



سبعون عاماً شباباً  
*Seventy Years Young*

# ANNUAL REPORT 2022



سبعون عاماً شباباً  
*Seventy Years Young*



مؤداه  
المراد  
حقيقه  
نظا  
المراد  
الله



**His Highness**

**Sheikh Tamim bin Hamad Al Thani**

**Emir of the State of Qatar**

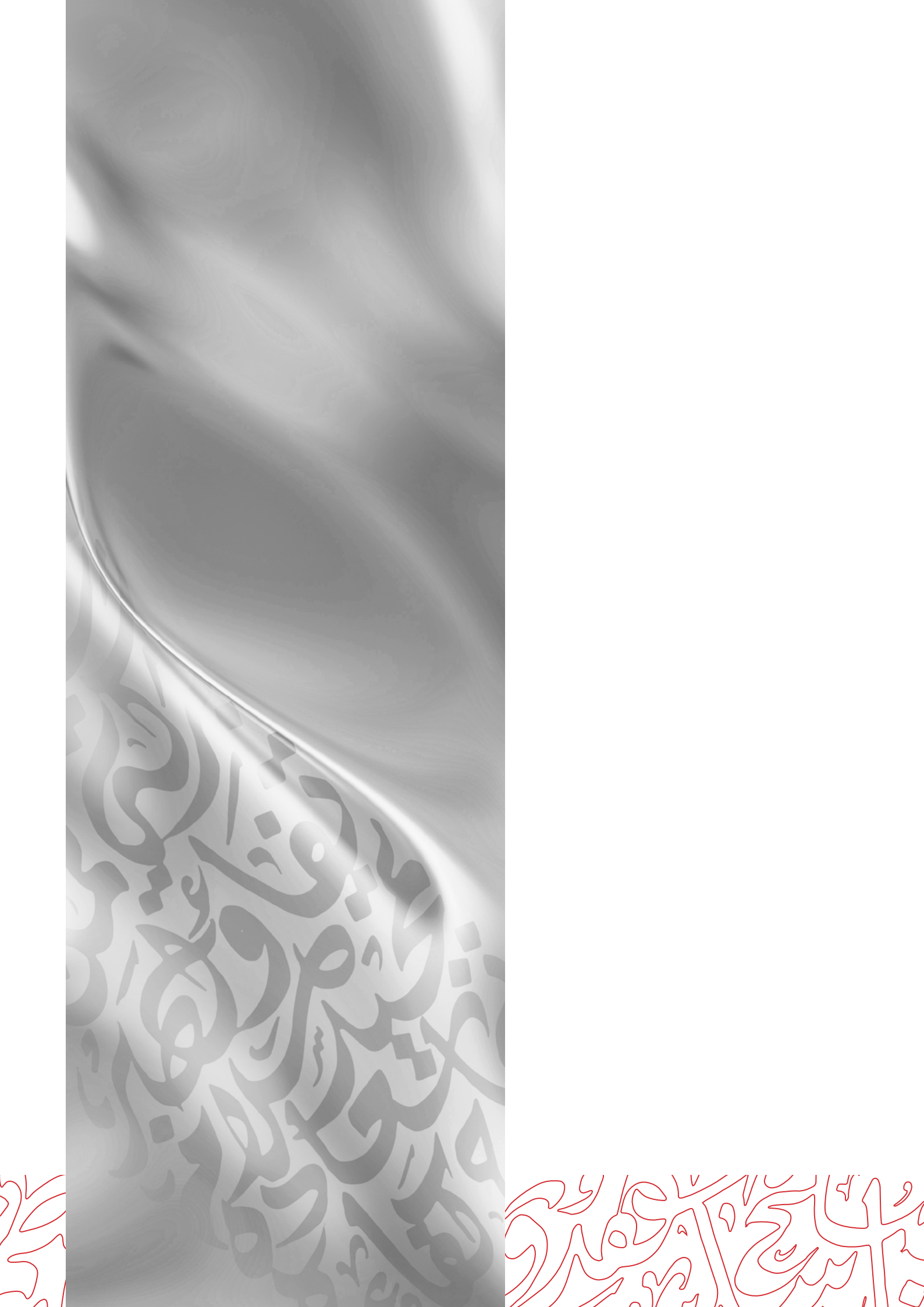




**His Highness**

**Sheikh Hamad bin Khalifa Al Thani**

**Father Emir**





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**ISSA ABDUL SALAM ABU ISSA**  
Chairman



# Chairman's Message

**Dear Valued Shareholders,  
Peace be upon you and Allah's Mercy and Blessings!**

I am honored to present to you this message, on my own behalf and on behalf of the members of the Board of Directors, the Executive Management, and all employees of the Company, stressing that Salam International continues to stand firm in front of the big challenges that have been sweeping the world over the past few years. Being keenly aware that our companies had worked with focus and dedication to transform vision into value, it is with immense pleasure that I present to you Salam International's Annual report for the year 2022.

With the World celebrating the World Cup 2022, Salam is celebrating its 70th Anniversary. Salam's journey of achievements over 70 years. A journey that started in 1952, by a far-sighted man, whose futuristic vision paved the path for the emerge of the business conglomerate "Salam International Investment limited". That man was no one, but the late founder, Abdul Salam Mohamed Abu Issa.

In 1952, Abdul Salam opened the first shop, in Msherib, under the name of "Salam Studio", holding the Commercial Registration no. (37), to be the first studio for photography and films development in Doha. In 1954, the ambitious Abdul Salam bought the restaurant adjacent to his shop and turned it into a shop selling gifts items. With this expansion, the shop's name was changed to "Salam Studio & Stores".

Salam Studio and Stores moved to Al-Rayyan in 1963, and then to Al-Sadd in 1975. It was the only store that time in Al-Sadd and was run by Abdul Salam's family. Again, following his insight, Abdul Salam decided to shift the store to a unique place in the West Bay area in 1982, which was the first mixed-use development in the State of Qatar, called "Salam Plaza". The Development had a department store, shops, entertainment and leisure facilities, F&B outlets, and offices.

Over the years, Salam turned from a photography studio and family company into a public shareholding company listed in Qatar Stock Exchange in the name of "Salam International Investment limited" in 2002. Salam being a business conglomerate, locally and regionally, was able to play a prominent role in the fit- out and interior sector, energy and power, information technology and telecommunications, retail and distribution, real estate, and investments.

Salam International Investment Limited consistently promotes growth and continued profitability through the effective deployment of capital resources and corporate strategies that prioritize shareholders value. Striving to meet and exceed the needs of its customers, and to become a regional partner of choice for its suppliers. Salam remains committed to developing its people and serving the communities in which it operates.

Finally, I would take the opportunity to extend my deep gratitude to our shareholders and customers for their continuous support and trust, and we pledge to continue working wholeheartedly in order to achieve the goals and mission of the Company and making more successes. I would also like to thank the Members of the Board of Directors and the Executive Management and all the employees of the Company for their sincere efforts and hard work, wishing everyone all the best and more success.

**ISSA ABDUL SALAM ABU ISSA**  
**Chairman**





# BOARD OF DIRECTOR'S BACKGROUND





**Mr. Issa AbdulSalam Abu Issa**  
Chairman of Board of Directors

The Chairman of the Board of Salam International Investment Limited in Qatar, and the Chairman of the Board of Salam Bounian Development Company in Qatar. He is the Vice-Chairman of Serene Real Estate –Development Co. in Lebanon and Secretary General of Qatari Businessmen Association. Board member of Al-Shaqab Equestrian Academy.

He is also a member of the World Economic Forum (Davos), a member of the Arab Business Council and board member of several other esteemed regional companies. Mr. Abu Issa holds a Bachelor Degree in Business Administration from San Diego University, USA, and has over 40 years of experience.



**Mr. Hussam AbdulSalam Abu Issa**  
Vice-Chairman of the Board of Directors

He is the Vice-Chairman of the Board of Salam International Investment Limited in Qatar, a Board member of Doha Insurance Company in Qatar, a member of the Advisory Board of the College of Administration and Economy at Qatar University, a member of the International Dean Council of Harris School of Public Policy at Chicago University, a member of the Advisory Committee for the Bosphorus Summit ICP in Turkey. He also serves as a member of AmidEast Educational Establishment in Lebanon.

He is a member of the International Advisory Council for Pac in San Francisco, a member of the Qatari-German Businessmen Council, a member of the Lebanese American University School of Family Business Studies, a member of the National University Hospital in Singapore and a member of the Board of Directors of AmidEast Washington. Advisor in René Mouawad Foundation – USA.

Mr. Abu Issa holds a Bachelor's Degree in Marketing from the United States and has 38 years of professional experience.



**His Excellency Sheikh Nawaf bin Nasser bin Khaled Al Thani**  
Representative of Doha Insurance Company  
Member of the Board of Directors

He is a member of the Board of Directors of Salam International Investment Limited in Qatar, representing Doha Insurance Company. Sheikh Nawaf is a prominent figure in the Qatar business community and an active contributor to the country's real estate and economic growth.

He is credited for a great deal of experience sharing and collaboration building. Sheikh Nawaf is an active participant in many esteemed companies most notably as Chairman of Nasser Bin Khaled (NBK) Holding, Chairman of Al Waab City, Chairman of Doha Insurance Board and Chairman of Nasser Bin Nawaf & Partners Holding Company. He is also a member of the Board of Directors of Arabtec and Samina Capital Fund. Sheikh Nawaf is a member of the Board of Directors of the Qatari Businessmen Association, the President of the French Businessmen Club and Vice-President of the Arab-German Friendship Society. H.E. Sheikh Nawaf has been awarded the French Presidential Medal and bestowed a rank of a Knight, in appreciation of his unique efforts in promoting commercial relationships between Qatar and France.





**His Excellency Mr. Nasser Sulaiman Haidar Mohammed Al-Haidar**

Member of the Board of Directors

He is a Member of the Board of Directors of Salam International Investment Limited in Qatar, the Chairman of Al Sulaiman Holding Company, former Head of Studies & Research Dept. – Ministry of Finance and Petrol, a former Member of Qatar’s Advisory Council and a Member of the Board of the Qatari Chamber of Commerce and Industry, and a member of the Qatari Businessmen Association, a Member of the GCC Family Companies Council and a Member of the Tax Grievance Committee (General Tax Authority), and founding partner in Qatar Hotels Association. a Member of the Board of Directors of Qatar General Insurance and Reinsurance Co.

Mr. Nasser holds a Bachelor’s degree in Political Science and International Relationships from Aquinas University in Michigan in the United States of America.



**His Excellency Sheikh Dr. Thani Bin Ali Bin Saud Al Thani**

Member of the Board of Directors

He is a Member of the Board of Directors at Salam International Investment Limited and the founder of Thani Bin Ali Al Thani Law Firm for Legal Consulting and Arbitration.

Dr. Thani has received his Ph. D in Commercial Law from Cairo University. He is a member of the Arbitration Tribunal of International Chamber of Commerce in Paris as the representative of the State of Qatar. Dr. Thani is a member of the board of directors for international relations at the Qatar International Center for Conciliation and Arbitration, and also a member of the GCC Center for Arbitration in Commerce.

Sheikh Dr. Thani Al Thani heads the Corporate Social Responsibility Committee and is an accredited arbitrator with many arbitration centers. He issued several publications in various aspects of law and participated in numerous specialized legal conferences and courses covering civil, commercial and criminal law, in addition to many dedicated legal gatherings and seminars.



**Mr. Ali Haider Sulaiman Al Haidar**

Representative of Suliman & Brothers Company

Member of the Board of Directors

He is a Member of the Board of Directors of Salam International Investment Limited in Qatar representing Suliman & Brothers Co.. He is Vice-Chairman at Salam Bounian in Qatar as well as Vice-Chairman at Suliman Brothers Co. and partner at Suliman Al Hajj Haider & Sons. He is a Board Member at Al Haidar Foods Co. and a Board Member at the following: Al Haider Holding Co., Al Beejan for Contracting, Al Hadara International and Mesopotamia for General Contracting.

Mr. Ali has a B.Sc. in Computer Science from Qatar University.



**Mr. Bassam Abdul Salam Abu Issa**  
Member of the Board of Directors

He is a Member of the Board of Directors, Executive Director of Corporate Business Development and a member of the Investment and Audit. Mr. Bassam Abu Issa is a shareholder and member of the Board of Directors of "Ithmar Invest", a regional financial investment company headquartered in Jordan, with branches in Palestine, Saudi Arabia and Qatar. He is also a board member and a shareholder in Dar Al-Tamweel Islamic Finance Company established by Ithmar, a board member and a shareholder in Audacia Capital Bank licensed by Dubai Financial Authority.

He graduated with a Bachelor of Arts in Industrial Relations from the University of Kent in UK and has embarked on his career by joining Salam Studio & Stores as Director of Operations in Muscat, and then took over as General Manager then became Executive Director of Retail Operations of the Salam Group. He has more than 30 years of professional experience.



**Mr. Badr Ali Hussein Al-Sada**  
Member of the Board of Directors

He is a Member of the Board of Directors of Salam International Investment Limited in Qatar. Vice-Chairman and Chief Executive Officer of Al Sada Establishment for Trading, Real Estate & Contracting, the Vice-Chairman of Sectors Trading & Contracting, a Board Member of Gulf Experts Electro-mechanical, the Vice Chairman of La Perla Travel and the Chairman of Enzo for Trading & Contracting and works in the Banking Sector.

He completed his studies at the College of North Atlantic in the State of Qatar where he received his degree in Business Administration, majoring in Accounting.



**His Excellency Sheikh Ali Bin Jassim  
bin Mohamed Jassim Al Thani**  
Member of the Board of Directors

Adviser to the CEO of Qatar Investment Authority, and he also served as Head of the Investment Department, member of the Board of Directors at Al Rayan Bank, and has completed a number of courses in the fields of feasibility studies, business management, project finance and banking.

He holds a BS in Economics and Political Science - University of Portland, Oregon, USA. He has more than 25 years of professional experience.



**Mr. Ahmed Rashed Ahmed Al-Moosafri**

Member of the Board of Directors

Director of Investment at Barzan Holdings, Founder and Chairman of Maroon Capital, Non-Executive Member of the Blue Group. Previously worked as a Financial Analyst at QNB Capital.

He holds a Master's degree in Strategic Business Administration, with nearly 10 years in the field of finance and investment, providing strategic advice to companies, including the management of deals and projects, financial evaluation, negotiations, investments structuring, and setting up corporate strategies.



**Mr. Abdul Salam Issa Abu Issa**

Member of the Board of Directors

He is a Member of the Board of Directors and Chief Executive Officer of Salam International Investment Limited in Qatar. Member of the Board of Salam Bounian for Development in Qatar representing Salam International Investment Limited.

Mr. Abdul Salam Abu Issa holds a Master's Degree in International Finance and Economics from the University of Newcastle Upon Tyne - UK. He has worked in the oil and gas, banking and road construction sectors before joining Salam International in 2012. And he is a member of Young Presidents Organization (YPO Qatar). Board member at the Qatari Businessmen Association.



**Dr. Adnan Ali Steitieh**

Secretary of the Board of Directors

He is the Legal Counsel and the Secretary of the Board of Directors of Salam International Investment Limited, Advisor and Secretary of the Board of Salam Bounian for Development.

Dr. Steitieh is an independent board member at the following: Arab Jordan Investment Bank, Palestine Investment Bank, Power International Holding Co., Baladna for Food Industries, Assets Real Estates Co., and Nehmeh Group of companies.

Dr. Steitieh represents Salam International in various Boards of Directors at several companies in Qatar, UAE, Saudi Arabia, Palestine and Lebanon, including: Qatar Aluminum Extrusion Co. (Qalex), Le Gray Hotel Beirut, Ijjada Co. in KSA.

Dr. Steitieh was a lecturer professor at several universities, including Qatar University.



# BOARD OF DIRECTORS REPORT

# Report of the Board of Directors to the General Assembly on the Company's Performance in 2022 and its Future Plans

**Dear Valued Shareholders,  
Peace be upon you, and Allah's mercy & blessings!**

On my own behalf and on behalf of the Board of Directors (BoD), I would like to warmly welcome you all. I would also like to present to you the Company's Annual Report for the year 2022.

## First – Future Plans of the Company:

The Board of Directors closely monitors the developments taking place on the international scene and their potential adverse repercussions on the global, regional and local economy. This is in addition to the potential trends of the national economy after the impressive and cultural success of the State of Qatar in organizing the World Cup event.

Based on the instructions of the BoD, the Executive Management is still pursuing its conservative financial policy aiming at the restructuring of the subsidiaries by stopping poor-performing activities, reducing administrative and overhead expenses, meanwhile, focusing on profitable activities.

## Second – Financial Results:

The consolidated financial statements for the fiscal year ending 31/12/2022 showed a Net Profit around QAR 80 million. However, after the non-controlling interest, the Profit becomes around QAR 60 million. These profits are net profits after allocating all necessary provisions. Hence, the Earnings per Share amounted to about QAR 0.053. It is worth noting that the results for each quarter during the year were uneven due to the conditions and nature of the market, so that the results of a particular quarter do not reflect the Company's annual performance.

Although the company was able to make more profits compared to last year, the Board of Directors recommends to your esteemed Assembly, to agree to retain and invest these profits or reduce the debt ratio.

On behalf of you all, on behalf of the Board of Directors of Salam International and on my own behalf, I would like to take this opportunity to extend all thanks, gratitude and appreciation to H.H. Sheikh Tamim bin Hamad Al Thani the Amir of Qatar, for his wisdom and true sense of leadership in defeating the challenges that face the State of Qatar, and for his persistent support towards the building, development and advancement of our beloved country Qatar.

Finally, we would like to thank the members of the Board of Directors and all the Company's staff for their devotion and efforts to support the continuity, progress and prosperity of the Company.

**Issa Abdul Salam Abu Issa  
Chairman**



**INDEPENDENT  
LIMITED  
ASSURANCE  
REPORT**



## **To the Shareholders of Salam International Investment Limited Q.P.S.C.**

### **Report on Compliance with the Qatar Financial Markets Authority's law and regulations and Other Relevant Legislation including the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market**

In accordance with Article 24 of the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market ("the Code") issued by the Qatar Financial Markets Authority ("QFMA"), we were engaged by the Board of Directors of Salam International Investment Limited Q.P.S.C. ("the Company") to carry out a limited assurance engagement over Board of Director's assessment whether the Company has a process in place to comply with its Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation and whether the Company is in compliance with the requirements of the articles of the Code as at 31 December 2022.

### **Responsibilities of the Board of Directors**

The Board of Directors of the Company is responsible for preparing the corporate governance report that covers the requirements of Article 4 of the Code. The Board of Directors provided their assessment whether the Company has a process in place to comply with its Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation and the Company's compliance with the articles of the Code' (the 'Statement'), which was shared with KPMG on 5 February 2023, and to be included as part of the annual corporate governance report.

This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Statement that is free from material misstatement, whether due to fraud or error.

The Board of Directors is responsible for ensuring that management and staff involved with the preparation of the Statement are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

The Board of Directors is also responsible for compliance with all applicable laws and regulations applicable to activities of the Company.

## **Our Responsibilities**

Our responsibility is to examine the Statement prepared by the Company and to issue a report thereon including an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board which requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the Statement is fairly presented, in all material respects, that the Company has a process in place to comply with its Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation and whether the Company is in compliance with the requirements of the articles of the Code as at 31 December 2022 as the basis for our limited assurance conclusion.

We apply International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on our understanding of the Company's compliance with the articles of the Code and other engagement circumstances, and our consideration of areas where material non compliances are likely to arise.

In obtaining an understanding of the Company's process for compliance with its Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation, and its compliance with articles of the Code and other engagement circumstances, we have considered the process used to prepare the Statement in order to design limited assurance procedures that are appropriate in the circumstances.

Our engagement included assessing the appropriateness of the Company's process for compliance with its Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation and its compliance with the articles of the Code and evaluating the appropriateness of the methods and policies and procedures used in the preparation of the Statement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our limited assurance procedures do not involve assessing the qualitative aspects or effectiveness of the procedures adopted by the Board of Directors to comply with the requirements of the articles of the Code.

The procedures performed over the Statement included, but were not limited to:

- Examining the assessment completed by the Board of Directors to validate whether the Company has a process in place to comply with its Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation including with the articles of the Code;
- Examining the supporting evidence provided by the Board of Directors to validate the Company's compliance with the articles of the Code; and
- Conducting additional procedures as deemed necessary to validate the Company's compliance with the Code (e.g. review governance policies, procedures and practices, etc.).

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Statement nor of the underlying records or other sources from which the Statement was extracted.

## Other information

The other information comprises the information to be included the Company's annual corporate governance report which are expected to be made available to us after the date of this report. The Statement and our limited assurance report thereon will be included in the corporate governance report. When we read the corporate governance report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors.

## Characteristics and Limitations of the Statement

Many of the procedures followed by entities to adopt governance and legal requirements depend on the personnel applying the procedure, their interpretation of the objective of such procedure, their assessment of whether the compliance procedure was implemented effectively, and in certain cases would not maintain audit trail. It is also noticeable that the design of compliance procedures would follow best practices that vary from one entity to another, which do not form a clear set of criteria to compare with. Non-financial information is subject to more inherent limitations than financial information, given the characteristics of the Board of Directors' assessment on the process in place to ensure compliance with article of association and provisions of the QFMA's law and relevant legislations, including compliance with the Code and the methods used for determining such information. Because of the inherent limitations of internal controls over compliance with relevant laws and regulations, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

The Statement is prepared to meet the common needs of a broad range of users and may not, therefore, include every aspect of the information that each individual user may consider important in its own particular environment.

## Criteria

The criteria for this engagement is an assessment of the process for compliance with the Company's Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation and compliance with the articles of the Code.

## Conclusions

Our Conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our Conclusion.

Based on our limited assurance procedures performed, except for the noncompliance as included in the Statement, nothing has come to our attention that causes us to believe that the Board of Directors' Statement does not present fairly, in all material respects, that the Company has a process in place to comply with its Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation, and the Company is compliance with the articles of the Code as at 31 December 2022.

## Emphasis of matter

We draw attention to noncompliance as included in the Board of Directors' Statement with respect to Article (4), Article (8), Article (12), Article (18), Article (19), Article (20), Article (21), Article (23), Article (26) and Article (38) of the code.

Our conclusion is not modified in respect of this matter

## Restriction of Use of Our Report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the shareholders of the Company and QFMA for any purpose or in any context. Any party other than the shareholders of the Company and QFMA who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the shareholders of the Company and QFMA for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report is released to the shareholders of the Company and QFMA on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Company's own internal purposes) or in part, without our prior written consent.

12 February 2023  
Doha  
State of Qatar

**Yacoub Hobeika**  
KPMG  
Auditor's Registry Number 289  
Licensed by QFMA: External  
Auditors' License No. 120153

Attachment: Board of Directors assessment on compliance with QFMA's law and regulations and other relevant legislation including the articles of the Code





بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ  
مَنْ عَمِلْ عَمَلًا نَجَسًا  
لَمْ يَمَسَّهُ مِنَ الْجَنَّةِ  
وَأَنْ يَكُونَ فِيهَا  
مِثْلَ نَجَسٍ ذَاتِ لَوْنٍ  
وَأَنْ يَكُونَ فِيهَا  
مِثْلَ نَجَسٍ ذَاتِ لَوْنٍ  
وَأَنْ يَكُونَ فِيهَا  
مِثْلَ نَجَسٍ ذَاتِ لَوْنٍ

# **CORPORATE GOVERNANCE**

# Thirteenth Corporate Governance Report Salam International Investment Limited (SIIL) 2022

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Pursuant to the Governance Code for the Companies listed in the Main Market (referred to hereafter as “Code”), which are subject to the control of Qatar Financial Markets Authority (QFMA), issued by the Board of Directors of Qatar Financial Markets Authority, (referred to hereafter as “Authority”) released in 2009, and amended in 2016, notably Article 4 thereof. Salam International Investment Company Limited (“SIIL”) (Q.P.S.C) (referred to hereafter as “the Company”) prepared the First Annual Corporate Governance Report for (2010), which included the measures taken by the Company to abide by the provisions of the Code and compose the Board of Directors (referred to hereafter as “the Board”) and abide by the rules and conditions governing the disclosure and listing in Qatar Stock Exchange. Salam International (SIIL) also prepared its Second Annual Report (2011), which includes the Board’s assessment of the compliance of Salam International with the provisions of the Code. Salam International (SIIL) has prepared the Third Annual Report (2012), which includes an update of the modular sections from the two previous reports, in addition to the achievements of the Company during 2012 in the implementation of the Code.

SIIL prepared its fourth annual report (2013), which includes updating of the typical sections of the previous reports as well as the company’s achievements in 2013 in the implementation of the Code. SIIL also prepared all regular annual modular reports for the following years (Fifth-Sixth-Seventh-Eight-Ninth-Tenth-Eleventh and Twelfth).

Pursuant to the Companies Governance Code and legal entities that are listed in the Main Market, issued by the Board

of Directors of Qatar Financial Markets Authority Article no. (5) /2016, and in accordance with the provisions of Law no. 8 of 2021 amending some provisions of Commercial Companies Law no. 11 of 2015, and the draft amendments to the corporate governance code for the companies listed in the Main market.

SIIL is pleased to present its Thirteenth annual report (2022) “The Report”, which contains the modular typical sections in addition to the Company’s achievements during the year 2022 in the implementation of the Code.

**Management’s assessment on Compliance with the QFMA’s law and regulations and other relevant legislation including the Corporate Governance Code as at 31 December 2022**

In accordance with Article 2 of the Qatar Financial Market Authority’s (QFMA) Corporate Governance Code for Companies & Legal Entities on the Main Market (the “Code”), Salam International Investment Limited Q.P.S.C. (the “Company”) carried out an assessment on its compliance with the QFMA’s law and regulations and other relevant legislation applicable to the Company including the Code.

As a result of the assessment, management concluded that there is a process in place to ensure compliance with the Company’s Articles of Associations, and provisions of the QFMA’s law and regulations and other relevant legislations and that the Company is in compliance with the provisions of the Code as at 31 December 2022 with the exception of the following

#	Description of Non-Compliance	Reference
1	The Company has not disclosed the information relating to risk management and performance assessment of the board committees, board members, and executive management in the Corporate Governance Report. However, the management has appointed a consultant to design the risk management plan and framework for the company. Also, performance of committees such as audit committee, nomination committee and remuneration committee have been disclosed in the Governance report.	Article (4)

#	Description of Non-Compliance	Reference
2	<p>A. The Company has developed the Board Charter which is approved by the Board. However, the following items are not included in the Board charter regarding the Board’s responsibilities and tasks:</p> <ul style="list-style-type: none"> <li>• Delegation and authority</li> <li>• General assembly</li> <li>• Extraordinary General assembly</li> <li>• Board committees</li> </ul> <p>However, these items are covered in the Company’s Article of Association.</p> <p>Management is in the process of amending the Board Charter to include these items and will submit it for board approval in 2023.</p> <p>B. Following items are not approved, reviewed, and monitored through a formal agenda in the Board meeting:</p> <ul style="list-style-type: none"> <li>• Company’s strategy. However, it was approved when it was set. Only changes to the strategy are referred to the Board for approval. During the year, there were no such changes to the Company’s strategy.</li> <li>• Performance of the Executive Management.</li> <li>• Company’s newly developed policies and procedures (based on the DoA).</li> <li>• Annual training program for the employees on the topics such as Governance, Risk Management, and Internal Control.</li> <li>• Conflict of interest declared by the Company’s employees. However, there were no conflict of interests declared by the Company’s employees during the year.</li> <li>• Annual Governance Report.</li> <li>• Periodic reports on compliance to policies and procedures as well as laws and regulations.</li> <li>• Risk management reports.</li> <li>• Succession Planning Policy</li> <li>• Related party transactions and approval.</li> <li>• Report from Nomination Committee on Board Members and Executive Management’s performance assessment.</li> </ul> <p>However, the management has appointed a consultant to develop the following:</p> <ul style="list-style-type: none"> <li>• Delegation of Authority (DoA)</li> <li>• Annual training program for the employees on the topics such as Governance, Risk Management and Internal Control.</li> <li>• Periodic reports on compliance to policies and procedures as well as laws and regulations.</li> <li>• Risk management reports.</li> <li>• Succession Planning Policy</li> </ul> <p>C. Not complied with respect to the following item</p> <ul style="list-style-type: none"> <li>• Periodic compliance reports are not communicated to the audit committee.</li> </ul> <p>However, management has appointed a consultant to develop a periodic compliance report to comply with this requirement from 2023.</p> <p>D. Not complied with respect to the following item</p> <ul style="list-style-type: none"> <li>• Periodic Risk management reports are not communicated to the audit committee.</li> </ul> <p>However, management has appointed a consultant to develop periodic risk management reports to comply with this requirement from 2023.</p>	

#	Description of Non-Compliance	Reference
	<p>E. Annual training programs to the Board members, Executive Management and Company's employees are not presented to the Board. However, management has appointed a consultant to develop annual training programs to the Board members, Executive Management and Company's employees to comply with this requirement from 2023.</p> <p>F. Not complied with respect to the following item</p> <ul style="list-style-type: none"> <li>• The Company obtains annually certifications from the Board members and employees for their compliance to the Code of Conduct.</li> </ul> <p>However, the Company has obtained signed executive management's compliance declaration, but that does not require renewal. However, the Company will annually obtain certification from the Board members and employees for their compliance to the Code of Conduct. starting from 2023.</p>	
3	Board has not adequately assessed the performance of the Board Members in accordance with the policy approved by the Board.	Article (12)
4	<ul style="list-style-type: none"> <li>• Succession planning policy has not been developed and submitted to the Board for approval. However, the management has appointed a consultant to develop a succession planning policy for the Company.</li> <li>• Comprehensive annual performance assessment report of Board members has not been prepared. However, nomination committee evaluated the performance of the Board and included the respective assessment in the minutes of meeting of Nomination committee.</li> <li>• The Nomination Committee has not submitted an annual report to the Board including its work and recommendations.</li> <li>• The Audit Committee has not submitted an annual report to the Board including its work and recommendations.</li> <li>• The Remuneration Committee has not submitted an annual report to the Board including its work and recommendations.</li> <li>• No formal documentation related to Board review, approval and implementation are maintained with respect to the below points <ul style="list-style-type: none"> <li>o Internal control framework (particularly the ICOFR).</li> <li>o External Auditor Policy/Procedure.</li> <li>o Risk management reports</li> </ul> </li> <li>• The following items have not been listed in the minutes of meeting of the Audit Committee during the period under review. <ul style="list-style-type: none"> <li>o Follow up on external and internal auditors' observations</li> <li>o Risk management reports and the status of mitigation plans.</li> <li>o Review of Finance policy and procedures.</li> <li>o Review of related party transactions.</li> <li>o Annual training programs to the Board Members and Company's employees on the topics of risk management, governance, and internal control.</li> </ul> </li> </ul>	Article (18)
5	Annual reports of Board committees have not been submitted to the Board including its work and recommendations.	Article (19)
6	No formal documented communication from audit committee to the board in relation to proposal on Company's Internal Control. Management has appointed a consultant to rectify this in 2023	Article (20)
7	The Company's internal audit plan does not cover aspects of Risk Management. However, the management has appointed a consultant to design the risk management plan and framework which will be covered in the internal audit plan in 2023.	Article (21)
8	Appointment of the External Auditor was not recommended by the Audit Committee.	Article (23)

#	Description of Non-Compliance	Reference
9	The Company has not obtained annual declarations of conflict of interest from Executive Management and Company's employees. However, annual declarations of conflict of interest from Board members has been obtained.	Article (26)
10	The stakeholders / minority management policy has not been developed by the Company to reflect the rights of stakeholders and mechanism for obtaining the communication, feedback and appeals against the decisions and actions of the Company's Management. However, it is being prepared and will be passed to the Board for review and approval in 2023	Article (38)

KPMG, the external auditor of the Company has issued an unmodified limited assurance report with emphasis of matter on the management assessment on compliance with the Company's Articles of Associations, and provisions of the QFMA's law and regulations and other relevant legislations and that the Company is in compliance with the provisions of the Code as of 31 December 2022.

