Floating profit rate instruments:		
Finance Lease receivables	**32,427**	103,770
Fixed term deposits	**200,061**	814,807
Financial liabilities - Borrowings	**(10,082,855)**	(9,406,049)

The following table demonstrates the sensitivity of consolidated statement of profit or loss to reasonably possible changes in profit rates by 25 basis points (bps), with all other variables held constant. The sensitivity of the consolidated statement of profit or loss is the effect of the assumed changes in profit rates for one year, based on the floating rate financial assets and financial liabilities held at 31 December. The effect of decrease in profit rates is expected to be equal and opposite to the effect of the increase shown.

	Profit or loss +/- 25 bps QR'000
At 31 December 2020	**- / +24,089**
At 31 December 2019	- / +23,051

In response to the announcements, the Group has set up an IBOR transition programme comprised of the work streams of risk management, tax, treasury, legal, accounting and systems. The programme is under the governance of the Chief Financial Officer who reports to the Board. The aim of the programme is to understand where IBOR exposures are within the business and prepare and deliver on an action plan to enable a smooth transition to alternative benchmark rates. The Group aims to finalize the transition and fallback plans by the end of first half of 2021.

For the Group's floating rate debt, the Group has started discussions with the local banks so that the existing finance cost rate will change to reference benchmark finance cost rate in 2021.

The Group will continue to apply the amendments to IFRS 9 until the uncertainty arising from the interest rate benchmark reforms with respect to the timing and the amount of the underlying cash flows of the Group is exposed to ends. The Group has assumed that this uncertainty will not end until the Group's contracts that reference IBORs are amended to specify the date on which the interest rate benchmark will be replaced, the cash flows of the alternative benchmark rate and the relevant spread adjustment. This will in part be dependent on the introduction of fall back clauses which have yet to be added to the Group's contracts and the negotiation with the lenders.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument 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 and the Group's net investment in foreign subsidiaries.

The group had the following net exposure denominated in foreign currencies:

	2020 QR'000	2019 QR'000
	Assets (Liabilities)	Assets (Liabilities)
EURO	**(1,396)**	(792)
KWD	**(17,189)**	(17,195)
GBP	**100,215**	107,338
TRY	**6,440**	7,337
EGP	**(6,267)**	(7,138)
AED	**(2,000)**	(1,995)
SAR	**(101,882)**	(83,490)
USD	**(5,973,571)**	(6,341,114)

The group has limited exposure to foreign exchange risks arising from balances dominated in US Dollars as the Qatari Riyal is pegged to the US Dollar.

The Group is mainly exposed to the currencies listed above. The following table details the Group's sensitivity to a 5% increase and decrease in currency units against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates.
A positive number below indicates an increase in profit and other equity where currency units strengthens 5% against the relevant currency. For a 5% weakening of currency units against the relevant currency, there would be a comparable impact on the profit and other equity, and the balances below would be negative.

	2020 QR'000 +/- 5%	2019 QR'000 +/- 5%
EURO	(70)	(40)
KWD	(859)	(860)
GBP	5,011	5,367
TRY	322	235
EGP	(313)	(357)
AED	(100)	(100)
SAR	(5,094)	(4,175)
USD	(298,679)	(317,055)

(c) Equity price risk

The following table demonstrates the sensitivity of consolidated statement of profit or loss and the fair value reserve to reasonably possible changes in quoted equity share prices, with all other variables held constant. The effect of decrease in equity prices is expected to be equal and opposite to the effect of the increase shown.

	Changes in market indices	Effect on profit QR'000	Effect on equity QR'000
2020			
Financial assets at fair value through other			
comprehensive income — Quoted	**+10%**	**-**	**11,281**
Financial assets at fair value through profit or loss	**+10%**	**3,579**	**3,579**
2019			
Financial assets at fair value through other			
comprehensive income — Quoted	+10%	-	8,213
Financial assets at fair value through profit or loss	+10%	3,062	3,062

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The group's exposure to credit risk is as indicated by the carrying amount of its assets which consisted principally of bank balances, receivables, finance lease receivables, due from related parties.

With respect to credit risk arising from the other financial assets of the group, 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 are as follows:

	2020 QR'000	2019 QR'000
Bank balances	**748,109**	1,257,197
Receivables	**592,215**	519,704
Finance lease receivables	**32,427**	103,770
Due from related parties	**153,086**	208,184
	1,525,837	2,088,855

The maximum exposure to credit risk at the reporting date by geographic region was as follows:

	Carrying amounts				
	Domestic QR'000	Other GCC countries QR'000	European countries QR'000	North Africa QR'000	Total QR'000
2020					
Bank balances	**688,141**	**15,171**	**37,226**	**7,571**	**748,109**
Receivables	**564,861**	**17,099**	**9,251**	**1,004**	**592,215**
Finance lease receivables	**32,427**	**-**	**-**	**-**	**32,427**
Due from related parties	**152,266**	**250**	**-**	**570**	**153,086**
	1,437,695	**32,520**	**46,477**	**9,145**	**1,525,837**

	Carrying amounts				
	Domestic QR'000	Other GCC countries QR'000	European countries QR'000	North Africa QR'000	Total QR'000
2019					
Bank balances	1,168,123	49,015	33,554	6,505	1,257,197
Receivables	490,013	13,882	11,284	4,525	519,704
Finance lease receivables	103,770	-	-	-	103,770
Due from related parties	207,747	6	-	431	208,184
	1,969,653	**62,903**	**44,838**	**11,461**	**2,088,855**

The group monitors its exposure to credit risk on an on-going basis and based on the management's assessment and historic default rates, the group believes that impairment allowance of QR 322,565 thousand (2019: QR 213,977 thousand) is sufficient against financial assets as at the reporting date. Financial assets include certain balances that are overdue but in management's view are not impaired as at the reporting date.

The group reduces the exposure of credit risk arising from bank balances by maintaining bank accounts in reputed banks. 95% (2019: 93%) of bank balances represents balances maintained with local banks in Qatar with a good rating.

Credit quality of financial assets

Certain trade and other receivables and due from related parties have no external rating available and there is no formal internal credit rating established by the Group, so the credit quality of these financial assets cannot be disclosed by the management.

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and other receivables as well as finance lease receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

As at 31 December 2020, 87% of the total finance lease receivables balance (2019: 93%) is due from a single customer who is a government related entity.

To assess the credit risk for its main customers, the Group usually refers to external credit rating agencies (e.g. Moody's, S&P, Fitch Ratings), if available, to assess the probability of default for these customers. Governmental institutions and the externally rated institutions within category A and B credit ratings constitutes of 72% of the trade receivable balance net of provision as of 31 December 2020 (2019: 83%).

The Group does not hold any collateral or other credit enhancements to cover it's credit risks associated with its financial assets.

The credit quality of financial assets that are neither past due nor impaired is assessed by reference to historical information. Credit risk from balances with banks is managed by the finance department of the Group in accordance with the Group's policy. The external long term credit ratings of the banks are as follows:

	2020 QR'000	2019 QR'000
A+	**185,964**	675,519
A1	**299,476**	200,802
A	**44,350**	337,963
A-	**56,768**	-
A2/PRIME-1	**135,701**	-
B	**3,972**	-
Others	**21,878**	42,913
Total	**748,109**	1,257,197

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

Category	Description	Basis for recognizing expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery	Amount is written off

Liquidity risk

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

The group's objective is to maintain a balance between continuity of funding and flexibility through the use of group's own reserves and bank facilities. The group's terms of revenue require amounts to be collected within 30 days from the invoiced date.