## Section One

### Procedures followed by the Company during 2022, to Comply with the Requirements of the Code

**1.** During 2022, the Company continued to comply with the requirements of the Code and with its rules and provisions.

#### **2. Board of Directors' Committees:**

After the formation of the Board of Directors committees stipulated in the Code during the year 2013, in accordance with the provisions of Articles 18-19 of the Governance Code, and after approving the charter and framework of said committees by the BoD during the year 2013, which are: Audit Committee, Remuneration Committee and the Nomination Committee of the Board of Directors (Membership Committee). In 2017, the Board of Directors restructured the committees, so that the participation of all members of the Board in each committee is expanded. The charter and framework of the committees have also been published on the Company's website. Section Two of this report will detail the above-mentioned committees and their achievements during 2022.

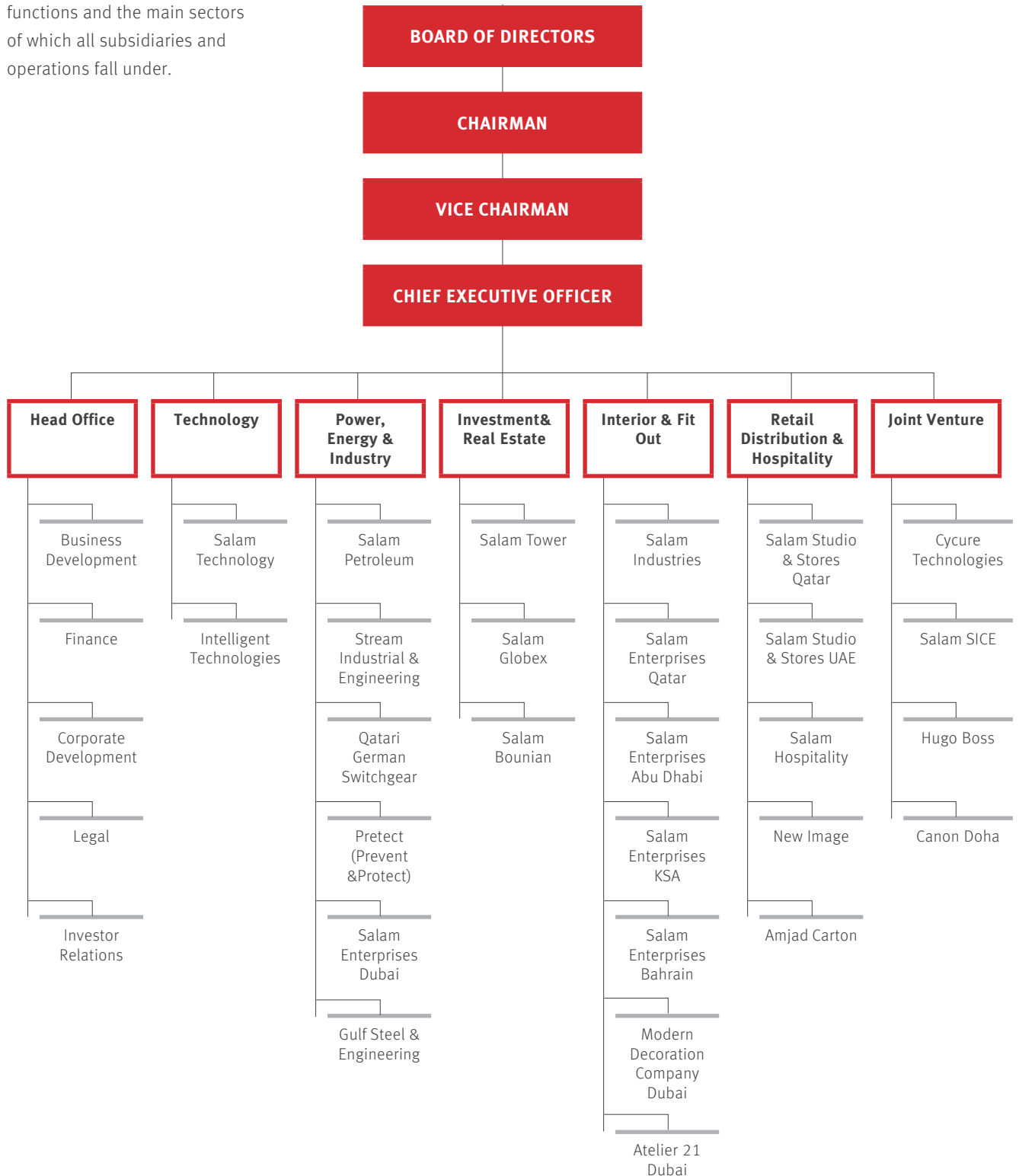
#### **3. Internal Control:**

During 2022, the Company renewed the appointment of the Independent External Consultant, M/S BDO Jawad Habib Qatar for Accounting, Auditing and Consulting to carry out the internal control functions stipulated in Article (20) of the Governance Code.



## 4. Organization Structure:

The diagram below summarizes the Company's corporate central functions and the main sectors of which all subsidiaries and operations fall under.



## 5. Training and Workshops:

### Board of Directors:

The Senior Executive Management continued to periodically acquaint the Board members with the activities of the subsidiaries and their business units and their work plans and achieved results.

Currently, Messrs. (BDO) Jawad Habib Accounting Office, has been commissioned to develop an annual training program, through which the training program of the members of the Board of Directors, executive managers and company's employees will be consistently updated on topics related to governance, risk management, compliance and control, and it is expected receiving the aforementioned program in February or March of the year 2023.

### Training of Company Staff:

Each of the subsidiary companies undertake training programs within its fields of activities to acquaint staff with its range of merchandise and services. Furthermore, companies involved in contracting perform staff trainings in health safety and environment (HSE).

Work is currently under process in the company to develop an annual training program, through which the methods of training board members, executive directors and company employees are continued and updated on topics related to governance, risk management, compliance and control.

Salam International has an integrated training program based on the competencies required for the company, consisting of (31) topics that are designed for the new employees and according to the needs of each of the subsidiaries (a copy of this program is attached with the report).

## Section Two

### Board of Directors

#### 6. Board of Directors Composition:

The Board of Directors was elected in early 2021, with a mandate beginning from 2021 until the adoption of the financial statements for the year 2023. The following is a brief introduction of the members of the Board of Directors and the percentage of ownership of each in the Company's Capital:

## 7. Members and Share Ownership as of 29/12/2022

Name	Brief Description	No. of Shares	%
<b>Mr. Issa Abdul Salam Abu Issa</b> Chairman of Board of Directors	<p>The Chairman of the Board of Salam International Investment Limited in Qatar, and the Chairman of the Board of Salam Bounian Development Company in Qatar. He is the Vice-Chairman of Serene Real Estate – Development Co. in Lebanon and Secretary General of Qatari Businessmen Association. Board member of Al-Shaqab Equestrian Academy.</p> <p>He is also a member of the World Economic Forum (Davos), a member of the Arab Business Council and board member of several other esteemed regional companies. Mr. Abu Issa holds a Bachelor Degree in Business Administration from San Diego University, USA, and has over 40 years of experience.</p>	156,572,555	13.70%

Name	Brief Description	No. of Shares	%
<p><b>Mr. Hussam Abdul Salam Abu Issa</b> Vice-Chairman of the Board</p>	<p>He is the Vice-Chairman of the Board of Salam International Investment Limited in Qatar, a Board member of Doha Insurance Company in Qatar, a member of the Advisory Board of the College of Administration and Economy at Qatar University, a member of the International Dean Council of Harris School of Public Policy at Chicago University, a member of the Advisory Committee for the Bosphorus Summit ICP in Turkey. He also serves as a member of AmidEast Educational Establishment in Lebanon.</p> <p>He is a member of the International Advisory Council for Pac in San Francisco, a member of the Qatari-German Businessmen Council, a member of the Lebanese American University School of Family Business Studies, a member of the National University Hospital in Singapore and a member of the Board of Directors of AmidEast Washington. Advisor in René Mouawad Foundation – USA.</p> <p>Mr. Abu Issa holds a Bachelor’s Degree in Marketing from the United States and has 38 years of professional experience.</p>	99,802,098	8.73%
<p><b>His Excellency Sheikh Nawaf bin Nasser bin Khaled Al Thani</b> Representative of Doha Insurance Company Member of the Board of Directors</p>	<p>He is a member of the Board of Directors of Salam International Investment Limited in Qatar, representing Doha Insurance Company.</p> <p>Sheikh Nawaf is a prominent figure in the Qatar business community and an active contributor to the country’s real estate and economic growth. He is credited for a great deal of experience sharing and collaboration building. Sheikh Nawaf is an active participant in many esteemed companies most notably as Chairman of Nasser Bin Khaled (NBK) Holding, Chairman of Al Waab City, Chairman of Doha Insurance Board and Chairman of Nasser Bin Nawaf &amp; Partners Holding Company.</p> <p>He is also a member of the Board of Directors of Arabtec and Samina Capital Fund. Sheikh Nawaf is a member of the Board of Directors of the Qatari Businessmen Association, the President of the French Businessmen Club and Vice-President of the Arab-German Friendship Society. H.E Sheikh Nawaf has been awarded the French Presidential Medal and bestowed a rank of a Knight, in appreciation of his unique efforts in promoting commercial relationships between Qatar and France.</p>	4,500,000	0.39%
<p><b>His Excellency Mr. Nasser Sulaiman Haidar Mohammed Al-Haidar</b> Member of the Board of Directors</p>	<p>He is a Member of the Board of Directors of Salam International Investment Limited in Qatar, the Chairman of Al Sulaiman Holding Company, former Head of Studies &amp; Research Dept. – Ministry of Finance and Petrol, a former Member of Qatar’s Advisory Council and a Member of the Board of the Qatari Chamber of Commerce and Industry, and a member of the Qatari Businessmen Association, a Member of the GCC Family Companies Council and a Member of the Tax Grievance Committee (General Tax Authority), and founding partner in Qatar Hotels Association. a Member of the Board of Directors of Qatar General Insurance and Reinsurance Co.</p> <p>Mr. Nasser holds a Bachelor’s degree in Political Science and International Relationships from Aquinas University in Michigan in the United States of America</p>	2,557,680	0.22%

Name	Brief Description	No. of Shares	%
<p><b>His Excellency Sheikh Dr. Thani Bin Ali Bin Saud Al Thani</b> Member of the Board of Directors</p>	<p>He is a Member of the Board of Directors at Salam International Investment Limited and the founder of Thani Bin Ali Al Thani Law Firm for Legal Consulting and Arbitration. Dr. Thani has received his Ph. D in Commercial Law from Cairo University. He is a member of the Arbitration Tribunal of International Chamber of Commerce in Paris as the representative of the State of Qatar. Dr. Thani is a member of the board of directors for international relations at the Qatar International Center for Conciliation and Arbitration, and also a member of the GCC Center for Arbitration in Commerce.</p> <p>Sheikh Dr. Thani Al Thani heads the Corporate Social Responsibility Committee and is an accredited arbitrator with many arbitration centers. He issued several publications in various aspects of law and participated in numerous specialized legal conferences and courses covering civil, commercial and criminal law, in addition to many dedicated legal gatherings and seminars.</p>	12,580	
<p><b>Mr. Ali Haider Sulaiman Al Haider</b> Representative of Suliman &amp; Brothers Company Member of the Board of Directors</p>	<p>He is a Member of the Board of Directors of Salam International Investment Limited in Qatar representing Suliman &amp; Brothers Co.. He is Vice-Chairman at Salam Bounian in Qatar as well as Vice-Chairman at Suliman Brothers Co. and partner at Suliman Al Hajj Haider &amp; Sons. He is a Board Member at Al Haider Foods Co. and a Board Member at the following: Al Haider Holding Co., Al Beejan for Contracting, Al Hadara International and Mesopotamia for General Contracting.</p> <p>Mr. Ali has a B.Sc. in computer science from Qatar University.</p>	1,000,000	0.09%
<p><b>Mr. Bassam Abdul Salam Abu Issa</b> Member of the Board of Directors</p>	<p>He is a Member of the Board of Directors, Executive Director of Corporate Business Development and a member of the Investment and Audit. Mr. Bassam Abu Issa is a shareholder and member of the Board of Directors of "Ithmar Invest", a regional financial investment company headquartered in Jordan, with branches in Palestine, Saudi Arabia and Qatar. He is also a board member and a shareholder in Dar Al-Tamweel Islamic Finance Company established by Ithmar, a board member and a shareholder In Audacia Capital Bank licensed by Dubai Financial Authority. He graduated with a Bachelor of Arts in Industrial Relations from the University of Kent in UK and has embarked on his career by joining Salam Studio &amp; Stores as Director of Operations in Muscat, and then took over as General Manager then became Executive Director of Retail Operations of the Salam Group. He has more than 30 years of professional experience.</p>	1,029,388	0.09%
<p><b>Mr. Badr Ali Hussein Al-Sada</b> Member of the Board of Directors</p>	<p>He is a Member of the Board of Directors of Salam International Investment Limited in Qatar. Vice-Chairman and Chief Executive Officer of Al Sada Establishment for Trading, Real Estate &amp; Contracting, the Vice-Chairman of Sectors Trading &amp; Contracting, a Board Member of Gulf Experts Electro-mechanical, the Vice Chairman of La Perla Travel and the Chairman of Enzo for Trading &amp; Contracting and works in the Banking Sector. He completed his studies at the College of North Atlantic in the State of Qatar where he received his degree in Business Administration, majoring in Accounting.</p>	1,130,000	0.10%



Name	Brief Description	No. of Shares	%
<b>His Excellency Sheikh Ali Bin Jassim bin Mohamed Jassim Al Thani</b> Member of the Board of Directors	Adviser to the CEO of Qatar Investment Authority, and he also served as Head of the Investment Department, member of the Board of Directors at Al Rayan Bank, and has completed a number of courses in the fields of feasibility studies, business management, project finance and banking. He holds a BS in Economics and Political Science - University of Portland, Oregon, USA. He has more than 25 years of professional experience.	1,900,000	0.17%
<b>Mr. Ahmed Rashed Ahmed Al-Moosafri</b> Member of the Board of Directors	Director of Investment at Barzan Holdings, Founder and Chairman of Maroon Capital, Non-Executive Member of the Blue Group. Previously worked as a Financial Analyst at QNB Capital. He holds a Master's degree in Strategic Business Administration, with nearly 10 years in the field of finance and investment, providing strategic advice to companies, including the management of deals and projects, financial evaluation, negotiations, investments structuring, and setting up corporate strategies.	100	
<b>Mr. Abdul Salam Issa Abu Issa</b> Member of the Board of Directors	He is a Member of the Board of Directors and Chief Executive Officer of Salam International Investment Limited in Qatar Member of the Board of Salam Bounian for Development in Qatar representing Salam International Investment Limited. Mr. Abdul Salam Abu Issa holds a Master's Degree in International Finance and Economics from the University of Newcastle Upon Tyne - UK. He has worked in the oil and gas, banking and road construction sectors before joining Salam International in 2012. And He is a member of Young Presidents Organization (YPO Qatar). Board member at the Qatari Businessmen Association	15,250,000	1.33%
<b>Dr. Adnan Ali Steitieh</b> Secretary of the Board of Directors	<p>He is the Legal Counsel and the Secretary of the Board of Directors of Salam International Investment Limited. Advisor and Secretary of the Board of Salam Bounian for Development. Dr. Steitieh is an independent board member at the following: Arab Jordan Investment Bank, Palestine Investment Bank, Power International Holding Co., Baldna for Food Industries, Assets Real Estates Co., and Nehmeh Group of companies. Dr. Steitieh represents Salam International in various Boards of Directors at several companies in Qatar, UAE, Saudi Arabia, Palestine and Lebanon, including: Qatar Aluminum Extrusion Co. (Qalex), Le Gray Hotel Beirut, Ijjada Co. in KSA.</p> <p>Dr. Steitieh was a lecturer professor at several universities, including Qatar University. He is also an accredited international arbitrator at the Qatar International Center for Conciliation and Arbitration, and a Member of the Commission for Corporate Social Responsibility Award.</p> <p>Dr. Steitieh holds a Ph.D. in Economics and Business Administration from Leipzig Graduate School of Management in Germany and a Bachelor's Degree in Law from the Arab University of Beirut, Lebanon, in addition to higher certificates in international relations, sustainable development, and public policy with more than 40 years of professional experience.</p>	1,000	

## 8. Election and Composition of the Board of Directors:

The members of the Board of Directors are elected by the Company's General Assembly and the Board of Directors is formed in accordance with the provisions of the Law, the Governance Code and the Articles of Association of the Company. At least, one third of the members of the Board shall be independent Board Members and the majority of the Board Members shall be Non-Executive Board Members. One or more seats may be allocated to represent the minorities and another to represent the employees of the Company.

In all cases, the formation of the Board must ensure that no one or more members shall be in charge to control the decision making process.

The Board of Directors meets the conditions listed above.

The Board consists of:

- **Independent members (non-Executive):**
  - His Excellency Sheikh Nawaf Bin Nasser Bin Khaled Al Thani (representing Doha Insurance Company).
  - His Excellency Mr. Nasser Sulaiman Haider Al-Haidar.
  - Mr. Ali Haider Sulaiman Al Haidar (representing Sulaiman & Brothers Co.).
  - His Excellency Sheikh Thani Bin Ali Bin Saud Al Thani
  - Mr. Badr Ali Al-Sada.
  - His Excellency Sheikh Ali bin Jassim bin Mohamed Al Thani
  - Mr. Ahmed Rashed Ahmed Al-Moosafri
- **Executives (non-independent):**
  - Mr. Abdul Salam Issa Abu Issa (Chief Executive Officer)
  - Mr. Bassam Abdul Salam Abu Issa (Executive Director)
- **Non-Executives (non-independent):**
  - Mr. Issa Abdul Salam Abu Issa
  - Mr. Hussam Abdul Salam Abu Issa

Upon the adoption of the financial results for 2023, and the election of a new Board of Directors, the membership of the current Board of Directors will expire. A new Board of Directors is expected to be elected before the end of the first quarter of 2024.

A brief introduction of each member of the Board of Directors has been posted on the company's website:

[www.salaminternational.com](http://www.salaminternational.com)

## 9. Chairman and Chief Executive Officer (CEO):

Without prejudice to the provisions of the law in this regard, no one person shall be in his capacity as Chairman or Vice-Chairman of more than two companies whose head offices are in the State of Qatar, or to be a member of the Board of Directors of more than three companies whose head offices are in the State of Qatar, or to be a Managing Director in more than one company whose head office is in the state of Qatar, nor to combine the membership of the Board of Directors of two companies that practice a homogeneous activity. The law also prohibits the combination of the presidency of the board and any executive position in the company. The Chairman may not be a member of any of the board committees stipulated in this Code. The Chairman and the members of the Board shall submit an annual declaration to be kept by the Secretary in the portfolio that is prepared for this purpose, in which each of them shall agree not to combine the positions which are prohibited in accordance with the law and the provisions of this Code. All the members of the Existing Board should meet the above-mentioned terms.

## 10. Board of Directors Membership – Nomination Policy:

The following conditions are required for the candidate to be eligible for membership of the Board of Directors:

- A. The candidate must not under twenty-one years old with full capacity.
- B. Shall not be sentenced to a criminal penalty, an offense against honor or trust, or a crime stipulated in Articles 334 and (335) of the Law, or have been declared bankrupt unless rehabilitated.
- C. To own one million (1,000,000) shares of the company. Those shares are to be deposited in one of the approved banks within (60) days from the date of the commencement of the membership, such shares shall continue to be deposited and couldn't be traded, mortgaged or seized before the end of the term of office

and after the ratification of the Financial Statements pertaining to the last fiscal year in which that member was performing his tasks.

Such shares shall also be allocated to ensure the rights of the Company, shareholders, creditors and third parties for the responsibility of the members of the Board of Directors, if the member fails to provide the aforesaid deposit, then his membership will become invalid.

At least one-third of the Board Members shall be Independent Board Members, the majority of the Board members shall be Non-Executive Board Members (who does not have a full-time management position at the Company or who does not receive a wage). The Company's Articles of Association may allocate one seat or more to represent the Minority and another to represent the Company employees.

The Independent Members and the members representing the Company's employees shall be exempted from this requirement or from owning the Company's shares stipulated in Item (C) above.

If a Board member loses one of the aforementioned conditions, he will lose the membership from the date he lost that condition.

- D.** With regard to shareholders appointed to the Board of Directors for owning a percentage of 10% of the Company's shares, their entire share should also be deposited in one of the approved banks or get them marked by Qatar Stock Exchange as management shares, in return for membership of the Board of Directors. In the event of losing membership for any reason, this percentage of the shares owned by the aforementioned member shall continue to be seized, until the date of the General Assembly following the loss of membership, and the issuance of the decision to discharge the members of the Board of Directors.
- E.** The board members must hold an accredited university degree, or at least an equivalent, or to have at least 5 years of experience in corporate management, either private or public.
- F.** Upon election, every member of the Board of Directors should immediately sign a declaration under which he undertakes not disclose information, and to adhere to the provisions of the Articles of Association, and any other laws or regulations governing shareholding companies and members of their Board of Directors.

- G.** Each member must sign a declaration that the conditions of membership of the Board of Directors are met in accordance with the provisions of the law and the Articles of Association, and the guidelines contained in this Governance Code.

- H.** Any legal entity, or a person representing a legal entity as a member of the Board of Directors, or appointed in the Board of Directors, shall continue to adhere to the guidelines contained in this Code and the Charter of the Board of Directors.

## **11. Loss of Board Membership:**

A member of the Board of Directors loses his membership in the following cases:

- A.** If he breaches or loses any of the membership conditions of the Board of Directors mentioned in Item (10) above.
- B.** If he misses attending (3) three consecutive meetings of the Board; or (4) four non-consecutive meetings without an acceptable excuse during his term of office.
- C.** If he resigns from office with a written notice, approved by the Board of Directors and in accordance with the provisions of the Companies Commercial Law in force.
- D.** If he is in violation of the provisions of Article (98) of the Companies Commercial Law no. (11) of 2015.
- E.** The General Assembly may dismiss the Chairman of the Board of Directors, or one of the board members. This is based on a proposal issued by the Board of Directors by an absolute majority or based on a request signed by a number of shareholders representing at least a quarter of the subscribed Capital. In the latter case, the Chairman of the Board must invite the General Assembly to convene within ten days from the date of the dismissal request, otherwise the Management will send the invitation at the Company's expense.
- F.** A member of the Board of Directors who has lost his membership in the Board, in accordance with the above, is not entitled to claim any rights or compensation from the Company as a result.

## 12. Withdrawal of a member from the Board of Directors

A member may withdraw from the Board, provided that it is in a proper time. Otherwise he will be liable by the Company.

## 13. Duties of Board Members:

The Company has adopted a charter for the Board of Directors in 2019.

The Charter includes the duties of the members of the Board of Directors in detail, including the following:

- A.** Adopting the strategic plan and the main objectives of the Company.
- B.** Establishing and overseeing the systems and regulations for the internal control of the Company.
- C.** Developing a Corporate Governance Code.
- D.** Developing a written policy governing the relationship between stakeholders.
- E.** Developing policies and procedures to ensure that the Company respects the rules and regulations.
- F.** Inviting all shareholders to attend the General Assembly meeting.
- G.** Approving nominations for senior executive management positions.
- H.** Developing a mechanism for dealing and cooperating with the providers of the financial services, financial analysis and credit rating.
- I.** Developing awareness programs for spreading the culture of self-control and risk management in the company.
- J.** Adopting a clear and written policy setting for the basis and manner of awarding the remunerations of Board members.
- K.** Establishing a clear policy for contracting with the related parties.
- L.** Establishing the foundations and criteria for assessing the performance of the Board and the senior executive management.

## 14. Chairman Duties:

The Chairman is the President of the Company, represents it before the others and before the judiciary and is primarily responsible for ensuring the proper management of the Company in an effective and productive manner and working to achieve the interest of the Company, partners, shareholders, and Stakeholders. The Charter of the Board of Directors shall include the duties and responsibilities of the Chairman, including at least the following:

- A.** Ensuring that the Board of Directors efficiently tackle all essential issues in timely manner.
- B.** Approving the Board meeting agenda, taking into account any matter raised by any member of the Board.
- C.** Encouraging the members of the Board to participate collectively and effectively in the conduct of the affairs of the Board, in order to ensure that they fulfill its responsibilities in the interest of the Company.
- D.** To make available all data, information, documents and records of the company, the Board and its committees to the Board members.
- E.** To find channels of effective communication with shareholders and to communicate their views to the Board.
- F.** To allow non-executive members of the Board, in particular, to participate actively and to encourage constructive relations between Executive and non-Executive Board members.
- G.** To ensure that members are continuously informed of the implementation of the provisions of this Code. The Chairman may delegate the Audit Committee or others in this matter.  
The Vice-Chairman shall replace the Chairman in his absence. The Chairman may delegate to other members of the Board some of his powers.
- H.** Ensure conducting an annual assessment of the Board's performance.



## **15 Board of Directors Functions and Responsibilities:**

The Board of Directors shall, in general, have all powers and authority to manage the Company and to carry out all actions required by this management in accordance with its purpose, and shall not limit such powers and authorities, except as provided for by law, Company regulations or General Assembly resolutions.

The Board represents all the shareholders and should take the necessary care needed in the management of the Company in an effective and productive manner for the interest of the Company, partners, shareholders, stakeholders, public benefit, investment development in the country and community development, and shall be responsible for protecting shareholders from acts and practices that are illegal or abusive; or any acts, or decisions that may cause them harm, discriminate among them, or let a group dominate.

The Board's responsibilities must be clearly defined in the Company's Articles of Association and the Charter of the Board referred to in the preceding Article.

The Board, without prejudice of the provisions of the law, should perform its functions and duties, and bear responsibility. In particular, the Board is responsible for the following:

- A.** The Board shall perform its functions with responsibility, good faith, diligence and concern; its decisions shall be based on adequate information from the executive management or from any other reliable source.
- B.** Each member of the Board shall represent all the shareholders and shall commit himself to the interest of the Company, not the interest of his representative or of those who voted for his appointment to the Board.
- C.** The Board must define the powers delegated to the Executive Management, the decision-making procedures and the validity of such delegation. It shall also determine matters reserved for decision by the Board. The Executive Management shall submit periodic reports to the Board on the exercise of the delegated powers.
- D.** The Board shall ensure that procedures are established to acquaint any new members of the Board to the Company, especially the financial and legal aspects, as well as their training if necessary.
- E.** The Board shall ensure that the Company shall avail adequate information on its affairs to all members of the Board in general and to non-executive members in particular, in order to enable them to carry out their duties and functions efficiently.
- F.** The Board may not enter into loan contracts that exceed the duration of three years, sell or mortgage the company's properties or discharge the debtors of the company from their obligations unless that was clearly stated in the company's Articles of Association and in the conditions stipulated therein. The Board may carry out such acts only with the authorization of the General Assembly, unless such acts are included in the Company purposes.