The table below summarizes the maturity profile of the group's undiscounted financial liabilities at 31 December based on contractual payment dates and current market profit rates:

2020	Carrying amounts QR'000	Contractual cash out flows QR'000	Less than 1 year QR'000	1- 2 years QR'000	2 - 5 years QR'000	More than 5 years QR'000
Payables and other liabilities	**1,771,320**	**1,834,279**	**1,403,068**	**167,611**	**263,600**	**-**
Due to related parties	**192,620**	**192,620**	**192,041**	**579**	**-**	**-**
Lease liabilities	**354,553**	**660,347**	**66,806**	**35,634**	**85,213**	**472,694**
Obligations under Islamic finance contracts	**10,082,855**	**10,989,314**	**2,424,461**	**2,469,734**	**4,468,666**	**1,626,453**
	12,401,348	**13,676,560**	**4,086,376**	**2,673,558**	**4,817,479**	**2,099,147**

2019	Carrying amounts QR'000	Contractual cash out flows QR'000	Less than 1 year QR'000	1- 2 years QR'000	2 - 5 years QR'000	More than 5 years QR'000
Payables and other liabilities	1,602,856	1,692,870	1,149,017	190,253	270,000	83,600
Due to related parties	314,174	314,174	313,595	579	-	-
Lease liabilities	330,080	498,517	76,208	68,055	90,056	264,198
Obligations under Islamic finance contracts	9,406,049	11,070,457	1,633,983	2,691,988	4,958,972	1,785,514
	11,653,159	**13,576,018**	**3,172,803**	**2,950,875**	**5,319,028**	**2,133,312**

In addition, the Group is using the combination of the cash inflows from the financial assets and the available bank facilities to manage the liquidity. The below table presents the cash inflows from the financial assets:

2020	Less than 1 year QR'000	1- 2 years QR'000	2 - 5 years QR'000	More than 5 years QR'000	Total QR'000
Trade and other receivables	**441,817**	**30,234**	**53,493**	**66,671**	**592,215**
Finance lease receivables	**30,805**	**1,622**	**-**	**-**	**32,427**
Due from related parties	**153,086**	**-**	**-**	**-**	**153,086**
Investment in equity instruments	**35,792**	**170,032**	**-**	**-**	**205,824**
	661,500	**201,888**	**53,493**	**66,671**	**983,552**

2019	Less than 1 year QR'000	1- 2 years QR'000	2 - 5 years QR'000	More than 5 years QR'000	Total QR'000
Trade and other receivables	373,311	16,616	44,244	85,533	519,704
Finance lease receivables	48,505	30,805	1,622	-	80,932
Due from related parties	208,184	-	-	-	208,184
Investment in equity instruments	30,619	131,928	-	-	162,547
	660.619	179.349	45.866	85,533	971,367

Operational risk

Operational risk is the risk of direct or indirect loss arising from a group of causes associated with the group's processes, personnel, technology and infrastructure, and from external factors other than market, credit and liquidity risks such as those arising from generally accepted standards of corporate behavior. Operational risks arise from all of the group's operations.

The group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each department. This responsibility is supported by the development of overall group standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions.
- Requirements for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements and documentation of controls and procedures.
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified.
- Requirements for the reporting of operational losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation, including casualty insurance of assets and against embezzlement, where this is effective.

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 uses its own resources in the development of most of its projects, which employ 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 (see also 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 advisors. 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.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital, treasury shares, other reserves, general reserve and retained earnings of the group. The Board of Directors monitors the return on capital, which the group defines as net operating income divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to the shareholders.

The group's main objectives when managing capital are:

- To safeguard the group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders;

- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk; and

- To remain within the group's quantitative banking covenants and maintain good risk grade.

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

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

	2020 QR'000	2019 QR'000
Finance cost bearing debts	**10,082,855**	9,406,049
Less: cash and bank balances	**(746,157)**	(1,254,716)
Net debt	**9,336,698**	8,151,333
Total equity (excluding legal reserve & non-controlling interests)	**18,376,985**	17,910,581
Net debt to equity ratio at 31 December	**50.81%**	45.51%

47. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements together with information about the basis of calculation for each affected line item are included in these consolidated financial statements.

In the process of applying the group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

- Estimation of fair value of investment properties – note 12
- Estimation of net realizable value for trading properties - note 7
- Estimation of current tax payable and current tax expense – note 17
- Estimated useful life of property, plant and equipment – note 13
- Estimated fair value of certain financial assets at fair value through other comprehensive income– note 10
- Estimation of defined benefit pension obligation – note 20
- Recognition of revenue – note 7 & note 12
- Recognition of deferred tax asset for carried forward tax losses – note 17
- Imapirment of Bank balances – Note 4
- Impairment of receivables – note 6
- Impairment of due from related parties – note 9
- Impairment of right-of-use assets – note 14
- Impairment of associates – note 15
- Impairment of goodwill – note 16
- Impairment of finance lease receivables – note 8
- Impairment of non financial assets (i)
- Consolidation decisions and classification of joint arrangements – note 44
- Classification of property – note 7, note 12 & note 13
- Determining the lease term – note 14
- Discounting of lease payments – note 14
- Going concern assessment

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(i) Impairment of non financial assets

The group assesses whether there are any indicators of impairment for all non financial assets at each reporting date. Goodwill embedded in the cost of acquisition of subsidiaries are tested for impairment annually and at other times when such indicators exist. Other non¬ financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Key assumptions used in value in use calculations:

The calculation of value in use for cash generating units relating to real estate projects are most sensitive to the following assumptions:

Gross margin

Gross margins are based on average values achieved in the period preceding the start of the budget period. These are increased over the budget period for anticipated efficiency improvements.

Discount rates

Discount rates represent the current market assessment of the risks specific to each cash generating unit, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the group and its operating segments and derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the group's investors. The cost of debt is based on the profit bearing Islamic financing, the group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

48. OTHER SIGNIFICANT ACCOUNTING POLICIES

IFRS 16 – LEASES

The Group as a lessee

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

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

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

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect finance cost on the lease liability (using the effective finance cost method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

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

The Group made adjustments during the year related to the renewal of lease agreements.

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

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

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

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

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy (not part of this Appendix).

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Other expenses' in profit or loss (see Note 31).

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

Under IFRS 16, an intermediate lessor accounts for the head lease and the sublease as two separate contracts. The intermediate lessor is required to classify the sublease as a finance or operating lease by reference to the right-of use asset arising from the head lease (and not by reference to the underlying asset as was the case under IAS 17).

The Group's leasing activities and how these are accounted for:

The Group leases various plots of land and buildings. Rental contracts are typically made for fixed periods ranging from 1 to 99 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

With effect from 1st January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic finance cost on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments less any lease incentives receivable
- Variable lease payment that are based on an index or a rate
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the rate implicit in the agreement, if applicable. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Fair value measurement

The group measures financial instruments, such as financial assets through profit or loss, financial assets at fair value through other comprehensive income, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The group's management determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted financial assets at fair value through other comprehensive income. The management comprises of the head of the development segment, the head of the finance team, the head of the risk management department and the managers of each property.

External valuers are involved for valuation of significant assets, such as investment properties and trading properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management discusses and reviews, the group's external valuers, valuation techniques and assumptions used for each property.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the group's external valuers, also compares each changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Revenue recognition

Rental income

Rental income receivable from operating 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 management is 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.

Service charges, management charges and other expenses recoverable from the tenants and income arising from expenses recharged to tenants are recognized in the period in which the services are rendered.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The group classifies its financial assets in the following categories; financial assets at fair value through profit or loss, Financial assests carried at amortized cost, and financial assets at fair value through other comprehensive income, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a timeframe established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the group commits to purchase or sell the asset.

Financial assests carried at amortized cost

loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective profit rate method, less any impairment losses. The losses arising from impairment are recognised in the consolidated statement of profit or loss.

Financial liabilities

The group's financial liabilities include trade and other payables, due to related parties, obligations under islamic finance contracts and lease liabilities.

Non-derivative financial liabilities

The group initially recognises financial liabilities on the date that they are originated which is the date that the group becomes a party to the contractual provisions of the instrument.