## **16. Delegation of Authority:**

The Board may delegate some of its functions and constitute special committees for the purpose of undertaking specific tasks on its behalf; provided that this decision stipulates the nature of such tasks. However, the Board remains fully responsible towards the company and third parties. The Board shall avoid issuing general or indefinite mandates.

The CEO of Salam International approves and adopts the annual work plans and budgets of the Company and its subsidiaries, which are a mandate for the concerned departments to work on their implementation so that the Planning and Budget Committee, under the supervision of the CEO, monitors the progress of these powers and the extent of commitment to implementing these plans and adhering to the approved budgets in each quarter of the year.

The company has a system for measuring the Key Performance Indicators (KPI) in order to evaluate the performance of the Executive Management, but this system is not applied at the present time.

## **Powers & Authorities Granted to the CEO by the Board of Directors:**

1. Signing on behalf of the company and its subsidiaries the Memorandum of Association and Articles of Association for establishing new companies owned by the company and its subsidiaries / or in which the company or one of its subsidiaries is a partner, changing the trade name of the company or subsidiaries, and making amendments to the register.
2. Signing on behalf of the company and its subsidiaries in the special requests from the company and its subsidiaries to convert the branch / or branches of the company or one of its subsidiaries into a separate main branch / branches.  
The right to decide to liquidate any of the subsidiaries in which the company owns part of its capital, and to appoint a liquidator to do so, and to sign any papers or documents before all parties related to the subject of liquidation, including the Ministry of Justice, the Documentation Department, the Ministry of Commerce and Industry, and others in order to liquidate these companies and delete their records permanently, and determine the liquidator's fees and liquidation expenses.
3. Signing, on behalf of the company and its subsidiaries, all applications, forms, papers, and documents related to extracting, renewing, and amending the necessary industrial records and entries for the company and its subsidiaries, at the Ministry of Energy and Industry, and the Ministry of Municipality and Environment (including, but not limited to: a request for registration in the industrial register, requests for merging projects, expanding a project, transferring projects, establishing a new project, environmental and operational permits for companies and their subsidiaries).
4. Signing on behalf of the company and its subsidiaries all official and private powers of attorney before the Documentation Department - Ministry of Justice, whether they are powers of attorney pertaining to the company's management or subsidiaries, or the power of attorney for lawyers or whomever he deems appropriate to act on behalf of the company or subsidiaries.
5. Signing, on behalf of the company, contracts for the sale and purchase of shares of subsidiaries, and the transfer and assignment of shares.

6. Sign on behalf of the company and its subsidiaries on all correspondence, letters, letters issued by the company to all official and private government agencies, including but not limited to (Ministry of Commerce and Industry, Ministry of Municipality and Environment, Ministry of Justice, Ministry of Energy and Industry, Ministry of Interior, Ministry of Finance, Ministry of Public Health, Ministry of Foreign Affairs, Ministry of Development Planning and Statistics, Ministry of Awqaf and Islamic Affairs, Ministry of Administrative Development, Labor and Social Affairs, Ministry of Culture and Sports, Ministry of Transport and Communications, Qatar Tourism Authority, Ministry of Education and Higher Education, Qatar Central Bank, Qatar Financial Markets Authority, Qatar Stock Exchange, Qatar Central Securities Depository Company, Prosecution Public, Supreme Judicial Council, General Authority of Customs, Qatar Ports Management Company, Qatar Postal Services Company - Qatar Post, Qatar Olympic Committee, Supreme Committee for Delivery and Legacy, National Human Rights Committee, Qatar General Electricity and Water Corporation (KAHRAMAA), Qatar Foundation for Social Work , Childhood Cultural Center, General Retirement and Social Insurance Authority, Qatar Development Bank, Qatar University, Mental Health Friends Association "Weyak", Qatar Red Crescent Society, Audit Bureau, Qatar Chamber, Aspire Zone Foundation, Cultural Village Foundation - Katara, Primary Health Care Corporation, Hamad Medical Corporation, Qatar Foundation for Education, Science and Community Development, Qatar Assistive Technology Center (Mada), Doha Exhibition and Convention Center, Qatar Financial Center, Qatar National Library, Mowasalat, Public Works Authority (Ashghal), Administrative Control and Transparency Authority, Civil Aviation Authority, the Regulatory Authority for Charitable Activities, the Telecommunications Regulatory Authority, the Qatar Financial Center Regulatory Authority, Qatar Museums Authority, Qatar News Agency (QNA), embassies of all countries in the State of Qatar.
7. Signing on behalf of the company and its subsidiaries the lease contracts in which the company or its subsidiaries are a lessor or lessee, and signing all applications for documentation and registration of these contracts on behalf of the company and its subsidiaries.  
He also has the right to conclude transactions of buying

and selling and negotiating the price, and he has the power to accept or reject the disposal (sale, purchase), and he has the right to receive the payment in cash or cheques in the name of the company and / or subsidiaries and deposit it in the company's bank account, and he also has the right, for the purpose of concluding these transactions, to sign any related documents before any of the official authorities, or authorize others to do so, in order to complete the transfer of ownership from / to the company according to the procedures in force.

8. Opening, operating, closing and managing bank accounts, in the name of the company and its subsidiaries, including withdrawing, depositing and transferring to and from those accounts, and receiving and accepting payments in the name of the companies and depositing them in their own account.
9. Carrying out all of the above or delegating to whomever he deems appropriate to do part or all of the mentioned tasks entrusted to him inside or outside the State of Qatar.

The approval of the Board of Directors must be obtained for the following transactions:

- Approving the appointment of general managers.
- investment decisions.
- Sale and acquisition of real estate.
- Sale of assets.
- Capital investments.

## 17. Secretary of the Board

### **Qualifications and Appointment of the Secretary:**

The Secretary of the Board of Directors shall, in general, organize and plan all the meetings and activities of the Board of Directors, its committees and the General Assembly of the Company. He also monitors the implementation of the decisions of the Board of Directors and the directives of the Chairman.

The Secretary of the Board shall be appointed by a decision of the Board of Directors for the term of the Board and shall be reappointed with the election of each new Board.

The current Secretary has the required qualifications. He holds a higher degree in economics and management in addition to a bachelor's degree in law and political science. He is an

accredited arbitrator at Qatar International Center for Arbitration and Conciliation. He enjoys nearly 40 years of experience including the handling of the affairs of the companies in the Market for more than 20 years.

### **Duties of the Board Secretary:**

The Secretary shall assist the Chairman and all members of the Board in the tasks they perform. The Secretary of the Board is committed to manage all the works of the Board, including:

- A. To record the Board's minutes of meeting, specifying the names of the members present and absent, indicating what took place at the meeting and confirming the members' objections to any decision issued by the Board.
- B. Record the decisions of the Board in the register set for this purpose, by date of issue.
- C. Schedule and arrange the meetings held by the Board in the register set for this purpose according to the date of the meeting, indicating: the members present and absent, the decisions taken by the Board at the meeting and the objections, if any.
- D. Keep track of the Board's minutes of meeting, its resolutions, reports and all records and correspondence in paper and electronic formats.
- E. Send the meeting invitation to the members of the Board, and the participants, if any, with the agenda at least two weeks prior to the date of the meeting and receive requests from members to add one or more items to the agenda, and confirm the date on which such a request was received.
- F. Full coordination between the Chairman and the members of the Board and among the members themselves, as well as between the Board, concerned parties and stakeholders, including shareholders, Management and employees.
- G. Enable the Chairman and Members to have prompt access to all Company documents, as well as its information and data.
- H. Maintain records of the declarations of the members of the Board of not combining positions which are prohibited of being combined by the law and the provisions of this Code.
- I. Circulate the relevant resolutions of the General Assembly and the Board of Directors to subsidiaries and respective departments.

- J. Ensure the proper delivery and distribution of information and coordination among Board members and other stakeholders, including shareholders, Management and employees, and ensure full and prompt access to all minutes of Board meetings, information, documents and records relating to the Company.
- K. Sign the company's correspondences regarding the execution of the tasks entrusted to him, whether mentioned above or any additional tasks that may be assigned to him.
- L. Coordinate among the committees of the Board in general.
- M. Enable all members of the Board to benefit from the services of the Secretary and advice within the scope of his duties.
- N. Any other tasks commissioned by the Board of Directors or by the Chairman.

## 18. Board of Directors Meetings:

The Board of Directors meet on regular basis or when an invitation is issued by its Chairman or upon a request of at least two members of the Board of Directors, as per the Company's Articles of Association. All members of the Board should be invited to the meeting at least one week ahead of meeting date. Items can be added to the agenda upon the request of a Board member. The Board of Directors must meet at least six times during the Company's fiscal year. Three months must not elapse without holding a Board meeting. The provisions of Article 104 of the Law apply to the organization of Board meetings. The Board meeting shall be deemed valid if attended by the majority of the members provided that either the Chairman or the vice-Chairman attends the meeting.

The absent member may delegate a member of the Board to represent him in attendance and voting. However, a member may not represent more than one member at a time. If a member of the Board fails to attend three consecutive meetings or four non-consecutive meetings without an excuse acceptable to the Board, the Board member shall be deemed as resigned.

Participation in Board meetings is allowed by any means of secure modern technology, which enables the participant to listen and participate actively in the Board discussions and the issuance of decisions.

The Board of Directors held 6 meetings during 2022 and has thus satisfied the requirements of Article 104 of the Law, Article 14 of the Governance Code, and Article 29 of the Company's Articles of Association.

### Board of Directors' meeting schedule for the year 2022:

Meeting No.	Date	Members attending in person	Members attending via proxy	Absent
1/2022	20/02/2022	11	-	-
2/2022	26/04/2022	10	1	-
3/2022	14/06/2022	11	-	-
4/2022	09/08/2022	6	5	-
5/2022	24/10/2022	7	4	-
6/2022	26/12/2022	11	-	-

## 19. Board of Directors Committees:

Upon its election, the Board renewed three dedicated committees to assist in the performance of its functions:

### 1. Audit Committee:

#### Consisting of the following:

Mr. Ali Haider Sulaiman Al-Haidar	Chairman
Mr. Badr Ali Al-Sada	Member
Mr. Bassam Abdul Salam Abu Issa	Member
Mr. Abdul Salam Issa Abu Issa	Member
Mr. Ahmed Rashed Al-Moosafri	Member
Mr. Dr. Adnan Ali Steitieh	Committee Secretary

### Audit Committee and Internal Audit Department's Charter and Framework:

Structure and Composition of the Committee and its scope of work:

- A. According to requirements of the Governance code issued by QFMA, the Committee shall comprise of at least three members. The majority of whom should be independent members. The committee must include at least one member with financial and audit experience. In the event that the number of independent members available was not sufficient to complete the Audit Committee, it is permitted to appoint non-independent members provided

that the Chairman of the Committee is independent.

The Head of Internal Audit participate in the work of this Committee ex officio.

- B.** It is not permitted that any person who is currently employed or has been employed by the Company's external auditors within the last 2 years, to be a member of the Audit Committee by no mean.
- C.** The Committee shall meet at least six times a year (every two months) or whenever needed. Either upon the invitation of its Chairman or upon the request of two of its members. Members of the Committee shall be informed of the date of the meeting, either in writing or via e-mail, five working days prior to the date of the meeting.
- D.** The members of the Committee shall, at their first meeting, set out and approve and adopt the Committee work plan in a manner compatible with its role and basic responsibilities, in addition to appointing a Committee secretary.
- E.** The Committee shall publish its Committee Charter after it is approved by the Board of Directors.
- F.** The minutes of meeting and Committee decisions must be recorded in a register. The minutes and decisions should then be signed by all present Committee members, and a copy should be sent to the Secretary of the Board of Directors.
- G.** The Committee should establish a Charter, which ensures the speedy completion of its agendas and the issuance of its decisions, as well as the supervision of the implementation of such decisions.
- H.** The quorum of the Committee is complete upon the attendance of no less than two-thirds of its members. The committee's meeting shall be deemed valid if attended by its chairman and the majority of the members.
- I.** Decisions of the Committee shall be taken via consensus of the members. If this is not possible, the positions of its members will be documented, and the decisions will be issued based on a two-thirds majority of its members.
- J.** In the event of any disagreement between the Audit Committee's recommendations and the Board of Directors decisions, including where the Board refuses to follow the Committee's recommendations concerning the external auditor, the Board shall include in the Company's Governance Report, a statement detailing such recommendations and the reasons behind the Board of Directors' decision not to follow those recommendations.
- K.** The Secretary of the Committee shall coordinate and document the Committee's work and maintain and keep the minutes of meeting, in addition to ensuring that the information, documents, minutes of meetings are promptly and fully accessible to all members of the Committee.
- L.** The Committee may hold its meetings remotely, by means of video calls, conference calls or through electronic mail exchange. Such meetings shall be documented and recorded, and the minutes of meetings duly signed by participating Committee members, otherwise it will be deemed void. It is permitted to delegate in attending Committee meeting provided that each member does not represent more than one member at a time and that the number of members present is not less than the majority of the members of the Committee.
- M.** The committee is formed by the decision of the Board of Directors. The Committee shall be reconstituted with each re-election of the Board and may be reconstituted before the expiration of the term of the existing Board, if necessary.
- N.** The committee shall submit an annual report to the Board including its work and recommendations.

#### **The Committee's Charter and Authorities:**

In general, the Committee should undertake all matters relating to the verification of the integrity of financial and control policies and procedures and risk management. In particular, the Committee undertakes the following tasks:

- A.** Preparing and presenting to the Board a proposed Internal Control system for the Company upon constitution, and conducting periodic audits whenever necessary
- B.** Setting the procedures of contracting with and nominating External Auditors, and ensuring their independence while performing their work
- C.** Overseeing the Company's Internal Controls, following the External Auditor's work, making coordination between them, ensuring their compliance with the implementation of the best International Standards on Auditing and preparing the financial reports in accordance with International Financial Reporting Standards (IFRS/IAS) and (ISA) and their requirements; verifying that the External Auditor's report include an explicit mention if it had obtained all the necessary Information and the Company's compliance with international standards (IFRS/ IAS), or



whether the audit was conducted based on International Standards on Auditing (ISA) or not.

- D.** Oversee, the accuracy and validity of the financial statements and the yearly, half-yearly and quarterly reports, and to review such statements and reports. In this regard particularly focus on:
1. Any changes to the accounting policies, applications and practices;
  2. Matters subject to the discretion of Senior Executive Management;
  3. The major amendments resulting from the audit;
  4. Continuity of the Company and successful operations.
  5. Compliance with the accredited accounting standards.
  6. Compliance with disclosure rules and any other requirements relating to the preparation of financial reports.
  7. Compliance with the applicable Market listing Rules
- E.** Considering, reviewing and following up the External Auditor's reports and notes on the Company financial statements
- F.** Ensuring the accuracy about and reviewing the disclosed numbers, data and financial statements and whatever submitted to the General Assembly.
- G.** Making coordination among the Board, Senior Executive Management, and the Internal Controls of the Company.
- H.** Review of financial and internal control and risk management systems.
- I.** Conducting investigations in financial control matters requested by the Board.
- J.** Making coordination between the Internal Audit Unit in the Company and the External Auditor.
- K.** Reviewing the financial and accounting policies and procedures of the Company and expressing an opinion and recommendation to the Board on this regard.
- L.** Reviewing the Company's dealings with the Related Parties, and making sure whether such dealings are subject to and comply with the relevant controls
- M.** Developing and reviewing regularly the Company's policies on risk management, taking into account the Company's business, market changes, investment trends and expansion plans of the Company.

- N.** Supervising the training programs on risk management prepared by the Company, and their nominations.
- O.** Preparing and submitting periodic reports about risks and their management in the Company to the Board - at a time determined by the Board - including its recommendations, and preparing reports of certain risks at the request of the Board or the Chairman.
- P.** Implementing the assignments of the Board regarding the Company's Internal Controls.
- Q.** Conducting a discussion with the External Auditor and Senior Executive Management about risk audits especially the appropriateness of the accounting decisions and estimates, and submitting them to the Board to be included in the annual report.

#### **Report on the Performance of the Audit Committee during the year 2022:**

- A.** The Committee held six meetings during 2022 where they discussed the 2022 budget, the final financial statements for the year 2021 and the quarterly and semi-annual financial statements for 2022. It also reviewed the final financial statements for 2022 in February 2023. This is in accordance with the provisions of Article 18 of the Corporate Governance Code.
- B.** During 2012, the Committee adopted the policy of contracting with the external auditors and then updated the policy at end of 2014 and the beginning of 2015.
- C.** The committee recommended appointing a specialized entity or institution to carry out the internal audit tasks.
- D.** The committee held a workshop for its members and interested members of the Board of Directors to introduce the new international accounting and auditing standards (IFRS).

#### **2. Nomination (Membership) Committee:**

##### **Consists of the following:**

Mr. Nasser Suliman Haidar Mohammed Al-Haidar	Chairman
Sheikh Thani Bin Ali Bin Saud Al-Thani	Member
Mr. Hussam Abdul Salam Abu Issa	Member
Mr. Abdul Salam Issa Abu Issa	Member
Dr. Adnan Ali Steitieh	Committee Secretary

### **Committee's Charter and Scope of Work:**

#### **Structure and Composition of the Committee and its Scope of Work:**

- A.** The Committee shall consist of four members of the Board, the majority of whom are members of the Board, and it is chaired by one of the independent members of the Board.
- B.** The quorum of the Committee is complete by the attendance of two-thirds of its members. The committee's meeting shall be deemed valid if attended by its Chairman and the majority of the members. In the event that Chairman is absent president, the quorum is not complete unless two thirds of its members are present, from whom they choose a Chairman for the meeting.
- C.** Decisions of the Committee shall be taken via consensus of the members. If this is not possible, the positions of its members will be documented and the decisions will be issued based on a two-thirds majority of its present members.
- D.** The members of the Committee shall, at their first meeting, set out and adopt Committee charter highlighting its main roles and responsibilities, and appoint a Committee Secretary.
- E.** The Committee shall publish its Committee Charter after it is approved by the Board of Directors.
- F.** Committee minutes of meeting and Committee and resolutions decisions shall be kept in a registry, a copy of the same to be sent to the Secretary of Board of Directors. The Chairman and all present Committee members shall duly sign the minutes and resolutions.
- G.** The Secretary of the Committee should coordinate and document the Committee's work through minutes of meeting, in addition to ensuring that the information in the minutes is fully and promptly accessible to all members of the Committee.
- H.** The Committee may hold its meetings remotely, by means of video calls, conference calls or through electronic mail exchange. Such meetings shall be documented and the minutes duly signed by the participating members of the Committee, otherwise they shall be deemed void. A member can delegate another member to attend on their behalf, provided that each member does not represent more than one member at a time and that the number of members present is not less than the majority of the members of the Committee.

- I.** The Committee shall meet at least once a year, or whenever necessary.

### **The Committee's Charter and Authorities:**

The Committee should undertake the following tasks:

- A.** Developing general principles and criteria used by the General Assembly members to elect the fittest among the candidates for Board membership.
- B.** Receiving candidacy requests and preparing a list of nominees to the Board of Directors and recommend that the General Assembly to elect the Board of Directors from this list. The Committee shall send the list containing the names and information of the candidates to the membership of the Board of Directors to Qatar Financial Markets Authority, for approval at least two weeks before the Board membership attaching the Resume of each candidate and an authenticated copy of the candidacy request.
- C.** Nominating whom it deems fit for the Board membership when any seat is vacant.
- D.** Developing draft of succession plan for managing the Company to ensure the speed of a suitable alternative to fill the vacant jobs in the Company.
- E.** Nominating whom it deems fit to fill any job of the Senior Executive Management.
- F.** Submitting an annual report to the Board including a comprehensive analysis of the Board performance to identify the strengths, weaknesses, and proposals in this regard.
- G.** Nomination by the committee does not mean any jeopardize of the rights of the shareholders stipulated by law, or depriving any shareholder in the Company of the right to nominate a member or be nominated for membership of the Board.
- H.** The Membership Committee shall nominate the candidates for membership of the Board of Directors, taking into consideration the conditions of appointing the members of the Board stipulated in the Articles of Association of the Company and the Charter of the Board. In addition to verifying that the candidate fulfills the criteria for candidacy for membership of the Board of Directors, including the availability of skills, knowledge, experience, professional, technical and academic qualifications as well as strength of personality.

- I. The Membership Committee shall determine whether the member is an independent member, or whether he is an executive or non-executive, taking into account the minimum requirements needed for each category.
- J. The Committee shall carry out an annual objective evaluation for the performance of the Board of Directors by following specific criteria including the following:
  1. Number of annual meetings.
  2. Adherence to the periodicity of meetings.
  3. Meeting attendance rate.
  4. Promptness and effectiveness in handling the issues on the agenda of the Board.
  5. Extent of compliance with transparency and disclosure with regard to the Board's decisions.
  6. Interaction with the various committees of the Board and the implementation of their recommendations.
  7. Meeting the plans and objectives and implementation of the approved policies.
  8. Having credibility, integrity, competence and the necessary expertise.
  9. Devoting sufficient time to carry out the tasks entrusted to the members of the Board.
  10. Any other criteria required by self-evaluation and objectivity.

**Report on the Performance of the Nomination Committee during the year 2022:**

- A. The Committee held two meetings during 2022 during which it opened the nomination and election for the Board membership, elected the Chairman of the Committee, evaluated the performance of the Board during the first half of 2022, and then evaluated the performance of the Board for the entire year 2022, in accordance with the Board's approved performance evaluation process.
- B. During 2012, the Committee adopted a Code for evaluating the annual performance of the Board of Directors, and updated this Code in 2020.

**3. Remuneration Committee:**

**Consists of the following:**

Sheikh Nawaf bin Nasser bin Khalid Al Thani	Chairman
Sheikh Dr. Thani Bin Ali Bin Saud Al Thani	Member
Mr. Badr Ali Al-Sada	Member
Mr. Bassam Abdul Salam Abu Issa	Member
Sheikh Ali Bin Jassim bin Mohamed Jassim Al Thani	Member
Dr. Adnan Ali Steitieh	Committee Secretary

**Structure and Composition of the Committee and its Scope of Work:**

- A. The Committee consists of five members of the non-executive Board members, the majority of whom shall be independent. Members of the Executive Management, ex officio, may participate in the committee's scope of work upon the invitation of the Committee.
- B. The members of the Committee shall, at their first meeting, set out, adopt and approve its terms of reference, highlighting its main roles and responsibilities in form of a Committee Charter. In addition, the members shall appoint the Committee Secretary.
- C. The Committee shall publish its Committee Charter after being approved by the Board of Directors.
- D. Minutes of meeting and Committee decisions should be recorded in a register and a copy of the same shall be sent to the Secretary of the Board of Directors. The Committee minutes of meetings and resolutions should be signed by all members of the Committee.
- E. The quorum of the Committee is complete upon the attendance of no less than two-thirds of its members.
- F. Decisions of the Committee shall be taken via consensus of the members. If this is not possible, the positions of its members will be documented and the decisions will be issued based on a two-thirds majority of its members.
- G. The Committee shall meet at least once a year or whenever needed, either upon the invitation of its Chairman or upon the request of two of its members. Members of the Committee shall be informed of the date of the meeting, either in writing or via e-mail, five working days prior to the date of the meeting.
- H. The Secretary of the Committee should coordinate and document the Committee's work through minutes of meeting, in addition to ensuring that the information in the minutes are fully and promptly accessible to all members of the Committee.

- I. The Committee may hold its meetings remotely, by means of video calls, conference calls or through electronic mail exchange. Such meetings shall be documented and minutes duly signed by the participating members of the Committee, otherwise they shall be deemed void. A member can delegate another member to attend on their behalf, provided that each member does not represent more than one member at a time and that the number of members present is not less than the majority of the members of the Committee.
- H. The Committee should assume any other functions that fall within its competencies delegated to it by the Board of Directors.
- I. The Committee should submit its reports and recommendations to the Board of Directors for approval.

**Report on the Performance of the Remuneration Committee during the year 2022:**

- A. The Committee held One meeting during 2022, in which it considered the remuneration of the Board of Directors' committees for the year 2021, and the incentives for the Executive Management, and submitted its respective recommendations to the Board.
- B. The Committee has adopted since 2012 a policy for incentives and rewards.

**The Committee's Charter and Authorities:**

- A. Setting the remuneration policies and principles in addition to salaries in the Company. Including the remuneration of the Chairman of the Board, the members of the Board and the Senior Executive Management, as well as reviewing them whenever needed.
- B. The Committee shall establish the remuneration policy, taking into account the following criteria:
  1. Long-term performance of the Company.
  2. Targeted feasible growth of the Company.
  3. Responsibilities and functions of the Board of Directors members.
  4. Responsibilities and tasks of the Senior Executive Management.
- C. Proposing the Employee Share Option Plan (ESOP), if permitted by law.
- D. The Committee shall propose a remuneration policy for the Company, based on the individual performance of the "employees" and the collective performance of the "business units". Rewards may include a fixed part and a performance-related part. The performance-related part must be based on the long-term performance of the Company as well as the feasible targeted growth at the same time.
- E. The Committee shall propose the policies and principles of remunerations. The Board shall present them to the shareholders of the General Assembly to be made public.
- F. The Committee should supervise the application of the remuneration policies and principles.
- G. The Committee may employ experts and specialists if necessary at the expense of the Company. The Committee is also permitted to seek assistance from the Company's employees and invite the Company's executives to participate in its business.

**20. Assessment of the Board's Performance:**

The Membership Committee should, within its approved multiple functions, carry out an annual objective self-evaluation of the performance of the Board of Directors. In its evaluation of the Board's performance, the Committee relies on the fact that the Board of Directors is collectively responsible for efficiently overseeing the management of the Company. The Board bears the responsibility for developing strategic policies and objectives, effectively monitoring the performance of the Company and its subsidiaries and ensuring the presence of succession plans for management as well as equity protection and development over long-term.

In particular, the Membership Committee should base, when preparing the annual performance evaluation of the Board, on the criteria adopted in the charter of the Committee, which are set out below:

1. Number of annual meetings.
2. Adherence to the periodicity of meetings.
3. Meeting attendance rate.
4. The promptness and effectiveness of the implementation of the issues listed on the agenda of the Board.
5. Extent of compliance with transparency and disclosure with regards to the Board's decisions.
6. Interaction with the various Board committees and the implementation of their recommendations.

7. Meeting plans, targets and objectives and implementing approved policies.
8. Any other criteria required by self-evaluation and objectivity.

## **21. Evaluation of the Board's Performance in 2022:**

The Membership (Nominations) Committee conducted an objective evaluation of the performance of the Board of Directors during 2022, following the criteria adopted within the evaluation system and according to the following:

The Board held six meetings in 2022. The members of the Board achieved a 100% attendance rate, of which 97.5% were attendees in person and 2.5% were via proxy. The Board also committed itself to the periodicity of the meetings, as no more than three full months elapsed between any two consecutive meetings of the Board.

The Board adopted the financial and closing statements for 2021. The Board reviewed, studied and discussed the quarterly and semi-annual financial statements for 2022 and the respective auditors' reports which the Board approved.

In carrying out its functions, the Board took into account the recommendations of its committees; where the recommendations of the Audit Committee on the financial statements were adopted. Similarly, Remuneration Committee's recommendations on incentives for employees' remuneration, board remuneration, senior executive management remuneration and committees remunerations were also adopted.

The Board issued (20) resolutions in 2022 related to investment opportunities and operational issues for the Company and its subsidiaries, including two resolutions that passed and were approved during the meeting following the issuance of those resolutions. All these decisions were issued after extensive discussions and consensus with no reservation made by any of the Board members. The Board also followed up on the implementation of its decisions in meetings subsequent to those where the decisions were made.

The Board decided to postpone certain items on its agenda due to the lack of information needed in order to make the appropriate decision and decided to refrain from some of the approved investment opportunities due to changing market conditions and the data on which these decisions were based, for the sake of protecting the interests of the Company and thus protect shareholders' rights. The Board has completed the discussion and addressing all items on its agenda during 2022.

The Board has fully committed itself to disclosing the results of its meetings, and any material facts and information that are of interest to shareholders and potential investors. It issued 8 press releases and 8 disclosures during 2022 relating to the developments of some projects and legal proceedings.

Hence, the Board has fully complied with the provisions of the Law, the Articles of Association, the Governance Code, the Transparency and Disclosure System and any other rules and regulations governing the work of the Board.

## **22. Board Remuneration:**

- A.** The Ordinary General Assembly shall determine the remuneration of the Board members. The total of such remuneration must not exceed (5%) of the net profits, after deducting the depreciation, reserves and distributing dividends of no less than 5% of the capital to the shareholders. In all cases, the remuneration may not exceed the maximum limit allowed by law or specified in a Ministerial decree in this regards.
- B.** No Board member shall be entitled to a remuneration on attending the Board meetings. However, he shall be entitled to an annual remuneration related to his performance pending the approval of the General Assembly. The bonus is calculated as a percentage of the net profits pursuant to Article 119 of the Commercial Companies Law No. (11) /2015, and in accordance with the remuneration policy in paragraph 2.14-b above.

It is permitted that Board members get a lump sum amount as remuneration in the years where the Company fails to realize profits. In such a case, the approval of the concerned department in the Ministry of Commerce and Industry as well as that of the Company's General Assembly shall be required.



## 23. Board Remuneration for 2022:

In implementation of the aforementioned remuneration policy, and despite achieving profits in the year 2022, the Board waived its remuneration.

## 24. Senior Executive Management:

The remuneration of the Chief Executive Officer is based on the same general and specific criteria for that of the employees of the Company, in addition to achieving 10% of the return on capital as a minimum requirement to be entitled for the

remuneration and the annual performance incentive. This is provided that the evaluation shall be carried out through the Board's Remuneration Committee, based on the approved performance evaluation system of the executive management and based on the balanced scorecard. Thus, the entitlement to the remuneration will not be limited to the profitability criterion or dividends, and will be mainly based on the overall assessment of employees' performance, which varies in focus and objectives from time to time, as per the circumstances and challenges that the Company goes through.

The members of the Senior Executive Management are as follows:

#	Name	Position	Tasks & responsibilities
1	<b>Mr. Abdul Salam Abu Issa</b> Total number of shares owned: 15,250,000 Master's Degree in International Finance and Economics	CEO - Board Member	Provides the overall leadership and directions to the group Represents the group outside Acts as the public companies representative in the public arena Initiates and controls the internal as well the external communication Acts as the ultimate guardian of the group's values and culture Determines the strategic vision and strategy of the group This is in accordance with the laws and regulations prevailing in the State of Qatar with regard to public shareholding companies
2	<b>Mr. Hekmat Younis</b> No shares owned B. S. in Accounting	CFO	Manages the crucial financial resources of the group Monitors the financial performance (e.g. financing, investments) Consolidates and prepares group financial statements Provides shared services in accounting and administration Assists the divisions on financial planning and budgeting issues This is in accordance with the laws and regulations prevailing in the State of Qatar with regard to public shareholding companies Prepares the costing reports
3	<b>Mr. Suleiman Al-Khateeb</b> No shares owned Global Executive MBA Corporate Finance & Investment - Majored in Luxury	Executive Director - Corporate Development Strategic Planning Human Resources Investor Relations Compliance Manager	Manages the preparation of the companies' strategies As Division Head accountable for achieving the division targets Develops and implements the business strategy according to the corporate strategy directives Develops and implements division budget according corporate budgeting guidelines Presents business strategy and budget Provides methodologies and tools for strategic planning process such as Balanced Scorecard HR Strategy Responsible for investor relations, and the Company's Official Spokesperson Prepare annual investor relation program Provides investors with regular reports on the performance of the group Manages all communication contacts in close cooperation with Corporate Marketing and Public Relation

#	Name	Position	Tasks & responsibilities
4	<b>Mr. Mohamed Issa Abdul Salam Abu Issa</b> Total number of shares owned: 14,824,550 B. A. Global Marketing Management International Marketing	Business Development Manager	Provides available investment opportunities or launching new businesses Assists divisions in screening potential M&A opportunities Structures M&A deals and assists in transaction execution Initiates and coaches for new business opportunities (challenging)
5	<b>Pasha Rahiman Sab</b>	Corporate Finance Manager	Manages the financial resources of the group Prepares group financial statements Provides shared services in accounting and administration Assists the divisions on financial planning and budgeting issues This is in accordance with the laws and regulations prevailing in the State of Qatar with regard to public shareholding companies Prepares the costing reports

Total remuneration paid to the members of the Executive senior management in 2022 was Qr. 6,333,598.

## 25. Committees Remuneration:

It is permitted that members of the committees may receive a lump sum amount, as a reward for attendance and participation in the committees, in accordance with the decision of the Board of Directors in this respect.

Pursuant to the provisions of Article 122 of the Code, the Board of Directors has made available to the shareholders a detailed list containing all amounts received by the Chairman of the Board of Directors and each member of the Board, whether wages, charges, salaries, bonuses, benefits in kind and amounts allocated to each member of the Board as a pension or end of service gratuity, and also detailed the operations in where conflicts of interest is potential. Any shareholder shall have the right to get access to such data at least one week prior to the General Assembly meeting.

## Section Three

### 26. General Governance Policies:

#### Professional Conduct and Work Ethics Policy

The general Human Resources policies and regulations provide the standards of professional conduct at Salam International Investment Limited.

The Company's overall Human Resources policies and regulations address the risks of integrity and incorruptibility, and include the general standards of professional conduct, prohibition of unauthorized use, preservation of Company assets and prohibition of illegal practices.

#### Disclosure and Communication Policy

##### Purpose:

Salam International is committed to best disclosure and communication practices in order to meet the principles and rules of the Governance, integrity and transparency. The Board of Directors adopted a clear policy for disclosure and communication outlining a transparent and honest relationship among current and potential shareholders, by mean of periodically acquaint them with the Company's developments, in the aim of encouraging the investment in the Company's shares, and giving them the feeling of security for their investment in the Company.

## **Commitments of the Company under the Framework of Disclosure and Communication Policy:**

1. The Company is to comply with the rules and regulations governing the disclosure and listing in Qatar Stock Exchange (QSE), in addition to the compliance with all the disclosure requirements, including the disclosure of the information related to the number of shares owned by the members of the Board of Directors, Executive Directors, and major or controlling shareholders.
2. The Company will commit to disclose any material information related to the current Company's projects, or the projects that the Company is intending to be engaged in, or any projects/information that may affect the share's price.
3. The Company should issue press releases and disclosure of information whenever it is necessary to do so, provided it is a disclosure of important and material information, including the disclosure of the financial results, new projects and strategic partnerships, disclosure of information related to law cases and their relative decisions.
4. The Company will publish the financial reports in accordance with the international accounting and auditing standards IFRS, IAS, ISA in local newspapers, and on the website of Qatar Stock Exchange and the Company's website.
5. The Company will disclose information related to the names of the members of the committees of the Board of Directors, and their charter and scope of work.
6. The Company should disclose information related to the Incentives and Remuneration Policy, the External Auditors Selection Policy, the Risk Management Policy and the Board Performance Evaluation System
7. The Company should continue publishing all information, disclosures, and data once available and/or periodically during the period it is listed in the Stock Exchange.
8. The Company will every year, publish the financial statements, the Profit & Loss Statement, the Report of the Board of Directors, and the full text of the Auditors' report, including the notes and the relevant Company's disclosures, in two local newspapers, and on the websites of the Company and Qatar Stock Exchange.
9. The Company will publish the Governance Report on its website every year, and will disseminate a copy of it during the General Assembly meeting.

10. The Company is committed to provide an easy accessible information related to the investors relations on its website, and ensures to update the information periodically.

### **Appointment of an Official Spokesperson**

In accordance with the governance requirements, and based on the CEO's recommendation, Mr. Suleiman Farouk Al-Khateeb was assigned the duties of the official spokesperson for the Company.

### **Policy for the Contracting with External Auditors**

The policy of the Company with respect to contracting with external auditors is based on Article (4) of the Commercial Companies Law No. 11/ 2015 and the provisions of Article 23 of the Governance Code regarding the companies listed on the Main Market issued by the Qatar Financial Markets Authority (QFMA) and on the systems governing the external auditors and financial estimators for listed parties as issued by the Authority.

The policy comprises the following principles:

- A.** The Company shall have an auditor (external auditor) appointed by the General Assembly for one year. The General Assembly shall approve its remunerations, based on recommendation from the Board of Directors.
- B.** It is permitted that the General Assembly reappoints the auditor for consecutive years.
- C.** In the event of re-appointing an auditor, the maximum appointment shall not exceed five consecutive years. It is not permitted to re-appoint the auditor unless after the elapse of two consecutive years.
- D.** It is required that the auditor be from an international or regional accounting firm.
- E.** It is required that the auditor be duly registered at the Auditors Registry of the Ministry of Commerce and Industry, listed in the tables of approved external auditors at the QFMA or any relevant specialized party, in accordance with the laws and regulations in effect at the State of Qatar.
- F.** The auditor shall meet the obligations as stated in Article 9 of the regulations for external auditors and financial estimators for the listed companies as issued by the Authority.
- G.** To inform both the Ministry and the Authority with the name of the auditor nominated by the Board.

- H.** The auditor shall perform the following:
1. Monitor and audit Company accounts, in accordance with the approved auditing practices, Authority requirements and the technical and professional basis of the profession.
  2. Check the balance sheet and the profit/loss statements.
  3. Monitor the implementation of the Law and the Company's Article of Association.
  4. Inspect the Company's financial and administrative systems, its internal financial control systems and ascertain their suitability for the progress of the Company's business and preservation of its assets.
  5. Verify the Company's assets and their ownership, confirm the legality of the liabilities and their authenticity.
  6. Review Board resolutions and instructions issued by the Company.
  7. Any other duties that an auditor is required to perform in accordance with the law governing the auditors practice and other relevant regulations and norms of the auditing business.
  8. Submit a written report to the General Assembly about its function, and assign or delegate someone to read the report before the General Assembly. A copy of the report shall be sent from Auditor to the concerned authority.
- I.** The aforementioned report by the auditor shall include the following:
1. He has obtained the information, data and clarifications that he considers to be important to perform his job.
  2. That the Company keeps regular book, records and documents in accordance with the internationally recognized accounting principles which show the financial position of the Company and the results of its operations in a fair manner, and that the balance sheet and the profit/loss statements are in accordance with the books and records.
  3. That the auditing procedures he conducted for the Company accounts are in his opinion sufficient to construct a reasonable basis to provide his opinion regarding the Company's financial position, results of operations and Company cash flows, in accordance with internationally recognized auditing rules.
  4. That the statements provided in the Board's report to the General Assembly are in accordance with Company records and books.
  5. That the inventory was conducted in accordance with the established principles.
  6. The violations to the Law or Company's Articles of Association that occurred during the subject audit year which have fundamental results on the Company's operations and financial position, and whether the said violations are still standing, within the limit of the information that was available to him.

## Incentives and Rewards Policy

### Company Staff Rewards and Incentives:

- A.** Pursuant to the Company's public strategy aimed at achieving growing and sustainable growth and profits and long-term benefits for the Company shareholders, it adopts the rewards and incentives policy at the Company in general, based on the following general criteria:
1. Long-term company performance.
  2. Targeted feasible growth of the Company.
  3. Achieve the minimum Key Performance Indicator (KPI), most notably the gross revenues, net profit and the Economic Added Value (EVA).
  4. Company cash flow status.
  5. Returns and dividends distributed to the shareholders.
- B.** The Staff Rewards and Incentives Policy is also based on the following special criteria:
1. Responsibilities and duties.
  2. Staff Individual performance.
  3. Collective performance of the Company and the business units.
- C.** As for the subsidiaries and the business units, the rewards and incentives policy shall primarily rely on the following criteria:
1. The long term performance of the Company or concerned business unit.
  2. Cash flow status of the Company or the business unit.
  3. The contribution of the subsidiary or the business unit to the consolidated profits.

4. Responsibilities and duties.
5. Staff Individual performance.

**D.** It is permitted that the rewards include a fixed part and a performance-related part. The performance related part must be based on the long-term performance of the Company as well as the targeted feasible growth in general and the individual performance in particular.

The policy is based on the annual individual performance evaluation, taking into consideration the relative weights of each of the skills, behavior and quality objectives: It should be noted that the rewards and incentives shall not be earned if the evaluation result is less than 80%.

The evaluation shall be done by the Human Resources Department at the Company based on the adopted staff assessment system. This system in turn is based on the balanced performance scorecard. Hence, the merit for incentives shall not only be dependent on profitability criteria. It will depend on the overall assessment of staff performance, which will vary in focus and targets from one individual to another.

### **Dividends Distribution Policy**

The dividends distribution policy depends on the financial results achieved in each fiscal year, the Company's plans for expansion and growth, the cash flow requirements of the Company and the availability of excess liquidity. The dividends are limited to a portion of the net profit, after the deduction of the depreciations, provisions and statutory reserves, in addition to the earnings retained from previous years. The Company shall decide the nature and percentage of dividends based on the aforementioned factors that change from year to year, according to the parameters or the circumstances prevailing at the time. In the years when the Company has surplus cash, it may adopt cash dividends. In the years in which the Company has opportunities to grow and expand, the Company may resort to either the recycling of profits, or capitalizing them, in part or in whole, distribute bonus shares and raise the capital by the amount of the issued shares.

### **Risk Management Policy**

The Risk Management Policy aims at identifying the weaknesses, potential risks, precautionary and remedial measures to prevent, limit and contain those risks when they arise. The Risks Management Policy includes the following risks:

- A.** Operational risks: These include, among other things: defects in products and services, interruption of work, performance gap, efficiency and productivity, customer satisfaction, health and safety, unexpected changes in the market and also the periodic nature of the business.
- B.** Financial risks: These include: pricing, liquidity, credits and debt risk.
- C.** Honestly and integrity risks: These include: forgery, illegal practices, unauthorized use and reputation.
- D.** Information technology risks.
- E.** Environmental risks.
- F.** Crisis management.

-The Measures Taken with Respect to Risk Management:

The Risk Management Policy aims at identifying the weaknesses, potential risks, precautionary and remedial measures to prevent, limit and contain those risks when they arise, in order to mitigate the impact on the achievements of SILL's strategic business objectives. The Risks Management process includes the following steps:

### **Raise Potential Risks**

SILL needs to identify the new and emerging risks that may have potential impact on the achievement of the Company's strategic business objectives. To do so, SILL will gather the necessary information, to identify the potential risks, categorize the identified risks, and involve the risk-related parties. This process will be done through conducting internal and external researches, contacting an expert, getting feedback from employees and stakeholder.

### **Risk Analysis**

After the assessment of the potential risks, the Company needs to identify possible impacts and likelihood of each risk, find the possible causes, also identify the interdependence to other risks.

### **Risks Evaluation**

When the risks analysis is finalized, the probability of the risks and the possible loss are determined. After this steps come the calculation of the risks expectation, and the determination of the risk level.



### **Risk treatment**

Upon completion of the Risks evaluation, and determination of risks levels, follow-up actions are to be defined, taking into consideration the following:

1. Acceptance of the risk
2. Shift of risk
3. Controlling of risk
4. Insurance of risk
5. Lowering of risk
6. Mitigation of risk

When the above is complete, it is followed by further steps, including: defining risk monitoring measurements, defining disaster management procedures, and definition & communication of responsibilities. The process adjustments are derived before finally handled by the Change Management.

### **Action Plan**

The Executive Management in the Company will set up the action plans and their timeframes. The Executive Management will update the risk assessment and monitor the implementation of the actions plans.

### **Risk Monitoring & Review**

The Executive Management will monitor the progress of these action plans and provide their review and reports on the outcomes.

## **Insiders Trading Policy**

### **Purpose:**

The Board of Directors adopted the below-mentioned rules that govern how the Board members and the Company's officers trade in the financial securities that are issued by the Company, the Mother Company, the subsidiaries and the sister companies, to ensure the highest level of integrity, transparency and disclosure. These rules are binding to the Board members and the Company's employees.

### **The Insider:**

The insider is anyone who, due to his position within the Company, has access to information that is not available to the public, and this information may have effect on the traders either to attract them to or turn them away from investing in

the Company's securities, or those of other companies that SILL or its shareholders might have interest in. This information may have impact on the Company's ability in terms of fulfilling its obligation, including the Board members, the Senior Executive Management, the employees in the company or any of the Group's companies or others, who might have access to such information under contractual or professional relationships or others.

## **The Company's Obligations:**

1. The Company's Board of Directors, Senior Executive Management, major shareholders or controlling shareholders, are committed to disclose the information related to the number of shares they own within 15 days from the date of being elected to the Board membership and at the end of each fiscal year, in addition to the information related to all the trading transactions carried out by the members of the Company's Board of Directors and its Executive management in accordance with the respective laws, regulations and directives.
2. The Chairman and the Board members of the company that is listed on the Market, its General Manager, and its employees who had access to material information on the Company are banned to trade – either by himself or by a third party on his behalf or for others –in the securities of the Company itself or the mother company or subsidiary, should be any of these companies listed on the Market, during the ban periods stated upon in the laws and regulations in force.
3. The Company will commit to disclose the information related to the trading of the insiders and their relatives in the securities issued by the Company, the mother company, subsidiaries, or sister companies including the Board members in accordance with the respective rules, regulations and directives. This is achieved by mean of maintaining a special and integral register encompassing all the insiders and those who might be deemed as temporary insiders and have the right or access to the Company's inside information before being published. This register includes the insiders-related disclosures, for the past and for the future.
4. The Board members or any of the insiders should not utilize the confidential information that may affect the securities' price for the purpose of making personal gains, and any such an act or transaction is deemed null and void.

## The Insiders' Obligations:

1. Any person (he and his minors) or any legal entity are committed to inform the Stock Exchange, in the case that their shares added to it the ownership of the respective group reached 5% or above of the Company's shares or any of its Groups.
2. Also they are committed to disclose the information on every 1% change above the limits of the aforementioned disclosure.
3. No one in the Company can disclose any of the Company's inside information to other parties except for the competent or juridical authorities.
4. It is prohibited to trade in the securities issued by the Company or influencing others to do so based on inside information or to take advantage of an inside or confidential information in order to make financial or in-kind gains.
5. All insiders should sign an official declaration by which they acknowledge that they possess inside information and data pertaining to the Company and its clients. All the insiders trading transactions are registered in the Insiders Trading Register.
6. The Insider is committed to inform the Company of any trading he carries out in the securities of the Mother Company's or subsidiary, before and after those trading.

## Whistle-Blowing Policy

### Purpose:

As Salam International believes in its values and principals of integrity, team work and responsibility, the Whistle-blowing Policy comes to reinforce and protect these values, and at the same time, protect the whistleblower from any harm that may affect him or his personal interests. The Company hopes that this policy will give chance for early reporting of any violations or significant concerns or potential misbehavior that may hit the Company or its shareholders, so it can handle such a violation in a proper way.

This Policy aims to provide any information that may guide the Company's Management towards carrying out its obligations, through reporting the violations, wrong behaviors, illegal acts, unethical manners, or those violating the Company's policies, procedures and directives.

### Range of Application:

The policy is applicable to all the Company's employees, whether they are executives, staff, or advisors regardless of their positions, and without any exception. It is possible also for any of the stakeholder to report any concerns or violations.

### Reporting of Violations

The Company welcomes any report that may guide to the correction of the mistakes or the procedures, detection of the violations, or reinforcement and protection of its values, by mean of reporting a wrong practices such criminal or financial violations, or breaches to any legal or legislative obligations, internal regulatory requirements, or those considered dangerous to health or safety or environment, for example but not limited to:

- Admin and Financial corruption (theft, embezzlement, money laundering, manipulation in securities, trading based on inside information, conflict of interests, misuse of stock exchange markets, bribery, misuse of power, forgery, cheating, fraud, accounts and data manipulation, gaining material or in-kind benefits)
- Illegal behavior and improper manners or those that are against customs and public ethics.
- Abuse of the Company's properties and assets, and criminal offenses that were or are or will be committed whatsoever.
- Not to comply with or not to properly apply the policies.
- Disclose confidential information in illegal manner.
- Threatening the health and safety of the employees.
- Breach the professional conduct code and unethical manners.
- Misuse of powers or legal authorities.
- Violating the health, safety and environment measures (causing harm and damage to the environment or the workplace).

## Commitments

### Commitments of the Whistleblower

Every whistleblower should commit to the following:

- Verification of the validity of the report by avoiding rumors, fears, or making unfounded allegations
- Being objective when reporting, away from personal disputes, slandering, making revenge, hurting people who

enjoy good faith, or defaming them, or make use of the report or use it to make personal gains, or to affect the trust in the company and its affiliates.

- Accuracy in reporting and using clear statements in the report, while avoiding symbols and incomprehensible indications, or use of missing information or part of it, and provide clear details of the issue the subject of the report, in order to show what is the violation status and how and where it is committed, and provide all necessary details and evidences on the violation based on the breach's nature.
- Reporting the violation at the earliest possible.
- The reporter will be held accountable shall he tell false or untrue or malicious allegations, or in case he told false or untrue report that led to harm the Company's reputation or one of its employees without a justifiable reason, or led to any kind of harm or caused disturbance. The Company has the right to take corrective actions in case the reporter was one of its employees, or to sue him before the juridical authorities and make him compensate the Company's for the damage he caused.
- The whistleblower should take into consideration the full confidentiality while reporting for the public interest of the Company, giving the Company the chance to handle the report and conduct the necessary search and investigations as per the Company's adopted procedures. Reserving the Company's reputation against allegations that were not made based on adequate evidences, or made based on rumors, speculations or personal fears, or unjustified anxiety, which in case proved unworthy in terms of validity and accuracy gives the Company the right to sue him.

### **The Company's Obligations (Protection of the Whistleblower)**

The Company is committed to the following:

#### **The Protection of the Whistleblower:**

Taking all the necessary measures to ensure the whistleblower's protection, and prevent any harm to him. The Company bears any expenses or charges that are required to keep the reported information or the whistleblower, such as travel costs, meeting with the whistleblower, and communication and correspondences costs. The Company also ensures that no harm will touch the whistleblower as a result for reporting the violations as per the provisions of this policy.

#### **Confidentiality:**

Nondisclosure of the whistleblower's identity (either if he disclosed his name or not) and safeguarding him, and not to put him into accountability, unless in the case that the disclosure of the identity is imposed by law for the purpose of conducting investigations by the security and investigation authorities and juridical authorities. The Company is also committed not to let the issue or the details spread to unconcerned parties.

#### **Conducting Necessary Search and Investigation:**

Should seriously handle any report on violations, no matter what is the nature or language of the report or the adequacy of its information. A search should be conducted to be then followed by investigations to uncover the report's details, and to check if it really exists and if there is sufficient evidence to support it, or in case it may require more search and investigations to be conducted, or request the assistance of special experts, or other parties, or persons connected to the report.

#### **Corrective Actions:**

Taking the right corrective actions in case that the investigations confirmed the reported violation is valid, based on true reasons that entails taking corrective actions without any delay to prevent the complications resulted from such a violation, or losing the Company's right to take the right action in the right time.

#### **Means of Reporting:**

To provide reporting means that ensures easy and rapid whistleblowing process. The Company is committed to show the contact details in a visible place and on the Company's website. The Company is to periodically check the reports to ensure the handling of the report at the earliest possible.

#### **Handling of the Report:**

All violations' reports and the reports coming from the Company's Management and officers are sent through the respective communication channels, to the Audit committee to present it to the Board of Directors, showing the nature of the received reports, and what investigations and actions were taken in this concern.

In case that the report was made based on reasonable and justifiable inputs, then an investigation must be conducted

and recommendations issued. Also giving advice and consultation to the whistleblower or to whom the breach is attributed. The action against the breach should be taken in accordance with the provisions of the Company's adopted penalties directives and Qatar Labor Law in force.

In General, in case that the report is not justified, or not based on supporting evidence, then the report is to be reserved, without conducting any further investigations. This decision is final and will not be reconsidered unless extra evidences were submitted.

#### **Succession Planning Policy:**

A "Succession Planning" policy is currently being developed in the company, and until this policy is ready. The Company has applied a job replacement policy, by training second-level managers to carry out the task of running the business in the absence of one of the high-ranking positions in the Company, and they are among the candidates to assume the position upon the resignation or retirement of the incumbent in the concerned position. An external consultant (BDO) has been assigned to work on the policy and the required procedures, and it is expected that the aforementioned policy will be ready during the first quarter of 2023.

#### **Integrity and Non-conflict of Interest Policy:**

**A.** The Company prohibits its Chairman, members of its Board of Directors, Executive Directors, and all its employees from using any information he has come across in order to achieve an interest for him or his immediate relatives as a result of dealing in the company's shares.

In accordance with the aforementioned policy, the Company issues a periodic circular to the members of the Board of Directors and Executive Directors, preceding each period of the announcement of the interim financial results. This circular includes announcing the validity period of the ban on buying and selling shares stipulated in Article (173) of the Qatar Stock Exchange's internal regulations, with an emphasis on the need to inform Qatar Stock Exchange in advance of any sale or purchase outside the ban period. This ensures integrity in dealing and equality of opportunity.

The company also adheres to the provisions of the Commercial Companies Law No. (8) of 2021 amending

some provisions of the Commercial Companies Law, related to conflict of interests, especially the provisions of Article 109 of the Law. which states the following:

- 1.** The Chairman and each member of the Board of Directors and member of the Senior Executive Management must disclose to the Board any interest, direct or indirect, that he has in the transactions and deals that take place for the Company's, and the disclosure must include the type, value and details of those deals and transactions and the nature and extent of the interest to him along with indicating the stakeholders thereof.
- 2.** If the total value of the transactions and deals stipulated in the previous clause is equal to or more than (10%) of the market value of the Company or the value of the Company's net assets according to the latest published financial statements, whichever is lower, and unless the Articles of Association stated a lower percentage. It is a must to obtain a prior approval of the General Assembly, after have those transactions and deals been evaluated by the Auditor. the Auditor's report is to submitted to the General Assembly, provided that it includes the type and details of those transactions and deals, their value, the nature and extent of the interest, the stakeholders and a statement whether it is according to market prices and on a purely commercial basis. This approval is renewed annually if those transactions and deals are of a periodic nature.
- 3.** Any of the stakeholders stipulated in Clause 1 of this Article shall refrain from attending the meetings of the General Assembly or the meetings of the Board of Directors in which the issue related to it is discussed or voted on.
- 4.** In the event that any of the persons stipulated in Clause (1) of this Article violates the provisions contained therein, he shall be dismissed from his role or position in the company and shall not be entitled to run for membership of the Board of Directors of any other company or to assume any role or position in the senior executive management therein, for a period of one year from the date of the issuance of the dismissal decision.
- 5.** Without prejudice to the rights of bona fide third parties, the violation of the provisions of this article also entails that the shareholders may claim before the competent court the invalidity of the deals or transactions and oblige the violator to pay compensation determined by the court in the event of non-disclosure, and they may also claim

compensation as a result of mismanagement or violation of members of the Board to their obligations regardless of the invalidity of the deals or transactions in the event that the terms of the deals or transactions are unfair or harm the interests of the shareholders. In all cases, the violator shall be obligated to pay any profit or benefit that he gained from that to the Company.

6. Shareholders who own at least (5%) of the Company’s capital may view the papers and documents related to the deals or transactions to which the provisions of this Article apply, and obtain copies or extracts from them, and the Board of Directors shall enable them to view those papers and documents, or obtain images and extracts thereof, as the case may be.
  7. The companies listed in the financial market shall disclose to the Authority the transactions and deals referred to in Clause (2) of this Article, and the details, nature and extent of the interest of the persons mentioned in Clause (1) of this Article, in accordance with the procedures followed by the Authority.
- B.** Every member of the Board of Directors shall sign, upon being elected, an acknowledgment and pledge of commitment to maintain the confidentiality of information and data, and not to disclose, leak or disclose it to others, or use it to achieve a private benefit for him or any of his relatives.
- C.** Practical Practice: in application of the principles of transparency, disclosure and equality of opportunity, and in order to avoid conflict of interests. A member of the Board of Directors withdraws from meetings of the Board of Directors or the General Assembly, in which they are deliberating on a topic or connection related to the concerned member of the Board of Directors. Voting on the relevant item shall not take place until verification that the aforementioned members have left the meeting room. The Company has previously applied this principle on more than one occasion and in more than one case.

No major transactions were made between the members of the Board of Directors and the stakeholders during the year 2022.

## 27. Corporate Social Responsibility (CSR) and Community Rights Strategy:

The CSR strategy is based on the Qatar National Vision 2030, and on its Economic Pillar in particular. It is also based on the Company’s vision that aims to make Salam International Investment Limited one of the most successful public shareholding companies in the Middle East and a leading example for family businesses. In line with that strategy and the Company’s mission, SIIL aims to develop the human resources and the communities in which it operates. Therefore, the CSR Program at Salam International Investment Limited includes the following:

- Commitment to total quality: the contribution of SIIL through its activities to ensure the needs of the national economy and society of goods and services are met, in addition to the efficient use of production factors within the community.
- Contribute to the development of human resources: for the employees of the Company, and for members of community through securing mechanisms to learn skills, scholarships, fresh graduates’ training, and the promotion of the knowledge economy.
- Environmental Protection: Taking into account environmental considerations when implementing projects, so that the environment is not only protected, but also improved and to go to our grandchildren in a better condition than how we got from our ancestors.
- In implementation of the CSR strategy, since 2018, Salam International applied the programs listed under the “Corporate Responsibility” section of the Annual Report.

### SIIL Social Contributions and Activities during 2022:

1	Hathab - Shaqab Equestrian Tour
2	USA - National Day
3	BRONZE SPONSORSHIP - Bayt Al Khibra Al Falasteeni Qatar Cyclists and Qatar Charity
4	Qatar Cancer Society
5	DONATION FOR QATAR SOCIETY FOR REHABILITATION
6	SPONSORSHIP OF A BOOK ON 100 INSPIRING QATARI WOMEN



## Section Four

### 28. Internal Control and External Audit:

#### Internal Control Department:

The Board of Directors is responsible for establishing and maintaining internal control on financial reports "ICOFR" in line with what is required by the Qatar Financial Markets Authority (QFMA). This is to provide reasonable assurance regarding the reliability of financial reports and the preparation of consolidated financial statements for the purpose of preparing external reports in accordance with International Financial Reporting Standards (IFRS). The ICOFR also includes disclosure controls and procedures designed to prevent misleading information.