The group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective profit rate method. Other financial liabilities comprise obligations under Islamic finance contracts, due to related parties, trade and other payables and lease liabilities.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default insolvency or bankruptcy of the group or counter party.

Impairment of financial assets

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in costs or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective profit rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss.

the reversal of the previously recognised impairment loss is recognised in the consolidated statement of profit or loss.

Assets classified as financial assets at fair value through other comprehensive income (FVTOCI)

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for FVTOCI, the cumulative losses (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the consolidated statement of profit or loss) is removed from equity and recognised in the consolidated statement of profit or loss . Impairment losses recognised in the consolidated statement of profit or loss on equity instruments are not reversed through the consolidated statement of profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as FVTOCI increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the consolidated statement profit or loss, the impairment loss is reversed through the consolidated statement of profit or loss.

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a prorata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed (other than for goodwill) if there has been a change in the estimates used to determine the recoverable amount. 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 amortization, if no impairment loss had been recognized.

Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

a) Group as a lessor

Refer to note 8.

b) Group as a lessee

Finance leases, which transfer to the group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and the reduction of the lease liability so as to achieve a constant rate of finance cost on the remaining balance of the liability. Finance charges are charged to the consolidated statement of profit or loss as they arise. The property plant and equipment acquired under finance lease is depreciated over the shorter of the useful lives and of the lease term.

Leases in which a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognised as an expense in the consolidated statement of profit or loss on a straight-line basis over the lease term, except for contingent rental payments which are expensed when they arise.

Tenant deposits

Tenant deposits liabilities are initially recognised at fair value and subsequently measured at amortised cost where material. These deposits are refundable to the tenants at the end of the lease term.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in 'Qatari Riyals' ("QR"), which is the group's presentational currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses are presented in the consolidated statement of profit or loss within 'finance income or costs'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in the consolidated statement profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in the consolidated statement profit or loss as part of the fair value gain or loss, Translation differences on non-monetary financial assets, such as equity instruments classified as financial assets at fair value through other comprehensive income, are included in the consolidated statement of other comprehensive income.

Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that financial position;

(b) income and expenses for each consolidated statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(c) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

49. APPLICATION OF NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7.

In September 2019, the IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7).These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms. The amendments are not relevant to the group given that it does not apply hedge accounting to its benchmark interest rate exposures.

The amendments also introduce new disclosure requirements to IFRS 7 for hedging relationships that are subject to the exceptions introduced by the amendments to IFRS 9.

Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

c) There is no substantive change to other terms and conditions of the lease.

In the current financial year, the Group has not applied the amendment to IFRS 16 (as issued by the IASB in May 2020).

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

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2020, have been adopted in these financial statements.

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to References to the Conceptual Framework in IFRS Standards	January 1, 2020
The Group has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.	
The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.	
Amendments to IFRS 3 Definition of a business	January 1, 2020
The Group has adopted the amendments to IFRS 3 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired. The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020.	
Amendments to IAS 1 and IAS 8 Definition of material	January 1, 2020
The Group has adopted the amendments to IAS 1 and IAS 8 for the first time. In the current year the amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.	
The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.	

49.3. NEW AND AMENDED IFRSs IN ISSUE BUT NOT YET EFFECTIVE AND NOT EARLY ADOPTED

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

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 17 Insurance Contracts	January 1, 2023
IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees. In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023. IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied. For the purpose of the transition requirements, the date of initial application is the start if the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.	
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Available for optional adoption/ effective date deferred indefinitely
The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.	
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current	January 1, 2023. Early application is permitted.

New and revised IFRSs	Effective for annual periods beginning on or after
The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.	
Amendments to IFRS 3 – Reference to the Conceptual Framework	January 1, 2022
The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.	
Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use	January 1, 2022. Early application permitted.
The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories. The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.	