The Company's Internal Control aims to verify compliance with the approved regulations and procedures, compliance with the policies, plans, regulations and laws in force, in addition to protecting the assets and efficient use of resources.

The Company's Internal Control is currently performed through several separate units, where internal control is performed by the Financial Department, Legal Affairs Department, Human Resources Department and Corporate Development Department. However, the Company is still seeking to combine all internal control activities in an independent department, to be either one of the main departments of the Company, or might be performed by a house of expertise from outside the Company.

#### Actions related to Internal Control:

The Company commissioned an independent consultant to undertake the following tasks:

- A. Prepare the Internal Audit Charter to identify authorities and responsibilities.
- B. Risk assessment of the Company's activities and accounting operations.
- C. Identification of the major business risks in terms of importance and probability of occurrence.
- D. Internal audit plan for risk assessment and assistance in achieving strategic objectives.
- E. Internal audit policies and procedures to ensure the integrity of internal control.
- F. Internal controls and/or business operations review, to determine the accuracy and efficiency of internal controls in addressing identified risks.

- G. Comprehensive financial audit to ensure that the financial statements are free from material misstatement.
- H. Auditing the operations and compliance with regulations, procedures, and legal requirements.
- I. Review the Company organizational structure and Governance.
- J. Review Company performance.
- K. To review the general controls of information technology and its systems.

### Risks in Financial Reporting

The main risks in financial reporting are that either the consolidated financial statements are not presented fairly due to inadvertent 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 based on the consolidated financial statements.

To confine those risks of financial reporting, the Group has established ICOFR with the aim of providing 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 (2013) 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 objectives:

- 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 involvement 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;
- 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 procedures integrated within the daily responsibilities of staff or from procedures implemented specifically for purposes of the ICOFR evaluation. Information from other sources also form an important component of the evaluation since such evidence may either bring additional control issues to the attention of management or may corroborate findings.
- The evaluation has included an assessment of the design, implementation, and operating effectiveness of controls within various processes including Human Resources and Payroll, General Ledger and Financial Reporting. The evaluation also included an assessment of the design, implementation, and operating effectiveness of Entity Level Controls, Information Technology General Controls, and Disclosure Controls.

## 29. Internal Control Failures and Violations:

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.

Work is currently underway to prepare the Compliance policy and related procedures through a Consultant, to be approved and implemented during the next year.

Therefore, the Internal Control during the year 2022 also did not record any defect or failure that had a material impact on the financial performance of the Company. It also did not show any defects or fundamental irregularities in the management of the company.

### Violations:

As for compliance with the provisions of the Corporate Governance Code and the legal entities listed in the Main Market, the Company has complied with all the provisions except for those were mentioned in the report. Necessary measures are being taken to avoid the violations mentioned in the Governance report for the year 2022.

## 30. Compliance Manager:

The Company has appointed a Compliance Manager in order to enhance and activate communication with the supervisory authorities, as mentioned in previous reports. The compliance manager's role is to coordinate between the Company and QFMA and any supervisory authority in relevance to the Corporate Governance Code and its implementation.

- Name of the Compliance Manager:  
**Mr. Suleiman Farouk Al-Khateeb**
- Capacity: Executive Director
- Phone +974 44838733
- Email: s.alkhateeb@salaminternational.com

## Section Five

### Shareholders Rights, Capital Structure and Minority Rights

#### 31. Shareholders Rights:

Shareholders shall have all the rights bestowed upon them by the relevant laws and regulations, including the Company's Article of Association, mainly:

- A. Right to participate in the decision-making process by attending the General Assemblies, the right to discuss the topics proposed to the Assembly, right to vote on the General Assembly decisions, vote and impeach members of the Board, right to reserve and object to the decisions of the General Assembly and right to approve or abstain from giving the approval for Board Members' remunerations.
- B. Right to monitor the management of the Company, as manifested in the right to discuss the topics listed on the agenda, address questions to the Board members and auditor, discuss matters that are not listed on the agenda but relate to serious facts revealed during the meeting, right to list specific matters on the agenda by a number of shareholders, right to resort to the General Assembly if the shareholder considers the reply as inadequate, right of the shareholder to be informed of all the amounts received by the Chairman and every member of the Board, whether as remuneration, charges, salaries, in-kind benefits, and the amounts allocated to each member of the Board as pension or end of service gratuity, as well as the operations which may cause a potential conflict of interests.
- C. Right to Complain and Litigate as manifested in the right of the shareholders who own certain percentage of the capital to request inspection of the Company, or the right of the shareholder to sue, by himself, for damages incurred to him as a shareholder, or the right of the General Assembly to prosecute every party who may have caused damage to the interests of the Company or the equities of the shareholders, and claim compensation for any illegal act, and stipulated by law.

- D. The shareholder shall have the right to view the shareholders register at QSE, as per QSE applicable regulations free of charge with respect to his contribution, in accordance with the regulations set by the Qatar Financial Markets Authority and in accordance with the regulations in force at QSE.
- E. The Company shall publish on its website the Memorandum of Association and the Article of Association of the Company, the information related to the Board members, the quarterly, semi-annual and annual financial data, disclosures, annual reports of the Board and annual Corporate Governance report.
- F. It is permitted that any shareholder (s) owning at least 10% of the capital of the Company to call the Ordinary General Assembly to convene.
- G. Shareholders that represent at least 25% of the capital are permitted to call for the extraordinary General Assembly to convene.
- H. Shareholders holding at least 5% of the Company's capital may view the papers and documents related to the deals or transactions to which the provisions of this Article apply, and obtain copies or extracts thereof, and the Board of Directors shall enable them to view those papers or documents, or obtain copies and extracts thereof, as the case may be.
- I. Any shareholder (s) representing at least 10% of the capital of the Company are permitted to request the inclusion of new items on the agenda of the General Assembly.
- J. Every shareholder shall have the same right as all other shares of the same category.
- K. The shareholders are permitted to vote by proxy, provided the proxy is purpose-specific and proven in writing. The number of shares with the procurator may not exceed 5% of the Company shares and no Board member may act as proxy.
- L. The Board members, as shareholders at the Company, are not permitted to participate in the voting for the General Assembly decisions related to their discharge from liability.

In order to receive the shareholders' feedback and inquiries, the company has allocated the e-mail and contact numbers shown below:

**Email:** investor@salaminternational.com

**Telephone Numbers:**

+974 4483 0439

+974 4483 2913

+974 4483 8733

**Fax:** +974 4483 3576

**P. O. Box:** 15224

The register of shareholders is also requested on a monthly basis from the Qatar Central Securities Depository Company.

### 32. Capital Structure:

The total number of the Company's shareholders on 31/12/2022 has reached 5,590 shareholders.

The following shareholders/entities own 5% or more of Company paid up capital:

Name	Number of Shares Owned	Equity Ratio
Mr. Issa Abdul Salam Abu Issa	156,572,555	13.70%
Mr. Hussam Abdul Salam Abu Issa	99,802,098	8.73%
Al Hussam Holding Co.	109,725,000	9.60%

### 33. Minority Rights and Major Transactions:

The Company has amended its Articles of Association to conform with Commercial Law 11/2015. The amendment has included the provisions regarding protecting minority shareholders, in case of approval to major deals whereby the minority shareholders have voted against such deals. This will include finding a mechanism to release sale of shares to the public or the right of synchronous sale in case of changes in the ownership of Company capital exceeding a pre-determined percentage.

## Salam International Related Party Transactions As on 31 December 2022

	December	
	2021	2022
Revenue	3,286,288	4,482,115.00
Rental Income	24,358,301	27,146,638.00
Operating Cost	1,793,070	644,685.00
Interest Income	761,927	561,326.00
Other Income	2,421,982	706,263.00
Other Expense	428,665	836,596.00
Intangible Assets		
Financing advances to a related party	36,424,360	6,574,423.00
	<b>69,474,594</b>	<b>40,952,045.00</b>

## Section Six

### Transparency and Disclosure

#### 34. Litigation and Lawsuits:

##### A Lawsuits filed by Salam International and its subsidiaries in 2022:

#	Case no. / Court	Plaintiff	Defendant
1	727/2022 Civil – Full Court	Salam Technology	1. Classical Palace 2. Obayashi Qatar 3. Hamad Bin Khalid Contracting
2	2067/2020 Civil, Full Court	Qatari German Switchgear Co.	Al Ajjaj Limited co.
3	2552/2020 Civil, Full Court	Salam International	Shiftpoint and others
4	729/2022 Commercial, Full Court	Gulf Steel & Engineering	SBH - JV
5	467/2021 Commercial, Full Court	Alu Nasa	Al-Jaber & Sensia JV
6	335/2022 Commercial, Full Court	Gulf Steel & Engineering	Gulf Ray + Bandary Engineering
7	118/2022 Commercial, Full Court	Gulf Steel & Engineering	Bandary Engineering
8	349/2022 Commercial	Salam Technology	Al Sarh Holding Group
9	804/2022 Commercial –Summary Court	Prevent & Protect	CEM Estero
10	435/2022 Commercial – Full Court	Prevent & Protect	Energy Technical Services
11	753/2022 Commercial	Salam Technology	Al Jaber Engineering
12	1616/2022 Commercial, Summary Court	Gulf Steel & Engineering	Arabtec Construction Co.
13	21658/2022 Offences, Cheques	Salam International (Salam Tower)	Alanoud Abdullah Faysal

#	Case no. / Court	Plaintiff	Defendant
14	407/2022 Commercial, Full Court	Gulf Steel & Engineering	Bandary Engineering
15	716/2022 Civil, Full Court - 10	Salam International (Itelligent)	J&P Joannou & Paraskevaides Qatar
16	23227/2022 Offences, Cheques	Salam International (Salam Tower)	Ahmad Mohammed Jassim Golden Gulf Co.
17	23312/2022 Offences, Cheques	Salam International (Salam Tower)	Noura Khalid Ibhar Al-Donya for Trading
18	3304/2022 Rents Committee	Salam International (Salam Tower)	Golden Gulf Co.
19	23948/2022 Offences, Cheques	Salam International (Salam Tower)	Ahmad Mohammed Jassim Golden Gulf Co.
20	3960/2022 Execution, Civil	Salam Petroleum Services	Albayan for Electronics Factory
21	3962/2022 Execution, Civil	Stream Industrial & Engineering	QAFAM Facility Management
22	3227/2016 Execution, Civil	Salam International	Colorado Real Estate
23	3225/2016 Execution, Civil	Salam International	Colorado Trading & Contracting
24	2457/2017 Execution, Civil	Stream Industrial & Engineering	Doha Technical Services (Khalid Al-Marri)
25	1751/2019 Execution, Summary Court	Salam International	Al Eklill Trading & Contracting
26	19783/2018 Notice - Cheques	Salam International	George Bustani + Al-Eklill
27	896/2020 Execution, Civil	Salam Petroleum Services	1. Al-Thumama Trading Co. 2. Sultan Jawhar Faraj Al-Abdullah
28	3212/2014 Execution, Civil	New Image Building Services	Qatar Coral Real Estate Group
29	2762/2019 Execution, Full Court / 3	Gulf Steel & Engineering	SEG Qatar
30	377/2021 Execution, Civil	Mideco Trading & Contracting	Bin Omran Trading & Contracting
31	438/2021 Execution, Civil	Salam Technology	Bin Omran Trading & Contracting
32	2276/2021 Execution, Civil	Gulf Steel & Engineering	Alumco Qatar
33	45/2021 Execution, Civil	Mideco Trading & Contracting	Hadary & Sabek co.
34	1613/2021 Execution, Civil	Salam Technology	Leighton Contracting Co.
35	1408/2022 Execution, Rents	Salam International	Salem Abdul Rahman Al Naimi
36	1685/2021 Execution, Civil	Salam International	Grid Qatar
37	798/2022 Execution, Rents	Salam International	Fayes Ahmad Naji
38	1049/2022 Execution, Full Court	Mideco Trading & Contracting	Al-Sarh Trading & Contracting
39	1722/2022 Execution, Summary Court	Salam technology	J H Construction
40	2117/2022 Execution, Commercial – Summary Court	Prevent & Protect	CORE Master
41	2309/2022 Execution, Summary Court	Salam technology	Diplomat Group
42	2310/2022, Execution, Civil	Salam Petroleum Services	Energy Technical Services
43	2507/2022 Civil	Salam International (Salam Tower)	Noura Khalid Ahmad Hassan Ibhar Al-Donya for Trading
44	1530/2022 Execution – Full Court / 1	Mideco Trading & Contracting	Crown Corr
45	3329/2020 – Civil, Liquidation	Salam International	Blink and others
46	1012/2022 Civil, Full Court	Salam Enterprises	Societe d'Entreprise



#	Case no. / Court	Plaintiff	Defendant
47	1357/2022 Civil	Salam Enterprises	Batec Contracting and Trading
48	1942/2021 Civil,	Salam Enterprises	Gulf International Construction & Interiors Co.
49	1440/2021 Execution, Civil	Salam Enterprises (Salam Industries)	Hisham Saleh Al-Hamad Al-Mana
50	3911/2021 Civil, Summary Court	Salam Enterprises	Arab Contractor trading cont. Company
51	4602/2021 Execution, Civil	Salam Enterprises	Joss & Robson Group
52	492/2022 Commercial	Stream Industrial & Engineering	Domopan Qatar
53	395/2021 Execution, Civil	Stream Industrial & Engineering	Solid General Constructions
54	132/2021 Execution, Civil	Stream Industrial & Engineering	Sulaiman Haidar
55	571/2022 Execution, Civil	Stream Industrial & Engineering	Arabtec
56	469/2021 Civil, Full Court	Mideco Trading & Contracting	1. Larsen & Toubro Qatar 2. Al Suraie 3. Public Work Authority (Ashghal)

## B Lawsuits filed against Salam International and its Subsidiaries in 2022:

#	Case no. / Court	Plaintiff	Defendant
1	1243/2021 Civil	Evolutionary Systems	Salam Technology
2	343/2021 Civil	Papagrigrakis & Partners	Salam Technology
3	1516/2022 Civil	Youssef Mohamed Youssef Al-Hajri Tarteeb Events & Advertising	Salam Bounian Development
4	361/2022 Civil, Full Court	Mideco Trading & Contracting	Crown Corr
5	13051/2022 Offenses	Public Prosecution	Stream Industrial & Engineering
6	6353/2022 Offenses	Public Prosecution	Salam Bounian Development
7	1891/2022 Civil	Al-IHSAN	International Trading & Contracting
8	3823/2022 Commercial	Oriental Trading Company	Prevent & Protect
9	2295/2020 Civil	Qatar Navigation	Salam Technology
10	9731/2019 Civil	Pan Gulf Rent a Car	Mideco Trading & Contracting
11	789/2022 Commercial, Full Court	Fibrex Construction Company	Alu Nasa
12	3852/2019 Civil	Aquila Technologies	Salam International 2. Salam Technology
13	471/2020 Civil	Mission Trading & Contracting	Salam Enterprises
14	434/2021 Civil	Private Engineering Office	Stream Industrial & Engineering
15	641/2022 Civil	Walter Trading & Contracting	Stream Industrial & Engineering
16	316/2021 Civil, Full Court	JBK Controls	Stream Industrial & Engineering
17	394/2022 Civil	Ridge Trading & Contracting	Stream Industrial & Engineering
18	869/2022 Civil	Ridge Trading & Contracting	Stream Industrial & Engineering
19	1395/2019 Civil	Transrail Lighting Limited	Stream Industrial & Engineering
20	821/2022 Civil	Dallas Trading	Stream Industrial & Engineering

### 35. Integrity and Non-Conflict of Interests:

- A.** The Company prohibits the Chairman and the members of its Board of Directors, its Executive Directors and all its employees from taking advantage of any information they may have come to know, as a result of dealing in shares of the Company, for their own interest or the interest of their direct relatives.

Pursuant to the aforementioned policy, the Company issues periodic circulars to Board Members and Executive Directors prior to each time it will announce the interim financial results. This circular includes the announcement of the duration of the ban on the sale and purchase of shares as stipulated in Article (173) of the Qatar Stock Exchange's regulations, with the need to inform the Qatar Stock Exchange ahead of any sale or purchase outside the ban period. In order to ensure integrity in dealing and equal opportunities.

The Company is also committed to the provisions of the Commercial Law (11)/ 2015 concerning the conflict of interests, especially regarding the provisions of Article 109 of the Law.

- B.** Every member of the Board of Directors shall immediately, upon his election, sign a declaration and commitment to maintain the confidentiality of information and data, and to not disclose, leak or expose it to third parties or to exploit it for his personal benefit or the benefit of any of his relatives.
- C.** Actual Practice: In accordance with the principles of transparency, disclosure and equality of opportunity, and avoiding conflict of interests, a member of the Board of Directors shall withdraw from the meetings of the Board of Directors or the General Assembly, in which there will be deliberations regarding a matter or connection relating to the member of the Board concerned. The relevant item shall be voted on only after the members have ensured that the concerned member had left the meeting venue. The Company has already applied this principle on more than one occasion and in more than one case.

No material transactions took place between any of the Board members and the related parties in 2021.

### 36. Adherence to the Rules and Conditions Governing the Disclosure and Listing in Qatar Stock Exchange (QSE):

- A.** The Company is committed by the rules and conditions governing the disclosure and listing in Qatar Stock Exchange, "QSE" and abides by all disclosure requirements, including disclosure of the number of shares owned by the Board of Directors, executives and major or controlling shareholders.
- B.** The Company is also committed to disclose any material information related the Company's ongoing projects, or those projects that the Company intends to undertake or any other projects or information that may have impact on the share price.
- C.** The Company released in 2021 a total of 11 press releases and disclosures that included the disclosure of important and material information such as the disclosure of the financial results, new projects and strategic partnerships, the disclosure of court cases and the relevant court decisions.
- D.** Financial reports are prepared in accordance with the international accounting standards IFRS, IAS and ISA. The Company publishes the said reports in local newspapers, on QSE website and on the Company's website.
- E.** The Company has disclosed the names of the members of the committees emanating from the Board as well as their frameworks, charters and framework.
- F.** The Company has disclosed the Remunerations policy, the External Auditor Selection Policy, the Risk Policy and the Board Performance Assessment Policy.
- G.** The Company has designed and implemented a website that contains general information about the Company, its activities and investments, in addition to a dedicated window for investors relations including:
1. The Amiri decree relating to the establishing of the Company.
  2. The Memorandum of Association and Articles of Association of the Company and their amendments.
  3. Company financial statements.
  4. Extract of the Company's Commercial Registration and Establishment Card
  5. Disclosures and press releases.

6. The General Assembly's periodic invitations and the Company Annual Report.
7. Information to the shareholders on how to buy and sell shares in general, in addition to the names of brokerage companies accredited by Qatar Stock Exchange.

The Company will continue to publish all information, disclosures and data upon availability and/or periodically.

- H.** The Company puts every year, at the shareholders' disposal, detailed statements, including financial data related to members of the Board of Directors, including the following:
1. All amounts received by the Chairman and members of the Board of Directors.
  2. The In-kind benefits enjoyed by the Chairman and members of the Board of Directors.
  3. Remuneration of the Board Members.
  4. Operations in which a member of the Board of Directors or senior executive could have an interest that is conflicting with the Company's interests.
- I.** The Company publishes annually its balance sheet, profit and loss statement, the report of the Board of Directors and the full text of the auditors' report, including the notes and the Company's disclosures contained therein, in two daily local newspapers and on the Company's website and Qatar Stock Exchange's website.
- J.** The Company publishes its annual Corporate Governance report on its website, and copies of the same are distributed at the General Assembly.

It is worth noting that a violation was recorded against the auditors Ernst & Young due to not submitting a report to the Qatar Financial Markets Authority on time.



## Section Seven

### 37. General Human Resources Policies and Procedures:

The Company continued, during 2022, to implement the approved human resources policies and procedures, which include general policies such as: business ethics, protection of Company assets and facilities and non-disclosure of business secrets. These policies also guarantee the right of all employees' to inform about irregularities without fear of any consequences.

## Section Eight

### 38. Company's Plan for 2023:

Now that the Company has adopted the Board Charter, the Corporate Governance Code, the Incentives and Remuneration Policy, the Dividends Distribution Policy, the External Auditors Selection Policy, the Risk Management Policy and the Board Performance Assessment System, the Company will continue to meet the requirements of the Code and adhere to its other rules and regulations. Hence the Company has amended the Articles of Association in order to achieve complete and full compliance with the Governance Code, in a manner that does not conflict with the laws in force in the State of Qatar.

In line with Salam's central philosophy of generating sustained growth and continued profitability, the central focus of the Company's Corporate Strategy is the effective management of the investment of its capital.

## In conclusion

The Board of Directors of Salam International Investment Limited (SIIL) would like to stress its adherence and full compliance with the corporate governance code in the past, present and future. SIIL considers the Corporate Governance Code as a system to a sound management and a mean to reconcile and balance out the varying interests of stakeholders and to evenly distribute the rights and responsibilities within a framework of transparency, integrity, disclosure and equal opportunity.

Furthermore, the Corporate Governance Code enhances SIIL's legacy in corporate management which stimulates all Board members and all Company employees to act as business entrepreneurs and at the same time fully comply with the rules of transparency, integrity and good conduct for the common goal of achieving feasible and sustainable growth and realizing additional benefits to shareholders.

### **Issa Abdul Salam Abu Issa** Chairman of the Board of Directors

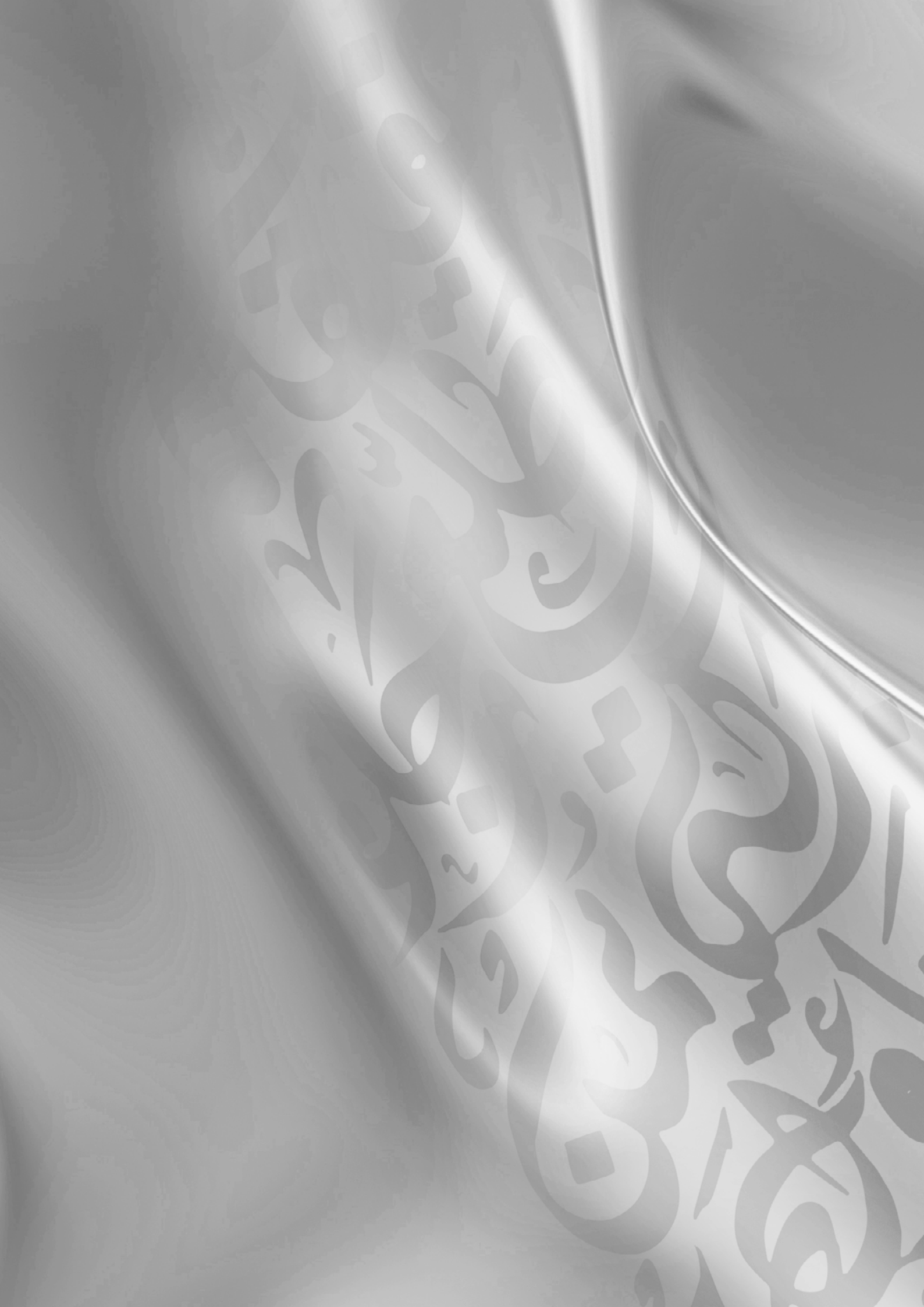
This text has been translated from its original Arabic equivalent which remains the official version

## SIIL Training Grid - 2020

Course	Conducted By	Grades 8-10	Grades 11-13	Grades 14-16	Grades 17-20	Grades 21
<b>Orientation Training</b>						
Salam Orientation	Human Resources	√	√	√	√	
Re-Orientation	Human Resources	√	√	√	√	
<b>Core Training</b>						
Customer Instruction	Human Resources	√	√	√	√	
Complaint Recovery*	Human Resources	√	√	√	√	
Selling Skills**	Human Resources	√	√	√	√	
Telephone Skills	Human Resources	√	√	√	√	
Fire & First Aid Training	External	√	√	√	√	√
<b>Technical Training</b>						
Writing Skills	Human Resources	√	√	√	√	
English Classes	External	√	√	√	√	√
Arabic Classes	External	√	√	√	√	√
<b>Leadership Training</b>						
Train the Trainer	Human Resources		√	√	√	
Time & Task Management	Human Resources		√	√	√	
Coaching Skills	Human Resources			√	√	
Completeness Overview	Human Resources		√	√	√	
Supervisory Skills	Human Resources		√	√	√	
Performance Management System	Human Resources			√	√	
Selection Interviewing	Human Resources			√	√	
Computer Skills	Department		√	√	√	
Introduction of Finance	Department		√	√	√	
Strategic Management (IIR) (Mild08)	External				√	√
Fundamental Selling Techniques (Meric) (Mild08)	External				√	√
Corporate Governance (Meric) (Mild08)	External				√	√
Time Management (Meric) (Mild08)	External				√	√
Prioritization Delegation and Effective Meetings (IIR) (Mild08)	External				√	√
Presentation Skills (Meric) (Mild08)	External				√	√
Customer Services (IIR) (Mild08)	External				√	√
Project & Contract Management (IIR) (Mild08)	External				√	√
Key Account Management (IIR) (Mild08) Sales Only	External				√	√
Office Management (IIR) (Mild08) Administration Only	External	√	√	√		
Introduction to Internal Auditing (TBA) (Mild08) Finance Only	External		√	√	√	
International Accounting Standards (TBA) (Mild08) Finance Only	External		√	√	√	

\* For Customer Contact Positions Only

\*\* Department Specific Training





# Company Profile

Founded by Abdul Salam Mohammed Abu Issa in 1952, Salam International Investment Limited (SILL) has evolved from humble roots as a small, family-run photographic retailer into a leading regional conglomerate. Building on a strong foundation created a discerning visionary, we are driven by a passion for excellence. We thrive on actively growing the company on behalf of our investors, employees and our community.

SILL's expertise across its different businesses enables us to deliver key solutions in the sectors and economies in which we operate. Throughout its evolution SILL has established, incorporated or acquired several market-leading enterprises. These activities span a wide range of businesses.

- Technology
- Power, Energy & Industry
- Retail Distribution & Hospitality
- Interior & Fit out
- Investment & Real Estate

The main force that propels SILL forward is its people. Attracting, maintaining, developing and harnessing talent is one of our key objectives. The business is comprised of dedicated professionals, who are guided by the insights and knowledge inherited from our rich history of pioneering entrepreneurship and developed through over six decades of unwavering evolution. Our success is a direct result of their commitment and dedication.

Effectively listed in the Qatari Stock Exchange in 2002, SILL is a financially conservative company, guided by deeply embedded shared values and with a disciplined and selective approach to investing in, managing and expanding its considerable assets. Our astute approach to business has enabled us to weather several economic downturns – and to seize lucrative opportunities during more favorable growth periods.

Always remaining true to our core identity, we strive to be the first to foresee the potential of prospective new businesses – and to recognize the abilities of our employees – and to be the best at developing and nurturing both of these. As a result, the SILL boasts an impressive track record of founding innovative new enterprises and has earned a reputation as a home for fulfilled employees, exceptional performance, complete reliability and customer satisfaction.

Underpinning SILL's success is its broad-ranging yet unified approach to its business activities, which are horizontally, vertically and geographically diversified. Our primary aim is to create and deliver sustainable long-term value for all of our stakeholders. Led by an experienced and highly capable executive team, our focus is a carefully planned, results-driven corporate investment strategy, aimed at consistent growth and maximizing shareholder equity.

# CORPORATE SOCIAL RESPONSIBILITY



## **Hathab Equestrian Tournament Seasons 2019/2020 20/2021 21/2022**

As a local conglomerate who is deeply proud of its Qatari heritage SILL joyously stepped forward as the main sponsor of “HATHAB” – Qatar’s Top Equestrian Tournament. The Tournament is an initiative of H.E. Sheikh Joaan bin Hamad Al Thani, President of the Qatar Olympic Committee.

Hathab is a friendly riding tournament which sees local horse riders compete against each other in a spirit of friendship and rivalry. It is a hugely popular event on the equestrian calendar and SILL is very pleased to contribute to its ever-growing success. The Equestrian Tournament is organized by Al Shaqab and the Qatar Equestrian Federation.

Strengthened by SILL’s sponsorship, Hathab introduced team-based competition. The move was inspired by a need to encourage the emergence of a new breed of rider and a new class of competition. Hathab was also designed to

further engage Qatar’s community and businesses with the proud tradition of developing, training and promoting Qatar’s Arabian horses. The vision of Hathab is to become “a national series of equestrian competitions to inspire Qatar’s next generation of international champions”. The tournament focuses on improving the standard of horse riding among Qatari youth while encouraging the involvement of private stables and individual horse owners to grow awareness of horsemanship as part of Qatar’s history and tradition. These were goals that SILL was delighted to support wholeheartedly.

SILL remains extremely proud to partner with the nation’s leading institutions that work tirelessly to elevate the stature of Qatar in multiple fields. The field of sports is no exception and participating fully in this equestrian endeavour was something we truly cherished.





## Blood Donation Drive – Salam International

On the 23rd of May 2022 and 7th of September 2022, SILL made a meaningful contribution to Qatar’s blood donation drive launched by Hamad Medical Corporation. SILL encouraged the group’s employees and visitors alike to donate blood at its retail shopping destination, The Gate Mall, West Bay.

The blood donation drive was effortlessly carried out by staff from HMC’s Blood Donation Unit, which constituted a team of highly experienced medical professionals, nurses and consultants. The campaign was also supervised by dedicated staff from The Gate Mall, where donors were expertly guided through the process of blood donation. The Blood donation drive comes as part of the corporate social responsibility strategy of both Salam International and The Gate Mall. It aims to encourage employees to help save a life by donating blood, and making a difference in the community. Furthermore, the initiative also reflects the strong collaboration that Salam International and The Gate Mall have fostered with Hamad Medical Corporation, to contribute towards the welfare of the residents in Qatar.

## Qatar Society for Rehabilitation of People With Special Needs – Salam International

The Qatar Society for Rehabilitation of People with Special Needs is a non-government funded organisation that primarily provides integrated care for children and young adults with special needs and disabilities. Its objectives are numerous and diverse, depending on the requirements of the individual, and the centre welcomes all abilities.

Salam International donated funds for Qatar Society for Rehabilitation of People with Special Needs. They organized workshop, trainings related to media and information for the members of the rehabilitation.

## Ride For Palestine – Salam International

Salam International is grateful to extend its support to Bayt Al Khibra Al Falasteeni in partner with Qatar Cyclists and Qatar Charity. The charity ride for Palestine on 29th of October, 2022 was a fundraising to support and rebuild houses for 40 Palestinian families.

## **United States National Day Ceremony – Salam International**

Salam International was happy to support the US National Day event.

This event honoured the independence of the United States of America and to celebrate the 50th anniversary of U.S. - Qatar diplomatic relations. It provides an exceptional opportunity to bring together a wide range of distinguished Qatari American and international guests including members of the Government of Qatar, high-level officials, foreign embassy diplomats, the private and public sectors, universities and institutes, social media influencers, Qatar Museums, and members of FIFA and the World Cup Supreme Committee for Delivery and Legacy and others.

## **Qatar Cancer Society – Salam International**

Salam International was proud for the contribution and support it extended to Qatar Cancer Society.

Qatar Cancer Society is a charity that was founded in 1997. It works under the Regulatory Authority for Charitable Activities. Qatar Charity's mission is to prevent cancer and reduce its burden in Qatar through working with partners in educating the community, and to support, empower and advocate for people living with the disease, and to engage in professional development and scientific research in the field of cancer. QCS mission will always motivate SILL to further our initiatives, serving our community and beloved country.

## **100 Qatari Women Initiative – Salam International**

Salam International was delighted to sponsor "100 Qatari Women" an initiative by the Qatari Businesswomen Association.

100 Qatari Women is an initiative that aims to produce a comprehensive publication documenting 100 stories of inspiring Qatari women who play a central role in their respective fields.

## **Qatar Foundation Event "Goals" – Salam International**

Salam International sponsored Qatar Foundation event with the title "GOALS".

GOALS is a special initiative that will tell the story of the impact of the FIFA World Cup Qatar 2022 by the people who experienced it themselves. It is a photographic exhibition showcasing unique content from completely different perspectives. This exhibition will be supported by a purpose driven program that aim to educate and inspire the next generation of storytellers.



# CORPORATE STRATEGY & FUTURE DIRECTION







In line with SILL's central philosophy of generating sustained growth and continued profitability, the central focus of the company's Corporate Strategy is the effective management of the investment of its capital.

As one of SILL's key profit-generating streams, our investment portfolio is structured to generate multi-level protection for our shareholders through business diversification and geographical spread.

The SILL Corporate Strategy takes into account current market economic conditions in its capital allocation, both within and outside of our own umbrella of companies. The Corporate Strategy adheres to a 'Portfolio Investment Model', which is aimed at maximizing shareholder value through direct and indirect investments.

Our direct portfolio takes the form of equity stakes in promising regional companies, while our indirect portfolio consists of broad-based equity shares in local, regional and international equity markets.

With limited involvement in the day-to-day management and operations of the company, Corporate Center treats SILL as an investor and not as an operator. At its core, the SILL Corporate Center acts in the best interests of our shareholders, who entrust the company's executives to formulate and manage a Corporate Strategy that will fulfill the mission and vision.

Our Corporate Strategy is designed to set financial goals and to provide the company with the tools and support required to drive SILL to achieve its revenue targets, as well as to enable SILL Corporate Center invest or reinvest its capital wisely.



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ  
الحمد لله رب العالمين  
والصلاة والسلام على  
سيدنا محمد وآله الطيبين  
الطاهرين أجمعين  
اللهم صل على محمد  
وعلى آل محمد  
اللهم صل على محمد  
وعلى آل محمد  
اللهم صل على محمد  
وعلى آل محمد

# HEAD OFFICE & SUBSIDIARIES

## **CORPORATE CENTRAL FUNCTIONS**

### **OFFICE OF THE CHAIRMAN**

Salam Tower, 16th Floor  
TEL: +974 4483 1415  
FAX: +974 4483 1422  
P.O. BOX: 15224, DOHA - QATAR

### **OFFICE OF THE VICE CHAIRMAN**

Salam Tower, 15th Floor  
TEL: +974 4483 3744  
FAX: +974 4483 3376  
P.O. BOX: 15224, DOHA-QATAR  
E-mail: h.abuissa@salaminternational.com

### **OFFICE OF THE CHIEF EXECUTIVE OFFICER**

Salam Tower, 15th Floor  
TEL: +974 4483 0439  
FAX: ++974 4483 3576  
P.O. BOX 15224, DOHA-QATAR  
E-mail: a.abuissa@salaminternational.com

## **CORPORATE FINANCE**

### **OFFICE OF THE CHIEF FINANCIAL OFFICER**

Salam The Gate Mall Tower 1, 4th Floor  
TEL: +974 4412 8910  
FAX: +974 4498 1225 (Qatar)  
TEL: +9714 249 8700  
P.O. BOX 15224, DOHA-QATAR  
E-mail: h.alyounis@salaminternational.com

### **CORPORATE INFORMATION TECHNOLOGY**

Salam The Gate Mall Tower 1, 3rd Floor  
TEL: +974 4483 8733  
P.O. BOX: 15224, DOHA-QATAR  
E-mail: s.alkhateeb@salaminternational.com

## **CORPORATE DEVELOPMENT**

**(Corporate Human Resources, Corporate Marketing & Communications, Corporate Strategic Planning )**

Salam The Gate Mall, Tower 1, 3rd Floor  
TEL: +974 4483 8733  
P.O. BOX: 15224, DOHA-QATAR  
E-mail: s.alkhateeb@salaminternational.com

## **CORPORATE LEGAL AFFAIRS**

**(Corporate Legal Litigation, Corporate Commercial & Contracting)**

Salam The Gate Mall, Tower 1, 3rd floor  
TEL: +974 4483 8733  
P.O. BOX: 15224, DOHA-QATAR

## **INVESTOR RELATION**

Salam Tower, 15th floor  
Salam The Gate Mall Tower 1, 3rd floor  
TEL: +974 4483 8733  
FAX: +974 4483 3576  
PO. BOX 12026, DOHA-QATAR  
Activity: Investments & Real Estate  
Email: investor@salaminternational.com  
s.alkhateeb@salaminternational.com  
l.kawas@salaminternational.com

## **INTERIOR & FIT OUT**

SILL has been operating successfully in the interior solutions and fit outs sector for more than 35 years, where it has developed a reputation for excellent service and quality. Through its Contracting and Trading activities, the company operates six business units and factories across the Gulf, offering fit out works on a turnkey basis for residential, hospitality, healthcare and commercial projects. Our companies also supply fixed and soft furniture, floor finishes and materials, office furniture systems and seating, goods display cases, architectural millworks, sports material and equipment, as well as specialized ceiling and partitioning systems and products for commercial, health and educational systems.

Our business units are based in Doha, Abu Dhabi, Riyadh and Manama and we service further territories through our network in the Middle East and North Africa.

#### **SALAM ENTERPRISES - QATAR**

TEL: +974 4487 8921  
FAX: +974 4487 8924  
P.O. BOX: 18419, DOHA-QATAR  
Activity: General Trading  
E-mail: info@salamenterprises.com

#### **SALAM ENTERPRISES - BAHRAIN**

TEL: +973 17230950  
FAX: +973 17231776  
P.O. BOX 3143, MANAMA-BAHRAIN  
Activity: General Trading  
E-mail: Info-bah@salamenterprises.com

#### **SALAM ENTERPRISES - KSA**

TEL: +973 17230950  
FAX: +973 17231776  
P.O. BOX  
Activity: General Trading  
E-mail: h.gomaa@salamenterprises.com

#### **SALAM INDUSTRIES**

TEL: +974 4460 0692  
FAX: +974 4460 2073  
P.O. BOX 22120, DOHA- QATAR  
Activity: Interior Decorators  
E-mail: info@salamindustries.com

#### **ATELIER 21**

TEL: +9714 3474752  
FAX: +9714 3479559  
P.O. BOX 50797, DUBAI-UAE  
Activity: Interior Designers  
Email: mail@atelier-salam.com

#### **MODERN DECORATION COMPANY**

TEL: +9714 3470060  
FAX: +9714 3470026  
P.O. BOX 10497, DUBAI-UAE  
Activity: Specialized Joinery Manufacturers  
Email: mail@mdc-salam.com

## **POWER, ENERGY AND INDUSTRY**

SILL's business activities within the Power & Energy sector are currently solely focused on Qatar. We recognise that the hydrocarbon rich country is a major international energy supplier, but also has enormous energy needs of its own. Therefore we believe that the demand in the oil and gas industry for services materials trading and support activities – in the form of contracting and maintenance works especially – are going to be continuous, with considerable competition and evolution.

The power industry is thus considered to be of major importance to SILL, and we continue to explore possibilities in local, regional and international markets in this sector.

#### **SALAM PETROLEUM SERVICES**

TEL: +974 4407 7280  
FAX: +974 4407 7281  
P.O. BOX 22084, DOHA-QATAR  
Activity: Oilfield Equipment Products & Services  
Email: sales@salam-petrol.com

#### **STREAM INDUSTRIAL & ENGINEERING**

TEL: +974 4040 9111  
FAX: +974 4432 2193  
P.O. BOX 22084, DOHA-QATAR  
Activity: Commercial & Infrastructure  
Email: info@stream-qatar.com

#### **QATARI GERMAN SWITCHGEAR**

TEL: +974 4460 1992  
Fax: +974 4460 1676  
P.O. Box 23661, DOHA - QATAR  
Activity: Switchgear Manufacturing  
Email: info@qgc-qatar.com

#### **SALAM ENTERPRISES - DUBAI**

TEL: +9714 2896289  
FAX: +9714 2896089  
P.O. BOX 28326, DUBAI-UAE  
Activity: Construction & Environment Specialists  
Email: mail@salamenterprisesllc.com

#### **GULF STEEL & ENGINEERING**

TEL: +974 4450 3832  
FAX: +974 4460 2497  
P.O. BOX 22028, DOHA-QATAR  
Activity: Structural Steel Fabrication  
Email: info@gulf-steel.com

#### **PRETECT (PREVENT & PROTECT)**

TEL: +974 4418 2572  
FAX: +974 4486 9931  
P.O. BOX 22084 Doha Qatar  
Activity: Oilfield Services  
E-mail: info@preTECT.com

#### **QATAR BOOM ELECTRICAL ENGINEERING WLL**

TEL: +974 4040 9111  
FAX: +974 4432 2193  
P.O. BOX 24845, DOHA-QATAR  
Activity: Turnkey Solution provider  
Email: qb@qb-engineering.com

### **TECHNOLOGY**

SILL's technology enterprises provide information technology solutions and services to several other sectors. We are a leading digital infrastructure system integrator and IT infrastructure solutions provider and empower businesses with cutting-edge technological solutions, providing them all the necessary constituents required to create successful digital infrastructure. Our range of technology offerings presents our clients with a wide range of comprehensive services and solutions. These include customized solution development, hardware infrastructure, product deployment, implementation and professional training, as well as Internet solutions web, e-services and applications, ERP, CRM helpdesk systems, data centers, analytics and many other technologies.

#### **SALAM TECHNOLOGY**

TEL: +974 4487 4966/68, 4020 6250  
FAX: +974 4487 4980  
P.O. BOX 22658, DOHA-QATAR  
Activity: Information Technology Solutions, Office Systems  
Email: info@salamtechnology.com

#### **SALAM SECURITY SYSTEMS & SERVICES**

Tel: +974 4020 6250  
Fax: +974 4407 7265  
P.O. BOX 22658, DOHA-QATAR  
Activity: Security Products  
Email: info@salamtechnology.com

#### **ITELLIGENT TECHNOLOGIES**

Tel: +974 4020 6623  
Fax: +974 4493 2526  
P.O. BOX 15224, DOHA-QATAR  
Activity: System Integrators, Audio Visual, Security Systems  
Email: info@itelligent-tech.com

### **RETAIL DISTRIBUTION & HOSPITALITY**

With its origins in our founder's stores seven decades ago, SILL's retail and distribution activities encompass merchandising across a selection of retailers and brands. We are the sole agent and distributor in Qatar of a host of leading international labels, from photography, fashion and fragrances to FMCG and homeware.

Our distribution arm boasts a modern fleet and ample warehousing, a team of logistics experts and an unrivalled network of retailers and wholesalers throughout the country. SILL is constantly refining the organizational structures within our retail and distribution activities, including digitization and activities and services, such as ecommerce, that best serve and capture the many opportunities in this lucrative market.

#### **SALAM STORES - QATAR**

TEL: +974 4448 5555  
FAX: +974 4483 2103  
P.O. BOX 121, DOHA-QATAR  
Activity: Luxury Retail  
Email: info@salams.com

#### **SALAM STORES - DUBAI**

TEL: +9714 2498700  
FAX: +9714 2498774  
P.O. BOX 4199, DUBAI-UAE  
Activity: Luxury Retail  
Email: info@salams.com



#### **NEW IMAGE**

TEL: +974 4407 7201  
FAX: +974 4407 7220  
P.O. BOX 24621, DOHA-QATAR  
Activity: Facility Management  
E-mail: m.abuissa@salaminternational.com

#### **SALAM HOSPITALITY**

Tel: +974 4020 6217  
Fax: + 974 4020 6216  
P.O. BOX 15224, DOHA-QATAR  
Activity: Hospitality Services  
Email: info@salamhospitality.com

#### **AMJAD CARTON MANUFACTURE & PRINTING**

TEL: +974 4029 4216  
FAX: +974 4039 2250  
P.O. BOX 10805, DOHA-QATAR  
Activity: Manufacture & Printing  
E-mail: info@amjad-factory.com

### **REAL ESTATE**

SIII has always acknowledged that Real Estate is one of its most important asset classes. We believe that investing in real estate is an efficient means of utilising the company's capital, as well as one of the most effective forms of cash management. Our guiding strategy here is to create income producing rather than dormant properties, while maximizing asset utilization.

Our real estate activities range from developing and operating our own projects, specializing in projects to add operational value. We currently own and/or operate regional real estate properties in Qatar, Lebanon, UAE, KSA and Bahrain.

We expanded the operation in facility management and maintaining properties.

#### **SALAM BOUNIAN**

TEL: +974 4407 7201  
FAX: +974 4407 7220  
P.O. BOX 10805, DOHA-QATAR  
Activity: Investments & Real Estate  
E-mail: info@salam-bounian.com

#### **SALAM TOWER**

TEL: +974 4483 2241  
FAX: +974 4483 3546  
P.O. BOX: 15224, DOHA-QATAR  
E-mail: a.abunaaj@salam-bounian.com

#### **SALAM GLOBEX**

TEL: +974 4020 6000  
Fax: +974 4020 6006  
P.O. BOX 14023, DOHA-QATAR  
Activity: Service Office Space  
E-mail: info@salamglobexqatar.com

### **JOINT VENTURES**

#### **SALAM SICE TECH SOLUTIONS**

Tel: +974 4407 7254  
Fax: +974 4407 7253  
P.O. BOX 20839 Doha Qatar  
E-mail: info@sice-salam.com

#### **CYCURE TECHNOLOGIES**

Tel: +974 4412 0654  
Salam Tower 3rd floor, Doha Qatar  
E-mail: info@cycore.tech

#### **HUGO BOSS**

TEL: +974 4448 5555  
FAX: +974 4483 2103

#### **CANON OFFICE IMAGING SOLUTIONS LLC**

Tel: +974 40348700  
Fax: +974 40206006  
The Gatemall Tower 2, 8th floor  
Email: info@canon-qatar.qa



# CONSOLIDATED FINANCIAL STATEMENTS



# INDEPENDENT AUDITORS' REPORT

To the Shareholders of  
Salam International Investment Limited Q.P.S.C.

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### OPINION

We have audited the consolidated financial statements of Salam International Investment Limited Q.P.S.C. and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards).

### 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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTER

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

Valuation of Investment Properties	
See Note 12 to the consolidated financial statements.	
The key audit matter	How the matter was addressed in our audit
<p>We focused on this area because of the following reasons:</p> <ul style="list-style-type: none"> <li>The fair value of Group's investment properties as at 31 December 2022 amounted to QR 2,370,885,601 (2021: QR 2,266,079,798), which represents 51% (2021: 48%) of the Group's total assets, hence a material portion of the consolidated statement of financial position as at 31 December 2022</li> <li>Valuation of investment properties involves the use of significant judgements and estimates</li> </ul>	<p>Our audit procedures in this area included, among other things:</p> <ul style="list-style-type: none"> <li>Evaluating design and implementation and operating effectiveness of key controls over the methods, assumptions and data used in estimation of the fair value of the investment properties</li> <li>Evaluating the external valuer's competence, capabilities and objectivity;</li> <li>Inspecting the valuation reports and assessing whether any matters identified in them have a potential impact on the amounts recorded and / or the disclosures in the consolidated financial statements;</li> <li>Agreeing the property information in the valuation reports to the underlying property records held by the Group;</li> <li>Involving our own valuation specialist to assist us in the following matters; <ul style="list-style-type: none"> <li>assessing the consistency of the valuation basis and appropriateness of the methodology used, based on generally accepted valuation practices;</li> <li>evaluating the appropriateness of the assumptions applied to key inputs such as discount rate, terminal growth rate, expected net cash flows and comparable market rate which included comparing these inputs with externally derived data as well as our own assessments based on our knowledge of the Group and industry</li> </ul> </li> <li>Evaluating the adequacy of the financial statement disclosures including disclosures of key assumptions, judgements and sensitivities</li> </ul>

## **EMPHASIS OF MATTER - COMPARATIVE INFORMATION**

We draw attention to Note 40 to the consolidated financial statements which indicates that the comparative information presented as at and for the year ended 31 December 2021 has been restated. Our opinion is not modified in respect of this matter.

## **OTHER MATTER RELATING TO COMPARATIVE INFORMATION**

The consolidated financial statements of the Group as at and for the years ended 31 December 2021 and 31 December 2020 (from which the consolidated statement of financial position as at 1 January 2021 has been derived), excluding the adjustments described in Note 40 to the consolidated financial statements were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 20 February 2022.

As part of our audit of the consolidated financial statements as at and for the year ended 31 December 2022, we audited the adjustments described in Note 40 that were applied to restate the comparative information presented as at and for the year ended 31 December 2021 and the statement of financial position as at 1 January 2021. We were not engaged to audit, review, or apply any procedures to the consolidated financial statements for the years ended 31 December 2021 or 31 December 2020 (not presented herein) or to the statement of financial position as at 1 January 2021, other than with respect to the adjustments described in Note 40 to the consolidated financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective consolidated financial statements taken as a whole. However, in our opinion, the adjustments described in Note 40 are appropriate and have been properly applied.

## **OTHER INFORMATION**

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **RESPONSIBILITIES OF BOARD OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Standards, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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



## AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

## REPORT ON OTHER LEGAL REQUIREMENTS

As required by the Qatar Commercial Companies Law No. 11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021 (“amended QCCL”), we also report that:

- i). We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- ii). The Company has maintained proper accounting records and its consolidated financial statements are in agreement therewith.

12 February 2023

Doha  
State of Qatar

- iii). We have read the report of the Board of Directors to be included in the Annual Report, and the financial information contained therein is in agreement with the books and records of the Company.
- iv). Furthermore, the physical count of the Company’s inventories was carried out in accordance with established principles.
- v). We are not aware of any violations of the applicable provisions of the amended QCCL or the terms of the Company’s Articles of Association having occurred during the year which might have had a material effect on the Company’s consolidated financial position or performance as at and for the year ended 31 December 2022.

**Yacoub Hobeika**

KPMG

Qatar Auditor’s Registry Number 289

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**SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C.**  
**Consolidated statement of financial position**  
**As at 31 December 2022**

In Qatari Riyals

<b>Assets</b>	<b>Note</b>	<b>31 December 2022</b>	<b>31 December 2021 * Restated</b>	<b>1 January 2021 * Restated</b>
Property and equipment	9	284,326,849	284,012,396	316,918,707
Right-of-use assets	10 (l)	78,637,376	81,415,593	73,846,163
Intangible assets and goodwill	11	73,976,632	91,571,829	93,277,392
Investment properties	12	2,370,885,601	2,266,079,798	2,230,185,207
Equity-accounted investees	13	212,683,483	214,643,759	207,344,352
Investment securities	14	87,099,465	108,541,962	137,979,362
Retention receivables	15 (l)	43,259,430	58,184,255	99,618,199
Loan to associate companies	18 (b)	23,842,487	23,281,161	22,519,234
Other assets	16	11,272,372	80,592,989	80,362,731
<b>Non-current assets</b>		<b>3,185,983,695</b>	3,208,323,742	3,262,051,347
Inventories	17	281,468,399	208,396,810	256,886,481
Due from related parties	18 (d)	246,625,945	217,815,106	175,010,752
Retention receivables	15 (l)	45,930,427	59,441,003	87,991,683
Contract assets	19	137,318,369	356,770,306	404,119,762
Trade and other receivables	20	504,983,295	374,987,052	428,839,149
Other assets	16	144,262,766	157,304,291	131,890,361
Cash and cash equivalents	21	92,810,183	155,423,157	268,071,371
<b>Current assets</b>		<b>1,453,399,384</b>	1,530,137,725	1,752,809,559
<b>Total assets</b>		<b>4,639,383,079</b>	4,738,461,467	5,014,860,906

**SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C.**  
**Consolidated statement of financial position (continued)**  
**As at 31 December 2022**

In Qatari Riyals

	Note	31 December 2022	31 December 2021 * Restated	1 January 2021 * Restated
<b>Equity</b>				
Share capital	22	1,143,145,870	1,143,145,870	1,143,145,870
Legal reserve	23	477,675,924	471,652,650	466,489,040
Fair value reserve		(36,661,963)	(32,523,105)	(36,266,401)
Accumulated losses		(161,840,172)	(214,782,176)	(264,571,359)
<b>Equity attributable to owners of the Company</b>		<b>1,422,319,659</b>	<b>1,367,493,239</b>	<b>1,308,797,150</b>
Non-controlling interests	24	246,922,663	220,805,203	217,159,058
<b>Total equity</b>		<b>1,669,242,322</b>	<b>1,588,298,442</b>	<b>1,525,956,208</b>
<b>Liabilities</b>				
Borrowings	25	1,811,237,584	1,821,913,147	1,877,461,092
Lease liabilities	10 (II)	67,895,323	68,382,930	54,909,900
Employees' end of service benefits	26	56,164,592	60,422,972	61,663,949
Retention payables	15 (II)	3,729,541	7,261,067	10,867,015
Trade and other payables	28	1,100,000	1,839,130	1,083,984
<b>Non-current liabilities</b>		<b>1,940,127,040</b>	<b>1,959,819,246</b>	<b>2,005,985,940</b>
Due to related parties	18 (e)	1,424,632	5,107,568	1,649,473
Bank overdrafts	21	80,096,311	50,593,729	60,503,406
Borrowings	25	475,771,739	576,127,042	820,323,394
Lease liabilities	10 (II)	11,218,289	10,867,318	18,700,952
Retention payables	15 (II)	11,487,375	14,753,591	18,679,420
Advances from customers		77,233,260	111,235,753	86,969,870
Contract liabilities	19	30,217,564	51,215,352	42,039,717
Other liabilities	27	135,290,130	171,001,022	215,272,830
Trade and other payables	28	207,274,417	199,442,404	218,779,696
<b>Current liabilities</b>		<b>1,030,013,717</b>	<b>1,190,343,779</b>	<b>1,482,918,758</b>
<b>Total liabilities</b>		<b>2,970,140,757</b>	<b>3,150,163,025</b>	<b>3,488,904,698</b>
<b>Total equity and liabilities</b>		<b>4,639,383,079</b>	<b>4,738,461,467</b>	<b>5,014,860,906</b>

\* The comparative information is restated on account of correction of errors. See Note 40.