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract	January 1, 2022. Early application permitted.
The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).	
Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 1, 2021
The amendments address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to: – changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities; and – hedge accounting. **Change in basis for determining cash flows** The amendments will require an entity to account for a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by interest rate benchmark reform by updating the effective interest rate of the financial asset or financial liability. At 31 December 2020, the Group has QR. 6,461,308 thousand bank loans that will be subject to IBOR reform. The Group expects that the interest rate benchmark for these loans will be changed to alternative interest rate in 2021 and that no significant modification gain or loss will arise as a result of applying the amendments to these changes. **Hedge accounting** The amendments provide exceptions to the hedge accounting requirements in the following areas. – Allow amendment of the designation of a hedging relationship to reflect changes that are required by the reform. – When a hedged item in a cash flow hedge is amended to reflect the changes that are required by the reform, the amount accumulated in the cash flow hedge reserve will be deemed to be based on the alternative benchmark rate on which the hedged future cash flows are determined. – When a group of items is designated as a hedged item and an item in the group is amended to reflect the changes that are required by the reform, the hedged items are allocated to subgroups based on the benchmark rates being hedged. – If an entity reasonably expects that an alternative benchmark rate will be separately identifiable within a period of 24 months, it is not prohibited from designating the rate as a non-contractually specified risk component if it is not separately identifiable at the designation date. At 31 December 2020, the Group does not have any cash flow hedges.	

New and revised IFRSs	Effective for annual periods beginning on or after
Disclosure The amendments will require the Group to disclose additional information about the entity's exposure to risks arising from interest rate benchmark reform and related risk management activities. **Transition** The Group plans to apply the amendments from 1 January 2021. Application will not impact amounts reported for 2020 or prior periods. The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. Annual Improvements to IFRS Standards 2018–2020 The Annual Improvements include amendments to four Standards.	
IFRS 1 First-time Adoption of International Financial Reporting Standards	January 1, 2022. Early application permitted.
The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).	
IFRS 9 Financial Instruments	January 1, 2022. Early application permitted.
The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.	
IFRS 16 Leases- The amendment removes the illustration of the reimbursement of leasehold improvements.	As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

IAS 41 Agriculture	January 1, 2022. Early application permitted.
The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement. The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.	
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023.
The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.	

New and revised IFRSs	Effective for annual periods beginning on or after
Definition of Accounting Estimates (Amendments to IAS 8)	January 1, 2023
The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.	

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

50. COVID-19 IMPACT

Significant updates :

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

❊ Investment Properties

• The Group has considered the impact of Covid 19 on the valuation of investment properties based on the characteristics of the portfolio including diversification across asset categories, location and the nature of secured future cash flow. Refer note 12 for additional details on impact of Covid 19 on valuation of investment properties and management consideration.

❊ Expected Credit Losses ("ECL") and impairment of financial assets

• The uncertainties caused by COVID-19 have required the Group to reassess the inputs and assumptions used for the determination of expected credit losses ("ECLs") as at December 31, 2020. The Group has updated the relevant forward-looking information with respect to the weightage of the relevant macroeconomic scenarios of the market; increase in credit risk; and assessing the indicators of impairment for the exposures in potentially affected sectors.

❊ Commitments and contingent liabilities

• The Group has assessed the impact of any operational disruptions, including any contractual challenges and changes in business or commercial relationships among the Group entities, customers and suppliers, to determine if there is any potential increase in contingent liabilities and commitments. Refer to Notes 41 and 42.

❊ Going concern

• The Group has performed an assessment of whether going concern assumption is appropriate in the light of current economic conditions and all available information about future risks and uncertainties. The projections have been prepared covering the Group's future performance, capital and liquidity. The impact of COVID-19 may continue to evolve, but at the present time the projections show that the Group has sufficient resources to continue in operational existence and its assumption on going concern remains largely unaffected and unchanged from 31 December 2019. As a result, these consolidated financial statements have been appropriately prepared on a going concern basis.

• The Group will continue to closely monitor the impact of COVID-19 as the situation progresses to manage the potential business disruption COVID-19 outbreak may have on its 'operations and financial performance in 2021.

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