These consolidated financial statements were approved by the Board of Directors and signed on its behalf by the following on 12 February 2023:

**Abdul Salam Issa Abu Issa**  
 Chief Executive Officer and Board Member

**Hekmat Abdel Fattah Younis**  
 Chief Financial Officer

**SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C.**  
**Consolidated statement of profit or loss**  
**As at 31 December 2022**

In Qatari Riyals

	Note	2022	2021 * Restated
Revenue from contract with customers		1,480,117,690	1,445,820,636
Real estate revenue		111,119,339	108,494,175
Revenue	29	<b>1,591,237,029</b>	1,554,314,811
Operating cost	30	(1,150,365,798)	(1,137,305,596)
<b>Gross profit</b>		<b>440,871,231</b>	417,009,215
Other income	31	45,865,123	36,843,456
General and administrative expenses	30	(323,253,847)	(319,196,853)
Impairment of goodwill	30	(15,178,083)	-
Allowance for impairment of financial assets and contract assets	39 C (I)	(30,604,353)	(10,724,112)
Net fair value gain on investment properties	12	56,503,813	31,557,466
<b>Operating profit</b>		<b>174,203,884</b>	155,489,172
Finance cost		(116,572,281)	(105,557,778)
Finance income		8,218,048	8,039,439
<b>Net finance cost</b>	32	<b>(108,354,233)</b>	(97,518,339)
Share of profit of equity accounted investees, net of tax	13	16,091,238	12,442,644
<b>Profit before tax</b>		<b>81,940,889</b>	70,413,477
Income tax expense	33	(1,467,314)	(1,167,542)
<b>Profit for the year</b>		<b>80,473,575</b>	69,245,935
<b>Profit attributable to:</b>			
Owners of the Company		60,232,742	61,792,365
Non-controlling interests	24	20,240,833	7,453,570
<b>Profit for the year</b>		<b>80,473,575</b>	69,245,935
<b>Earnings per share</b>			
Basic and diluted earnings per share	35	<b>0.053</b>	0.054

**SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C.**  
**Consolidated statement of comprehensive income**  
**For the year ended 31 December 2022**

In Qatari Riyals

	Note	2022	2021 * Restated
<b>Profit for the year</b>		<b>80,473,575</b>	69,245,935
<b>Other comprehensive income:</b>			
<i>Item that will not be reclassified to profit or loss:</i>			
Equity investments at FVOCI – net change in fair value	14	(3,946,689)	1,339,073
<b>Other comprehensive income for the year</b>		(3,946,689)	1,339,073
<b>Total comprehensive income for the year</b>		<b>76,526,886</b>	70,585,008
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		56,093,884	62,732,106
Non-controlling interests		20,433,002	7,852,902
<b>Total comprehensive income for the year</b>		<b>76,526,886</b>	70,585,008



**SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C.**  
**Consolidated statement of changes in equity**  
**For the year ended 31 December 2022**

In Qatari Riyals

	Attributable to owners of the Company						
	Share capital	Legal reserve	Fair value reserve	Accumulated losses	Total	Non-controlling interests	Total equity
Balance at 1 January 2022 (Restated)	1,143,145,870	471,652,650	(32,523,105)	(214,782,176)	1,367,493,239	220,805,203	1,588,298,442
Profit for the year	-	-	-	60,232,742	60,232,742	20,240,833	80,473,575
Other comprehensive income for the year	-	-	(4,138,858)	-	(4,138,858)	192,169	(3,946,689)
<b>Total comprehensive income for the year</b>	-	-	(4,138,858)	60,232,742	56,093,884	20,433,002	76,526,886
<i>Transactions with owners of the Company</i>							
Net movement in non-controlling interests	-	-	-	-	-	(272,783)	(272,783)
Acquisition of non-controlling interests without a change in control (Note 34 (c))	-	-	-	238,354	238,354	(816,314)	(577,960)
Absorption of losses attributable to non-controlling interests	-	-	-	-	-	6,773,555	6,773,555
Total transactions with owners of the Company	-	-	-	238,354	238,354	5,684,458	5,922,812
Transfer to legal reserve	-	6,023,274	-	(6,023,274)	-	-	-
Transfer to social and sports development fund (Note 36)	-	-	-	(1,505,818)	(1,505,818)	-	(1,505,818)
<b>Balance at 31 December 2022</b>	<b>1,143,145,870</b>	<b>477,675,924</b>	<b>(36,661,963)</b>	<b>(161,840,172)</b>	<b>1,422,319,659</b>	<b>246,922,663</b>	<b>1,669,242,322</b>

# SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C.

## Consolidated statement of changes in equity (continued)

### For the year ended 31 December 2022

In Qatari Riyals

	Attributable to owners of the Company							Total equity
	Share capital	Legal reserve	Fair value reserve	Accumulated losses	Total	Non-controlling interests	Total equity	
Balance at 1 January 2021	1,143,145,870	466,489,040	(36,266,401)	(68,695,259)	1,504,673,250	217,159,058	1,721,832,308	
Impact of correction of errors (Note 40)	-	-	-	(195,876,100)	(195,876,100)	-	(195,876,100)	
Restated balances at 1 January 2021	1,143,145,870	466,489,040	(36,266,401)	(264,571,359)	1,308,797,150	217,159,058	1,525,956,208	
Profit for the year (Restated)	-	-	-	61,792,365	61,792,365	7,453,570	69,245,935	
Other comprehensive income for the year	-	-	939,741	-	939,741	399,332	1,339,073	
Total comprehensive income for the year	-	-	939,741	61,792,365	62,732,106	7,852,902	70,585,008	
<i>Transactions with owners of the Company</i>	-	-	-	-	-	-	-	
Net movement in non-controlling interests	-	-	-	-	-	(3,514,556)	(3,514,556)	
Acquisition of non-controlling interests without a change in control	-	-	-	127,911	127,911	(692,201)	(564,290)	
Reclassification of net change in fair value of equity securities (FVOC) upon derecognition	-	-	2,803,555	(2,803,555)	-	-	-	
Total transactions with owners of the Company	-	-	2,803,555	(2,675,644)	127,911	(4,206,757)	(4,078,846)	
Transfer to legal reserve	-	5,163,610	-	(5,163,610)	-	-	-	
Transfer to social and sports development fund (Note 36)	-	-	-	(4,163,928)	(4,163,928)	-	(4,163,928)	
Restated balance at 31 December 2021	1,143,145,870	471,652,650	(32,523,105)	(214,782,176)	1,367,493,239	220,805,203	1,588,298,442	

**SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C.**  
**Consolidated statement of cash flows**  
**For the year ended 31 December 2022**

In Qatari Riyals

	Note	2022	2021 * Restated
<b>Cash flows from operating activities</b>			
Profit before tax		81,940,889	70,413,477
<i>Adjustments for:</i>			
– Depreciation of property and equipment	9	62,012,640	53,433,839
– Write-offs of property and equipment and intangible assets	9 & 11	31,626	984,468
– Amortization of intangible assets	11	3,812,537	3,319,368
– Depreciation on right-of-use assets	10 (I)	15,080,952	19,415,181
– Net gain on fair valuation of investment properties	12	(56,503,813)	(31,557,466)
– Gain on disposal of investment properties	31	(3,792,150)	-
– Gain on disposal of investment in equity-accounted investees	31	(3,554,108)	(72,830)
– Goodwill written off	11	15,178,083	-
– Provision / (reversal) for slow moving inventories	17	10,211,228	(12,864,203)
– Allowance for impairment of financial assets and contract assets	39 C (I)	30,604,353	10,724,112
– Provision for employees' end of service benefits	26	8,466,019	10,587,433
– Profit on disposal of property and equipment	31	(495,705)	(1,983,259)
– Finance costs	25	125,645,772	118,824,434
– Interest income	32	(7,688,980)	(7,246,644)
– Dividend income	32	(529,068)	(792,795)
– Lease concession received	31	(2,920,158)	(1,606,436)
– Gain on derecognition of right-of-use assets and lease liabilities	31	(214,658)	(88,118)
– Share of results from equity-accounted investees	13	(16,091,238)	(12,442,644)
– Inventory write-off	30	-	4,934,579
		<b>261,194,221</b>	223,982,496
Changes in:			
– Inventories		(83,282,817)	56,419,295
– Other assets		12,650,926	(25,644,189)
– Due from related parties		(30,378,726)	(55,227,762)
– Retention receivables		28,310,402	73,431,258
– Contract assets		224,070,729	51,788,548
– Trade and other receivables		(144,282,304)	53,255,493
– Due to related parties		(23,072,482)	3,458,095
– Retention payables		(6,797,742)	(7,531,777)
– Advances from customers		(34,002,493)	24,265,883
– Contract liabilities		(20,997,788)	9,175,632
– Trade and other payables		6,766,319	(18,582,146)
– Other liabilities		(32,551,729)	(49,200,769)
Cash generated from operating activities		157,626,516	339,590,057
Employees' end of service benefits paid	26	(12,798,265)	(11,828,410)
Income tax paid		(267,590)	(402,507)
<b>Net cash from operating activities</b>		<b>144,560,661</b>	327,359,140

**SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C.**  
**Consolidated statement of cash flows (continued)**  
**For the year ended 31 December 2022**

In Qatari Riyals

	Note	2022	2021 * Restated
<b>Cash flows from investing activities</b>			
Acquisition of property and equipment	9	(41,786,854)	(25,128,079)
Proceeds from disposal of property and equipment	9	2,141,264	5,564,361
Acquisition of investment properties	12	-	(4,337,125)
Proceeds from sale of investment securities	14	17,495,809	30,776,473
Proceeds from disposal of investment properties	12	18,415,912	-
Acquisitions of investment in equity-accounted investees	13	(528,000)	(3,376,000)
Cash received from business acquisition	34	64,395	-
Proceeds from disposal of equity-accounted investees	13	4,015,000	437,000
Acquisitions of intangible assets	11	(34,521)	(1,578,824)
Dividends received from equity-accounted investees	13	18,118,623	8,124,544
Dividends received	32	529,068	792,795
Interest received		152,881	925,416
<b>Net cash from investing activities</b>		<b>18,583,577</b>	12,200,561
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	25	403,141,478	373,654,859
Repayment of borrowings	25	(558,843,386)	(746,380,728)
Net movement in margin deposits against guarantees		(402,999)	(1,072,755)
Acquisition of non-controlling interests	34	(577,960)	(564,290)
Net movement in non-controlling interests	24	(272,783)	(3,514,556)
Payment of lease liabilities	10 (II)	(9,304,555)	(16,615,617)
Finance costs paid	25	(89,402,588)	(48,877,906)
<b>Net cash used in financing activities</b>		<b>(255,662,793)</b>	(443,370,993)
<b>Net decrease in cash and cash equivalents</b>		<b>(92,518,555)</b>	(103,811,292)
Cash and cash equivalents at 1 January		102,475,012	206,286,304
<b>Cash and cash equivalents at 31 December</b>	21	<b>9,956,457</b>	102,475,012

# **SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C.**

## **Notes to the consolidated financial statements**

**For the year ended 31 December 2022**

### **1. REPORTING ENTITY**

Salam International Investment Limited Q.P.S.C. (the “Company” or “SIIL”) is a public shareholding company incorporated in the State of Qatar under Amiri Decree No. (1) on 14 January 1998. The registered address of the Company is PO Box 15224, Doha, State of Qatar. The commercial registration number of the Company is 20363. The shares of the Company are listed on Qatar Stock Exchange.

These consolidated financial statements as at and for the year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the “Group”).

The primary activities of the Group are to establish, incorporate, acquire, and own enterprises in the contracting, energy and industry, consumer and luxury products, technology, real estate, and development sectors, and to invest in securities in local and overseas market. There were no changes to the primary activities compared to the comparative period.

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

### **2. BASIS OF ACCOUNTING**

These consolidated financial statements have been prepared in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards). They were authorised for issue by the Company’s board of directors on 12 February 2023.

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

### **3. FUNCTIONAL AND PRESENTATION CURRENCY**

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

### **4. BASIS OF MEASUREMENT**

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

### **5. USE OF JUDGEMENT AND ESTIMATES**

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

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

Information about critical estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are as follows.

## 5. USE OF JUDGEMENT AND ESTIMATES (CONTINUED)

### Revenue from contract with customers

The Group makes judgments in determining the performance obligations that exist in contracts with customers. Judgments are also applied in determining timing of transfer of control at a point in time or over time, cost to complete and percentage of completion. Where the standalone selling price is applicable, management uses estimates to determine it based on the cost plus mark-up depending on the nature of goods and services to be provided to different customers.

### Impairment of inventories

Inventories are held at the lower of cost and net realizable value less cost to sale. When inventories become old or obsolete, an estimate is made of their net realizable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

### Impairment of non-financial assets (other than inventories)

The carrying amounts of the Group's non-financial assets other than goodwill (Property and equipment, right-of-use assets and equity accounted investees) are reviewed at each reporting date to determine whether there is any indication of impairment. That assessment requires judgement. Goodwill is tested annually for impairment. The determination of recoverable amounts of non-financial assets (the higher of their fair values less costs of disposal and their "value in use") requires management to make significant judgments, estimations and assumptions. In particular the assessment of "value in use" requires management to estimate expected future cash flows from an asset or a cash generating unit and also to choose an appropriate discount rate to discount those cash flows to present value.

### Useful lives, residual values and related depreciation charges of property and equipment and right-of-use assets

The Group's management determines the estimated useful lives of its property and equipment and right-of-use assets

for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

### Provision for expected credit losses of financial assets and contract assets

The Company uses a provision matrix to calculate ECLs for its financial assets and contract assets. The provision rates for trade receivables and accrued income are based on days past due for the group of various customer segments that have similar loss patterns (i.e., customer type and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

### Valuation of lease liabilities and right-of-use assets

The application of IFRS 16 requires the Group to make judgements and estimates that affect the valuation of the lease liabilities and right-of-use assets. These include determining the contracts in scope of IFRS 16, determining the contract term and the finance cost rate used for discounting of future cash flows.

The lease term determined by the Group comprises the non-cancellable period of lease contracts, periods covered by an option to extend the lease if the Group is certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

The present value of the lease payments are determined using the discount rate representing the rate of finance cost swap applicable for currency of the lease contract and for similar



tenor, corrected by the average credit spread of entities with rating similar to the Group's rating, observed in the period when the lease contract commences or is modified.

### Measurement of fair values

A number of Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

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

Significant valuation issues are reported to the Group's audit committee

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

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then

the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

Further information about the assumption made in measuring fair values is included in the following notes:

- Note 12 – Investment properties
- Note 39 – Investment securities

## 6. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

### New standards, amendments, and interpretations effective for annual reporting period beginning on 1 January 2022.

The Group adopted below amended IFRS ("IFRS" or "standards") that are effective for the annual reporting period beginning on 1 January 2022:

Effective date	New standards or amendments
1 April 2021	Covid-19-Related Rent Concessions beyond 30 June 2021 Amendment to IFRS 16
1 January 2022	<ul style="list-style-type: none"> <li>• Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)</li> <li>• Annual Improvements to IFRS Standards 2018-2020</li> <li>• Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)</li> <li>• Reference to the Conceptual Framework (Amendments to IFRS 3)</li> </ul>

The adoption of above new standards and amendments to standards had no significant impact on these consolidated financial statements.

## 6. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**New standards, amendments and interpretations to standards not yet effective, but available for early adoption.**

The below new and amended IFRS Standards (“IFRS” or “standards”) that are available for early adoption for financial years beginning on or after 1 January 2022 have not been applied in preparing these consolidated financial statements.

Effective date	New standards or amendments
1 January 2023	<ul style="list-style-type: none"> <li>• Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)</li> <li>• Definition of Accounting Estimates (Amendments to IAS 8)</li> <li>• IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts</li> <li>• Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)</li> </ul>
1 January 2024	<ul style="list-style-type: none"> <li>• Classification of Liabilities as Current or Non-current (Amendments to IAS 1)</li> <li>• Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)</li> </ul>
Available for optional adoption/ effective date deferred indefinitely	<ul style="list-style-type: none"> <li>• Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)</li> </ul>

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

## 7. SIGNIFICANT ACCOUNTING POLICIES

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

### (a) Basis of consolidation

#### i). Business combinations

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

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

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

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

**ii). Subsidiaries**

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

Details of changes in Group's subsidiaries are disclosed in Note 34.

**iii). Non-controlling interests**

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

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

Details of changes in Group's interest in subsidiaries are disclosed in Note 34.

**iv). Loss of control**

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest (NCI) and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

**v). Interests in equity-accounted investees**

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, until the date on which significant influence or joint control ceases.

**vi). Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**(b) Foreign currency****i). Foreign currency transactions**

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

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

## 7. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### i). Foreign currency transactions (continued)

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- an investment in equity securities designated at FVOCI
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

### ii). Foreign operations

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

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

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

### (c) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of revenue	Nature, timing of satisfaction of performance obligations, significant payment terms	Revenue recognition policies
Rendering of services	Revenue is recognised over time as those services are provided. Since the customer consumes the benefits as and when services are rendered by the Group. Invoices are usually issued upon completion of the job or as agreed in the specific contract.	Revenue is recognised over time as the services are provided. The stage of completion for determining the amount of revenue is assessed based on the input method. The related costs are recognised in consolidated statement of income when they are incurred.
Technology contracts	The Group has determined that for technology contracts, the customer controls all of the work in progress as the hardware / software are being manufactured / developed / purchased. This is because under those contracts, hardware / software are made to a customer's specification and if a contract is terminated by the customer, then the Group is entitled to reimbursement of the costs incurred to date, including a reasonable margin. Invoices are issued according to the contractual terms.	Revenue from these contracts and the associated costs are recognised over time. Progress is determined based on the input method. The total consideration in the contract is allocated between all goods and services based on their stand-alone selling prices. In case where the stand-alone selling price is not applicable, it is determined based on the cost-plus mark-up depending on the nature of goods and services to be provided to different customers.  Un-invoiced amounts are presented as contract assets.
Construction contracts	The Group builds civil construction and fit-out works for customers based on their designs and on their premises.  Each project commences on receipt of advances from a customer and its length depends on the complexity of the design.	Revenue is recognised over time based on the cost-to-cost input method. The related costs are recognised in consolidated profit or loss when they are incurred.  Advances received are included in contract liabilities.
Revenue from sale of goods	Revenue is recognised when the control of the goods are transferred to the buyer. Invoices are generated and revenue is recognised at that point in time.  Some contracts permit the customer to return an item. Return goods are exchanged only for new goods. i.e. no cash refunds are offered.	Revenue from sale of goods (i.e. retail sales, sale of spare parts, whole-sale sales) is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue was recognised when the goods are delivered and have been accepted by the customers.  Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

## 7. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (c) Revenue from contracts with customers (continued)

#### Rental income

Rental income is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from investment property is included as part of other income in the separate statement of profit or loss and other comprehensive income.

### (d) Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- dividend income;
- the foreign currency gain or loss on financial assets and financial liabilities;

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

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

### (e) Property and equipment

#### Recognition and measurement

Items of property and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses.

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

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

#### Subsequent expenditure

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

#### Depreciation

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

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

Building	10-20 years
Leasehold improvement	3-4 years
Furniture and fixtures	4-7 years
Motor vehicles	5 years
Equipment and tools	3-5 years

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

#### Capital work in progress

Capital work in progress represents projects in the course of construction for the purposes of use in future. Capital work in progress is carried at cost, less any recognized impairment loss. Upon completion these projects will be transferred to property and equipment



## **(f) Intangible assets and goodwill**

### **Recognition and measurement**

#### ***Goodwill***

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

#### ***Research and development***

Expenditure on research activities is recognised in consolidated statement of profit or loss as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

#### ***Other intangible assets***

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

#### ***Subsequent expenditure***

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in consolidated statement of profit or loss as incurred.

#### ***Amortisation***

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in consolidated statement of profit or loss. Goodwill is not amortised.

The estimated useful lives for current and comparative periods are as follows:

Development cost	5 years
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Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

## **(g) Investment property**

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

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

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

## **(h) Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average and first in first out principle. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

### **i). Cash and cash equivalents**

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

## 7. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### i). Cash and cash equivalents (continued)

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

### (j) Financial instruments

#### i). Recognition and initial measurement

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

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

#### ii). Classification and subsequent measurement

##### **Financial assets**

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

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

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

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

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

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

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

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

##### **Financial assets – Business model assessment**

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

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

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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

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

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at

an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

**Financial assets – Subsequent measurement and gains and losses**

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

**Financial liabilities – Classification, subsequent measurement and gains and losses**

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

## 7. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (j) Financial instruments (continued)

#### iii). Derecognition

##### *Financial assets*

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

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

##### *Financial liabilities*

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

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

#### iv). Offsetting

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

### (k) Impairment

#### Non-derivative financial assets

##### *Financial instruments and contract assets*

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised cost; and
- contract assets.

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

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

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

Impairment allowances for trade receivables (including lease receivables) and contract assets are always measured at an amount equal to lifetime ECLs.

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

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due. The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held), or the financial asset is more

than 730 days past due.

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

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

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

#### **Measurement of ECLs**

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

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

#### **Credit-impaired financial assets**

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

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

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

#### **Presentation of allowance for ECL in the consolidated statement of financial position**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

#### **Write-off**

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

#### **Non-financial assets**

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

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

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

## 7. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (k) Impairment (continued)

#### Non-financial assets (continued)

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

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

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

### (l) Employees' end of service benefits

The Group provides end of service benefits to its expatriate employees in accordance with Qatar labour law. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of minimum service period. The expected costs of these benefits are accrued over the period of employment.

With respect to its national employees, the Group makes contributions to the General Pension Fund Authority calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

### (m) Provision

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

### (n) Income tax

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

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

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

### (o) Leases

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

#### **i). As a lessee**

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

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

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

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

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

the lease and type of the asset leased.

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

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

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

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

#### ***Short-term leases and leases of low-value assets***

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

#### **ii). As a lessor**

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



## 7. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (o) Leases (continued)

#### ii). As a lessor (continued)

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

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

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

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

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

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

### (p) Operating profit

Operating profit is the result generated from the continuing principal revenue-producing activities of the Group as well

as other income and expenses related to operating activities. Operating profit excludes net finance costs, share of profit of equity-accounted investees and income taxes.

### (q) Fair value measurement

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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities (see Note 5).

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in

relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

## 8. FINANCIAL RISK AND CAPITAL MANAGEMENT

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

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

### Risk management framework

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

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

risk management controls and procedures, the results of which are reported to the Audit Committee.

### i). Credit risk

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

#### *Trade and other receivables and contract assets*

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

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

Further information about the Group's exposure to credit risk are provided in Note 39.

### ii). Liquidity risk

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

Further information about the Group's exposure to liquidity risk are provided in Note 39.

### iii). Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

## 8. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

### Risk management framework (continued)

#### iii). Market risk (continued)

##### *Currency risk*

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

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

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

##### *Interest rate risk*

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

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

##### *Equity price risk*

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

Further information about the Group's exposure to market risk are provided in Note 39.

### Capital management

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

### Gearing ratio

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

The gearing ratios at the year end are as follows:

	2022	2021 * Restated
Debt (Note 25)	2,287,009,323	2,398,040,189
Cash and cash equivalents	(92,810,183)	(155,423,157)
<b>Net debt (a)</b>	<b>2,194,199,140</b>	2,242,617,032
<b>Equity (b)</b>	<b>1,669,242,322</b>	1,588,298,442
<b>Net debt to equity</b>	<b>131%</b>	141%

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

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

## 9. PROPERTY AND EQUIPMENT

	Land and buildings (i) & (ii)	Leasehold improvements	Furniture and fixtures	Motor vehicles	Equipment and tools	Capital work in progress	Total
<b>Cost</b>							
Balance at 1 January 2022 (Restated)	305,159,372	304,742,426	97,871,166	42,263,334	200,281,983	10,963,672	961,281,953
Additions	-	8,331,936	553,614	2,120,157	26,675,632	4,105,515	41,786,854
Disposals	(42,230)	(1,220,191)	(5,839,512)	(1,852,735)	(10,597,280)	-	(19,551,948)
Transfers	-	6,947,023	417,262	-	51,000	(7,415,285)	-
Reclassification to intangible assets	-	-	-	-	-	(1,380,139)	(1,380,139)
Reclassification from investment property (Note 12)	-	5,118,561	-	-	760,414	964,096	6,843,071
Acquired through business combination (Note 34)	-	3,233,099	41,185	194,173	13,266,798	-	16,735,255
Write-offs	-	-	(224,607)	-	-	-	(224,607)
Balance at 31 December 2022	305,117,142	327,152,854	92,819,108	42,724,929	230,438,547	7,237,859	1,005,490,439
<b>Accumulated depreciation</b>							
Balance at 1 January 2022	138,702,730	232,174,049	87,616,504	35,362,189	183,414,085	-	677,269,557
Depreciation (ii)	9,217,896	23,089,579	3,857,589	3,202,894	22,644,682	-	62,012,640
Disposals	(42,225)	(611,928)	(5,381,406)	(1,830,353)	(10,040,477)	-	(17,906,389)
Write-offs	-	-	(212,218)	-	-	-	(212,218)
Balance at 31 December 2022	147,878,401	254,651,700	85,880,469	36,734,730	196,018,290	-	721,163,590
<b>Carrying amounts</b>							
<b>At 31 December 2022 (iv)</b>	<b>157,238,741</b>	<b>72,501,154</b>	<b>6,938,639</b>	<b>5,990,199</b>	<b>34,420,257</b>	<b>7,237,859</b>	<b>284,326,849</b>

## 9. PROPERTY AND EQUIPMENT (CONTINUED)

	Land and buildings (i) & (ii)	Leasehold improvements	Furniture and fixtures	Motor vehicles	Equipment and tools	Capital work in progress	Total
<b>Cost</b>							
Balance at 1 January 2021	305,408,872	296,502,011	101,528,262	48,252,364	205,072,489	19,622,832	976,386,830
Impact of correction of errors (Note 40)	-	-	-	-	-	(9,946,393)	(9,946,393)
Restated balance at 1 January 2021	305,408,872	296,502,011	101,528,262	48,252,364	205,072,489	9,676,439	966,440,437
Additions (Restated)	-	7,070,844	436,183	2,389,247	7,201,352	8,030,453	25,128,079
Disposals	(249,500)	(2,006,010)	(3,159,075)	(8,378,277)	(11,284,927)	(154,012)	(25,231,801)
Write-offs	-	(3,356,494)	(950,992)	-	(712,276)	-	(5,019,762)
Transfers	-	6,532,075	16,788	-	5,345	(6,554,208)	-
Reclassification to intangible assets	-	-	-	-	-	(35,000)	(35,000)
Restated balance at 31 December 2021	305,159,372	304,742,426	97,871,166	42,263,334	200,281,983	10,963,672	961,281,953
<b>Accumulated depreciation</b>							
Balance at 1 January 2021	128,181,927	212,682,888	86,352,733	38,746,899	183,557,283	-	649,521,730
Depreciation (iii)	10,767,675	24,160,220	4,971,431	3,852,922	9,681,591	-	53,433,839
Disposals	(246,872)	(1,969,304)	(2,949,223)	(7,237,632)	(9,247,668)	-	(21,650,699)
Write-offs	-	(2,699,755)	(758,437)	-	(577,121)	-	(4,035,313)
Balance at 31 December 2021	138,702,730	232,174,049	87,616,504	35,362,189	183,414,085	-	677,269,557
<b>Carrying amounts</b>							
At 31 December 2021 (Restated)	166,456,642	72,568,377	10,254,662	6,901,145	16,867,898	10,963,672	284,012,396

## 9. PROPERTY AND EQUIPMENT (CONTINUED)

(i). This includes buildings costing value at the reporting date amounted to QR 162,519,738 (2021: QR 162,519,738) that have been constructed on lands leased from various Government agencies in the State of Qatar and United Arab Emirates.

(ii). This also includes land and buildings (Salam Plaza) with a net book value at the reporting date amounted to QR 97,246,289 (31 December 2021: QR 100,240,036) (Note 25) that is being utilised by the Group entities. This property is mortgaged to a local bank against the facilities obtained by the Group.

(iii). Depreciation charge has been allocated in the consolidated statement of profit or loss as follows:

	2022	2021
Operating cost (Note 30)	17,531,807	8,624,892
General and administrative expenses (Note 30)	44,480,833	44,808,947
Depreciation in the consolidated statement of profit or loss (Note 30)	<b>62,012,640</b>	53,433,839

(iv). In the statement of cash flows, proceeds from disposal of property and equipment comprise:

	2022	2021
Carrying amounts	1,645,559	3,581,102
Gain from sales of property and equipment (Note 31)	495,705	1,983,259
Proceeds from disposal of property and equipment	<b>2,141,264</b>	5,564,361

## 10. LEASES

### A. Group as lessee

The Group leases land and other properties such as retail outlets, staff accommodation, warehouse and factory facilities. The leases typically run for a period up to 30 years. Lease payments are renegotiated periodically to reflect the market rentals. Some leases provide for additional rent payments that are based on changes in local price indices.

The Group leases some properties with contract terms of less than one year. These leases are short-term and/or leases of low value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

## 10. LEASES (CONTINUED)

### A. Group as lessee (continued)

#### l). Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented separately in the consolidated statement of financial position. The carrying amounts of right-of-use assets are as below:

	Land	Other properties	Total
<b>Cost</b>			
Balance at 1 January 2021	63,224,671	51,030,099	114,254,770
Impact of correction of errors (Note 40)	(4,045,818)	-	(4,045,818)
Restated balance at 1 January 2021	59,178,853	51,030,099	110,208,952
Additions (Restated)	-	28,833,975	28,833,975
Derecognition (i)	-	(3,706,330)	(3,706,330)
Balance at 31 December 2021 / 1 January 2022 (Restated)	59,178,853	76,157,744	135,336,597
Additions	-	15,477,506	15,477,506
Derecognition (i)	-	(5,589,790)	(5,589,790)
<b>Balance at 31 December 2022</b>	<b>59,178,853</b>	<b>86,045,460</b>	<b>145,224,313</b>
<b>Accumulated depreciation</b>			
Balance at 1 January 2021	7,037,271	30,208,736	37,246,007
Impact of correction of errors (Note 40)	(883,218)	-	(883,218)
Restated balance at 1 January 2021	6,154,053	30,208,736	36,362,789
Depreciation (ii) (Restated)	3,077,028	16,338,153	19,415,181
Derecognition (i)	-	(1,856,966)	(1,856,966)
Balance at 31 December 2021 / 1 January 2022 (Restated)	9,231,081	44,689,923	53,921,004
Depreciation (ii)	1,222,236	13,858,716	15,080,952
Derecognition (i)	-	(2,415,019)	(2,415,019)
<b>Balance at 31 December 2022</b>	<b>10,453,317</b>	<b>56,133,620</b>	<b>66,586,937</b>
<b>Carrying amounts</b>			
<b>At 31 December 2022</b>	<b>48,725,536</b>	<b>29,911,840</b>	<b>78,637,376</b>
At 31 December 2021 (Restated)	49,947,772	31,467,821	81,415,593

(i). Derecognition of the right-of-use assets is a result of cancellation of certain lease contracts during the current and comparative years.



(ii). Depreciation charge has been allocated in the consolidated statement of profit or loss as follows:

	2022	2021 Restated
Operating cost (Note 30)	2,823,837	3,019,125
General and administrative expenses (Note 30)	12,257,115	16,396,056
Depreciation in the consolidated statement of profit or loss (Note 30)	<b>15,080,952</b>	19,415,181

## II). Lease liabilities

	2022	2021 Restated
Balance at 1 January	79,250,248	82,733,638
Impact of correction of errors (Note 40)	-	(9,122,786)
Restated balance at 1 January 2021	79,250,248	73,610,852
Additions	15,477,506	28,833,975
Interest expense (i)	3,915,274	4,419,841
Principal repayments	(9,304,555)	(16,615,617)
Interest paid	(3,915,274)	(7,454,885)
Rent concessions related to COVID 19 (ii)	(2,920,158)	(1,606,436)
Derecognition	(3,389,429)	(1,937,482)
<b>Balance at 31 December</b>	<b>79,113,612</b>	79,250,248

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2022	2021 Restated
Current	11,218,289	10,867,318
Non-current	67,895,323	68,382,930
	<b>79,113,612</b>	79,250,248

The maturity analysis of the contractual undiscounted cash flows of lease liabilities is as follows:

	2022	2021 Restated
No later than 1 year	16,147,220	16,308,355
Later than 1 year and no later than 5 years	50,672,317	49,085,762
Later than 5 years	42,783,160	45,758,958
Total undiscounted lease liabilities at 31 December	109,602,697	111,153,075
Future finance charges of finance leases	(30,489,085)	(31,902,827)
Lease liabilities included in the statement of financial position at 31 December	<b>79,113,612</b>	79,250,248

## 10. LEASES (CONTINUED)

### A. Group as lessee (continued)

#### II). Lease liabilities (continued)

(i). Interest on lease liabilities has been allocated in the consolidated statement of profit or loss is as follows:

	2022	2021 Restated
Operating cost (Note 30)	1,083,472	1,196,769
General and administration cost (Note 30)	324	45,747
Finance costs (Note 32)	2,831,478	3,177,325
	<b>3,915,274</b>	4,419,841

(ii). As a consequence of COVID-19 pandemic, the Group received rent concessions from various lessors related to its certain lease properties during the current and comparative years. There were no other changes to the terms and condition of the lease agreements. The Group applied practical expedient as per IFRS 16 as these rent concessions met all the conditions required to apply the practical expedient. Accordingly, the Group recognised rent concession of QR 2,920,158 (2021: 1,606,436) during the year. (Note 31)

#### III). Amounts recognised in consolidated statement of profit or loss

	2022	2021 Restated
Depreciation of right of use assets [Note 10 (A) (I)]	15,080,952	19,415,181
Interest on lease liabilities [Note 10 (A)(II)]	3,915,274	4,419,841
Expenses relating to short-term leases and leases of low value assets (Note 30)	10,655,239	11,786,002
Rent concession received on account of COVID-19 (Note 31)	(2,920,158)	(1,606,436)
Lease liabilities included in the statement of financial position at 31 December	<b>26,731,307</b>	34,014,588

#### IV). Amounts recognised in consolidated statement of cash flows

	2022	2021 Restated
Lease principal payments	9,304,555	16,615,617
Interest on lease liabilities	3,915,274	7,454,885
Total cash outflow for leases	<b>13,219,829</b>	24,070,502

## B. Group as lessor

The Group leases out its investment properties consisting of its owned commercial properties as well as leased properties. All leases including sub leases are classified as operating leases from a lessor perspective.

### I). Operating lease

The Group leases out its investment properties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 12 sets out information about the operating leases of investment property.

Rental income recognised by the Group during 2022 was QR 111,119,339 (2021: 108,494,175) (Note 29).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2022	2021 Restated
Less than one year	76,899,862	81,348,166
One to two years	44,199,848	55,350,228
Two to three years	9,997,043	34,709,754
Three to four years	2,961,950	5,189,752
Four to five years	72,000	1,875,000
Total	<b>134,130,703</b>	178,472,900

### II). Finance lease

The Group does not have any assets under finance lease in which it act as lessor.

## 11. INTANGIBLE ASSETS AND GOODWILL

	2022	2021
Goodwill (i)	45,447,432	60,625,515
Intangible assets (ii)	28,529,200	30,946,314
	<b>73,976,632</b>	91,571,829

## 11. INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

### (i). Goodwill

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The movements in the carrying amount of goodwill is as follow.

	2022	2021
Balance at 1 January	60,625,515	60,625,515
Impairment loss (Note 30)	(15,178,083)	-
<b>Balance at 31 December</b>	<b>45,447,432</b>	60,625,515

#### *Impairment testing for CGUs containing goodwill*

For the purpose of impairment testing, the carrying amounts of goodwill has been allocated to the Group's CGUs (the subsidiary companies) as follows:

	2022	2021
Stream Industries and Engineering Company W.L.L., Qatar	-	15,178,083
Salam Petroleum Services W.L.L., Qatar	12,937,048	12,937,048
Salam Enterprises Company L.L.C., UAE	11,062,279	11,062,279
Salam Technology W.L.L., Qatar	9,596,160	9,596,160
Salam Industries W.L.L., Qatar	7,531,543	7,531,543
Qatari German Switchgear Company W.L.L., Qatar	2,705,253	2,705,253
Salam Enterprises W.L.L., Qatar	1,615,149	1,615,149
	<b>45,447,432</b>	60,625,515

The recoverable amount of these CGUs was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used.

The key assumptions used in the estimation of recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	2022	2021
Discount rate	<b>11%</b>	10.5%-12%
Terminal growth rate	<b>2.3%</b>	2.1% – 2.9%
Budgeted EBITDA growth rate (average of next five years)	<b>21%</b>	24%

The discount rate was based on a post-tax measure estimated based on the historical industry average weighted average cost of capital.

The cash flow projection includes specific estimates for five years for each CGU and a terminal growth rate thereafter. The terminal growth rate is determined based on management's estimate of long-term compound annual EBITDA growth rate, consistent with the assumption that a market participant would make.

Budgeted EBITDA was estimated taking into account past experience, adjusted as follows.

- Revenue growth was projected taking into account the average growth levels experience over the past five years and the estimated sales volume and price growth for the next five years.
- Environmental costs are assumed to grow with inflation in other years

The estimated recoverable amount of the CGUs exceeded its carrying amount by approximately QR 15,178,083 (2021: Nil). Therefore, impairment loss of QR 15,178,083 (2021: Nil) during the year was recognised. The impairment loss was fully allocated to goodwill and included in Note 30.

Management has identified that a reasonably possible change in discount rate could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which an assumption would need to change individually for estimated recoverable amount to be equal to the carrying amount.

	Change required for carrying amount to equal recoverable amount	
	2022	2021
Discount rate	18.5%	12.5%

(ii). Intangible assets

Intangible assets include costs incurred for computer software and ERP system. The costs incurred for computer software are amortized over a period of five years, being their expected useful lives.

	2022	2021
<b>Cost</b>		
Balance at 1 January	79,098,215	77,924,242
Additions	34,521	1,578,824
Reclassification from property and equipment	1,380,139	35,000
Write-off	(19,237)	(439,851)
<b>Balance at 31 December</b>	<b>80,493,638</b>	79,098,215
<b>Accumulated amortisation</b>		
Balance at 1 January	48,151,901	45,272,365
Amortisation (Note 30)	3,812,537	3,319,368
Write off	-	(439,832)
<b>Balance at 31 December</b>	<b>51,964,438</b>	48,151,901
<b>Carrying amounts at 31 December</b>	<b>28,529,200</b>	30,946,314

## 12. INVESTMENT PROPERTIES

### I). Reconciliation of carrying amount

	2022	2021
Balance at 1 January	2,266,079,798	2,230,185,207
Addition	-	4,337,125
Reclassification from other assets (i)	69,768,823	-
Reclassification to property and equipment (Note 9)	(6,843,071)	-
Disposals (ii)	(14,623,762)	-
Net fair value gain(iii)	56,503,813	31,557,466
Balance at 31 December	<b>2,370,885,601</b>	2,266,079,798

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

- (i). This represents transfer of advances paid in the prior years to purchase a plot of land from the artificial world island project established in Dubai to the investment property during the year as the respective land has been legally registered in the name of a subsidiary "Salam Bounian Development Company P.Q.S.C." on 2 June 2022.
- (ii). This represents the disposal of two pieces of land in Dubai during the year for net proceeds of QR 18,415,912. The Group recognised a gain of QR 3,792,150 (2021: Nil) on disposal of these investment properties during the year (Note 31).
- (iii). Changes in fair values are recognised as a gain or loss in the consolidated statement of profit or loss. All gains or losses are unrealised.

Investment properties consist of following:

	2022	2021
Completed properties	2,257,128,713	2,205,297,186
Vacant lands	113,756,888	60,782,612
	<b>2,370,885,601</b>	2,266,079,798

Investment properties are located in State of Qatar, United Arab Emirates and State of Palestine. The below table summarize the investment properties by their location.

	2022	2021
Completed properties		
<i>Located in State of Qatar</i>	2,117,000,000	2,065,633,820
<i>Located in United Arab Emirates</i>	140,128,713	139,663,366
	2,257,128,713	2,205,297,186
Vacant land		
<i>Located in United Arab Emirates</i>	92,603,960	40,029,703
<i>Located in State of Palestine</i>	21,152,928	20,752,909
	113,756,888	60,782,612
	<b>2,370,885,601</b>	2,266,079,798

- The Group has no restrictions on the realisability of its investment properties and has no contractual obligations either to purchase, construct or develop investment properties other than those disclosed in Note 25
- Certain investment properties of the Group with fair value at 31 December 2022 of QR 2,094,000,000 (31 December 2021: QR 2,042,058,820) are mortgaged to a local bank against the facilities obtained by the Group (Note 25).
- The rental income recognised by Group during the year was QR 101,362,177 (2021: 96,657,110) and included as part of real estate revenue (Note 29).
- Maintenance expense incurred by the Group during the year for its investment properties was QR 5,678,020 (2021: QR 5,691,054) and included in operating cost (Note 30).

Investment properties are stated at fair value, which has been determined based on valuation performed by external independent valuers as at 31 December 2022 and 2021. The valuer is an accredited independent valuer with the 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 judgment and not only relied on historical transactions comparable.

## **II). Measurement of fair values**

The Group's management determines the valuation policies and procedures for property valuations. Each year, the management, after approval of the Audit committee, appoints the external valuers responsible for the valuations of the Group's investment property. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management engages independent and competent third-party valuation experts to countercheck the appropriateness of the methodologies used and appropriateness of the assumptions used; and to help them identify if there is any contradictory information and to reduce the estimation uncertainty involved in the estimation process.

The management decides after discussion with the external valuers:

- the valuation method to be applied for each property (the methods that are applied for fair value measurements categorised within Level 3 of the fair value hierarchy are the discounted cash flow method and the income capitalisation method; for fair value measurements in Level 2 of the fair value hierarchy, the market comparison approach is used) and;
- the assumptions made for unobservable inputs that are used in valuation methods (the major unobservable inputs are estimated rental value, rent growth per annum, long term vacancy rate, discount rate and exit yield)

### ***Income approach***

Income approach is a valuation method appraisers and real estate investors use to estimate the value of income producing real estate. It is based upon the premise of anticipation i.e., the expectation of future benefits. This method of valuation relates value to two things: the "market rent" that a property can be expected to earn and, the "reversion" (resale) when a property is sold.

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. To this assessed cash-flow a market-derived discount rate is applied to establish a present value of the income stream. This net present value ("NPV") is an indication of market value.



## 12. INVESTMENT PROPERTIES (CONTINUED)

### II). Measurement of fair values (continued)

#### *Market approach*

Market approach or direct comparison method is based on comparing the subject asset with identical or similar assets (or liabilities) for which price information is available, such as a comparison with market transactions in the same, or closely similar (i.e. similar properties that have actually been sold in arms'-length transactions or are offered for sale), type of asset (or liability) within an appropriate time horizon. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar assets (or liabilities) in an open and competitive market. 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. The market approach of valuation has primarily been adopted for plots of land and residential properties.

The following table shows the carrying amounts and fair values of investment properties, including their fair value hierarchy

As at 31 December 2022	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Completed properties	2,257,128,713	-	163,128,713	2,094,000,000
Vacant lands	<b>113,756,888</b>	-	<b>113,756,888</b>	-
	<b>2,370,885,601</b>	-	<b>276,885,601</b>	<b>2,094,000,000</b>

As at 31 December 2021	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Completed properties	2,205,297,186	-	163,238,366	2,042,058,820
Vacant lands	60,782,612	-	60,782,612	-
	2,266,079,798	-	224,020,978	2,042,058,820

There were no transfers between level of fair value hierarchy during current year.

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values at 31 December 2022 and 2021 for investment properties, as well as the significant unobservable inputs used.

Types of properties	Valuation techniques	Significant unobservable inputs	Range weighted Average		Inter-relationship between key unobservable inputs and fair value measurement
			2022	2021	
					The estimated fair value would increase (decrease) if:
Commercial properties	Discounted cash flows: The valuation model considers the present value of expected net cash flows generated from investment property discounted using weighted average cost of the capital of the Group.	Expected market rental growth rate	Range from 2% - 13%	Range from 3% - 10%	* Expected market rental growth rate were higher (lower)
		Occupancy rate	Range from 83% - 94%	Range from 93% - 97%	* The Occupancy rate were higher (lower)
		Expected net cash flows	Range from QR 113 million – QR 184 million from year 2023 to 2028	Range from QR 134 million – QR 182 million from year 2022 to 2026	* Expected net cash flows were higher (lower);
		Discount rate (Weighted average cost of capital)	8.02% - 8.1%	8.1%	* Discount rates were lower (higher)
		Exit yield rate	8% - 9%	7.5% - 9.02%	* Exit yield rates were higher (lower)
		Rental income (sqm)	QR 85 to QR 125	QR 101 to QR 141	* Rental income per sqm was higher or lower
Vacant land and residential properties	Market comparison technique: The fair values are calculated as derived from the current market prices available for the properties or nearby / adjacent properties adjusted for any differences with the comparable properties.	Price per square foot	QR 62 – QR 483	QR 60 – QR 300	If the price per sqft increased (decreased)

## 12. INVESTMENT PROPERTIES (CONTINUED)

### II). Measurement of fair values (continued)

#### Sensitivity Information for investment property

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy of the Group's investment property are:

<ul style="list-style-type: none"> <li>• Projected rental revenue per annum</li> <li>• Projected rent growth per annum</li> <li>• Projected occupancy per annum</li> </ul>	<ul style="list-style-type: none"> <li>• Projected operating expenses per annum</li> <li>• Discount rate (Weighted average cost of capital)</li> <li>• Exit / terminal yield rate</li> </ul>
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Significant increases (decreases) in project rental value per annum, projected rent growth per annum and projected occupancy rate per annum in isolation would result in a significantly higher (lower) fair value measurement. Significant increases (decreases) in projected operating expenses per annum, discount rate and exit or terminal yield in isolation would result in a significantly lower (higher) fair value measurement.

A quantitative sensitivity analysis is as shown below:

As at 31 December 2022	Sensitivity Level	Completed Properties
Projected rental revenue per annum	+/- 0.5%	11,301,890
Projected rent growth per annum	+/- 0.5%	11,301,890
Projected occupancy per annum	+/- 0.5%	11,301,890
Projected operating expenses per annum	+/- 0.5%	3,741,471
Discount rate	+/- 0.5%	11,164,974
Exit / terminal yield rate	+/- 0.5%	93,433,986

As at 31 December 2021	Sensitivity Level	Completed Properties
Projected rental revenue per annum	+/- 0.5%	11,824,383
Projected rent growth per annum	+/- 0.5%	11,824,383
Projected occupancy per annum	+/- 0.5%	11,824,383
Projected operating expenses per annum	+/- 0.5%	2,533,320
Discount rate	+/- 0.5%	41,446,747
Exit / terminal yield rate	+/- 0.5%	82,006,290

### III). Amounts recognised in profit or loss

The following amounts are recognized in consolidated statement of profit or loss:

	2022	2021
Rental income and other operating revenues (Note 29)	111,119,339	108,494,175
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the year	(12,300,458)	(12,796,260)
Profit arising from investment property carried at fair value	<b>98,818,881</b>	95,697,915

### IV). Reconciliation of fair values categorized within level 3

The reconciliation of fair values categorized within level 3 is as follows

	2022	2021
Balance as at 1 January	2,042,058,820	1,998,593,184
Addition	-	4,337,125
Gain on valuation recognized in profit or loss	58,784,251	39,128,511
Reclassification to property and equipment (Note 9)	(6,843,071)	-
Balance as at 31 December	<b>2,094,000,000</b>	2,042,058,820

## 13. EQUITY-ACCOUNTED INVESTEEES

	2022	2021
Interest in joint ventures (i)	66,979,356	72,686,726
Interest in associates (ii)	145,704,127	141,957,033
	<b>212,683,483</b>	214,643,759

#### i). Interest in joint ventures

Name of joint venture	Country of incorporation	Ownership		2022	2021
4 Homes FZCO L.L.C. (a)	UAE	70%	70%	61,401,567	66,320,269
Shift Point L.L.C. (b)	State of Qatar	51%	51%	427,590	432,690
Speedcast Salam L.L.C. (c)	State of Qatar	51%	51%	-	460,892
Salam Sice Tech Solutions W.L.L.(d)	Qatar	51%	51%	5,050,199	5,372,875
Wikaya Contracting W.L.L. (e)	Qatar	50%	50%	100,000	100,000
Mideco Trading and Contracting L.L.C. (f)	Qatar	70%	70%	-	-
				<b>66,979,356</b>	72,686,726

## 13. EQUITY-ACCOUNTED INVESTEEES (CONTINUED)

### i). Interest in joint ventures (continued)

#### a. 4 Homes FZCO L.L.C.

4 Homes FZCO is registered with Jebel Ali Free Zone Authority (JAFZA) in United Arab Emirates under general trading license number 2854 and its representative office registered under trading License number 130096. The activities of 4 Homes FZCO are conducted in the United Arab Emirates and other GCC countries through branches and separate entities that are effectively owned by 4 Homes FZCO. They are maintaining separate trade licenses as per the regulations prevailing locally at each location. The principal activity of the 4 Homes FZCO as per its commercial license is general trading. It is generally trading in ceramics, chinaware, house ware, utensils, cutlery, silverware, household electrical appliances, novelties, decoration materials and crystal products.

#### b. Shift Point L.L.C.

This entity was incorporated in accordance with the provision of the Qatar Commercial Companies Law as a limited liability company and was registered with Ministry of Economy and Commerce of State of Qatar under registration number 62385. The principal activities of this entity are providing ERP systems and consulting services.

#### c. Speedcast Salam L.L.C.

Speedcast Salam L.L.C. is a limited liability company registered with the Ministry of Economy and Commerce in the State of Qatar under commercial registration number 54622 dated on 5 March 2012. The entity is primarily engaged in satellite communications and home station for satellite reception. During the year, the Group sold the interest in Speedcast Salam L.L.C. for a consideration of QR 4,015,000.

#### d. Salam Sice Tech Solutions W.L.L

The Company was incorporated in accordance with the provision of the Qatar Commercial Companies Law as a Limited Liability Company and was registered with Ministry of Commerce and Industry of State of Qatar with the Commercial Registration number 52522 dated on 27 September 2011. The principal activities of the entity, which have not changed since previous year, are provision of services relating to parking management transport solutions, water treatment systems, solar systems, tolling systems and oil and gas in territory.

#### e. Wikaya Contracting W.L.L.

Wikaya Contracting W.L.L. is a limited liability company registered with the Ministry of Economy and Commerce in the State of Qatar under commercial registration number 62577 dated on 20 August 2014. The principal activity of the entity is provision of electrical and mechanical contracting services. However, operations of this entity have not yet been started.

#### f. Mideco Trading and Contracting L.L.C.

The Company was incorporated in accordance with the provision of the Qatar Commercial Companies Law as a Limited Liability Company and was registered with Ministry of Commerce and Industry of State of Qatar with the Commercial Registration number 32809 dated on 3 May 2006. The principal activities which have not changed since previous year, are execution of civil contracts relating to infrastructure type such as contracting, repairs of road, streets and sidewalks, plumbing works, sanitary works and trading building materials.

Whilst the Group's ownership proportion in these entities are above 51%, the Group exercise joint control as per the shareholders' agreements and subsequent amendments thereto. Hence, the investments are treated as the joint venture.

The movement in interest in joint ventures is presented as follows:.

	2022	2021
Balance at 1 January	72,686,726	64,830,953
Share of results from joint venture, net	12,372,144	15,510,839
Dividend received	(17,618,623)	(7,624,543)
Excess loss recognized transferred	-	(30,523)
Disposal *	(460,891)	-
<b>Balance at 31 December</b>	<b>66,979,356</b>	72,686,726

The Group recognised a gain of QR 3,554,108 (2021: Nil) on disposal of this joint venture during the year (Note 31) for a consideration of QR 4,015,000.

The following table summarises the individually material joint ventures as included in its own financial statements. The table also reconciles the summarised financial statements to the carrying amount of the Group's interest in material joint ventures.

#### 4 Homes FZCO L.L.C.

	2022	2021
<b>Percentage ownership interest</b>	<b>70%</b>	70%
Non-current assets	25,688,214	16,595,159
Current assets	85,372,678	91,489,377
Non-current liabilities	(14,296,096)	(6,613,209)
Current liabilities	(16,617,745)	(14,297,558)
<b>Net assets (100%)</b>	<b>80,147,051</b>	87,173,769
Group's share of net assets (70%)	56,102,936	61,399,496
Goodwill	5,298,631	5,298,631
Effect of share of profit or loss not recorded	-	(377,858)
<b>Carrying amount of interest in joint venture</b>	<b>61,401,567</b>	66,320,269

	2022	2021
Revenue (100%)	<b>128,316,420</b>	133,796,726
Profit and total comprehensive income (100%)	<b>10,795,066</b>	14,865,030
<b>Dividend received by the Group</b>	<b>(12,475,248)</b>	(5,544,554)
<b>Group's share of commitments and contingent liabilities</b>		
Letters of guarantees / letters of credit	-	623,762

### 13. EQUITY-ACCOUNTED INVESTEES (CONTINUED)

#### i). Interest in joint ventures (continued)

The Group also has interest in individually immaterial joint ventures. The following table analyses, in aggregate, the carrying amount and share of profit and other comprehensive income of these joint ventures.

	2022	2021
Carrying amount of interest in joint ventures	<b>5,577,789</b>	6,366,457
Group's share of:		
- Profit	<b>4,815,599</b>	5,105,318
- OCI	-	-
	<b>4,815,599</b>	5,105,318

#### ii). Interest in associates

Name of associate	Country of incorporation	Ownership		2022	2021
Serene Real Estate S.A.L.	Lebanon	<b>49.99%</b>	49.99%	117,901,537	119,401,537
Qatar Aluminum Extrusion Company P.Q.S.C	Qatar	<b>20%</b>	20%	20,003,131	16,347,317
Canon Office Image Solutions W.L.L. (a)	Qatar	<b>51%</b>	51%	5,226,159	3,674,826
Salam Stores Hugo Boss W.L.L.	Qatar	<b>30%</b>	30%	2,573,300	2,533,353
Dutchkid FZCO and Just Kidding General Trading Company	UAE	<b>50%</b>	50%	-	-
				<b>145,704,127</b>	141,957,033

(a). As per the shareholders' agreements and subsequent amendments thereto, the Group does not have either control or joint control over the investee and accordingly treated as associates.

The movement in interest in associates is presented as follows:

	2022	2021
Balance at 1 January	141,957,033	142,513,399
Additions	528,000	3,376,000
Share of results from associates	3,719,094	(3,068,195)
Dividend received	(500,000)	(500,001)
Disposal*	-	(364,170)
<b>Balance at 31 December</b>	<b>145,704,127</b>	141,957,033

\* During the prior year, the Group sold the interest in an associate for a consideration of QR 437,000. Accordingly, a gain of disposal of QR 72,830 was recognised (Note 31).



In case where the share of losses from the result of operations of associates exceed the investments, IFRS do not allow the recognition of future losses except when the Group has legal or constructive obligations from investments or has made payments on behalf of investees

The following tables summarises the financial statements of individually material associates as included in its own financial statements. The tables also reconcile the summarised financial statements to the carrying amount of the Group's interest in individually material associates.

***Serene Real Estate S.A.L.***

	2022	2021
<b>Percentage ownership interest</b>	<b>49.99%</b>	49.99%
Non-current assets	238,507,260	284,524,542
Current assets	33,230,068	5,284,363
Non-current liabilities	(244,136,389)	(247,194,881)
Current liabilities	(5,668,599)	(4,394,052)
<b>Net assets (100%)</b>	<b>21,932,340</b>	38,219,972
Group's share of net assets (49.99%)	10,963,977	19,106,164
Additional investment for loss abortion	70,824,263	70,824,263
Identified fair value on acquisition	32,578,067	32,578,067
Effect of share of profit or loss not recorded	3,535,230	(3,106,957)
<b>Carrying amount of interest in associate</b>	<b>117,901,537</b>	119,401,537
Revenue	-	15,728
Loss for the year (100%)	<b>(19,945,344)</b>	(11,052,211)

***Qatar Aluminum Extrusion Company P.Q.S.C.***

	2022	2021
<b>Percentage ownership interest</b>	<b>20%</b>	20%
Non-current assets	118,467,516	127,557,478
Current assets	306,391,954	278,699,214
Non-current liabilities	(67,166,628)	(78,389,918)
Current liabilities	(267,455,108)	(249,714,002)
<b>Net assets (100%)</b>	<b>90,237,734</b>	78,152,772
Group's share of net assets (20%)	18,047,547	15,630,554
Capital infusion	1,904,000	1,376,000
Effect of share of profit or loss not recorded	51,584	(659,237)
<b>Carrying amount of interest in associate</b>	<b>20,003,131</b>	16,347,317
Revenue	<b>439,098,099</b>	327,184,472
Profit for the year (100%)	<b>12,084,962</b>	13,925,351

### 13. EQUITY-ACCOUNTED INVESTEEES (CONTINUED)

#### ii). Interest in associates (continued)

The Group also has interest in a number of individually immaterial associates. The following table analyses, in aggregate, the carrying amount and share of profit and other comprehensive income of these associates.

	2022	2021
Carrying amount of interest in associates	<b>7,799,459</b>	6,208,179
Group's share of:		
- Profit	<b>1,591,280</b>	(666,647)
	<b>1,591,280</b>	(666,647)

The Group has not recognised losses totalling QR 11,997,212 (2021: QR 9,219,886) in relation to its interest in associates, because the Group has no obligation in respect of these losses. However, ECL provision has been made against receivables from these equity accounted investees.

### 14. INVESTMENT SECURITIES

	2022	2021
<b>Non-current investments</b>		
Quoted equity securities – at FVOCI	30,522,405	38,521,131
Unquoted equity securities – at FVOCI	56,577,060	70,020,831
<b>Balance at 31 December</b>	<b>87,099,465</b>	108,541,962

#### *Equity securities designated at FVOCI*

The Group designated the investments shown below as equity securities at FVOCI because these equity securities represent investments that the Group intends to hold for the long term for strategic purposes.

	Fair value at 31 December		Dividend income recognised	
	2022	2021	2022	2021
Quoted equity instruments	30,522,405	38,521,131	529,068	402,781
Unquoted equity instruments	56,577,060	70,020,831	-	390,014
	<b>87,099,465</b>	108,541,962	<b>529,068</b>	792,795

The movement in equity securities designated at FVOCI is as follows:

	2022	2021
Balance at 1 January	108,541,962	137,979,362
Disposals during the year	(17,495,808)	(30,776,473)
Net change in fair value during the year	(3,946,689)	1,339,073
<b>Balance at 31 December</b>	<b>87,099,465</b>	108,541,962

The movement in fair value reserve during the year is as follows:

	2022	2021
Balance at 1 January	(32,523,105)	(36,266,401)
Effect of change in fair value during the year	(4,138,858)	939,741
Realised loss transferred to accumulated losses	-	2,803,555
<b>Balance at 31 December</b>	<b>(36,661,963)</b>	(32,523,105)

## 15. RETENTION

### I). Retention receivables

Retention receivable represents amounts withheld from the Group's issued invoices as maintenance guarantees by the clients. A portion of the retention is released at the completion date of the contract and the remaining portion is released 365 to 490 days afterwards unless otherwise stated in the respective contracts. The amounts withheld are usually 5% to 10% of each invoice.

	2022	2021
Retention receivables	128,601,127	156,911,528
Less: Allowance for expected credit loss	(39,411,270)	(39,286,270)
	<b>89,189,857</b>	117,625,258

Movement in allowance for impairment of retention receivables is as follows:

	2022	2021
Balance at 1 January	39,286,270	42,457,704
Allowance (reversals) during the year (Note 39 C (I))	125,000	(3,446,634)
Transfers	-	275,200
<b>Balance at 31 December</b>	<b>39,411,270</b>	39,286,270

Retention receivables is presented in the consolidated statement of financial position as follows:

	2022	2021
Current	45,930,427	59,441,003
Non-current	43,259,430	58,184,255
	<b>89,189,857</b>	117,625,258

### II). Retention payables

Retention payable represents amounts withheld from subcontractors' invoices as maintenance guarantees. A portion of the retention is paid at the completion date of the contract and the remaining portion is paid after 365 to 490 days unless otherwise stated in the respective contracts. The amounts withheld are usually 5% to 10% of each invoice.

## 15. RETENTION (CONTINUED)

### II). Retention payables (continued)

	2022	2021
Current	11,487,375	14,753,591
Non-current	3,729,541	7,261,067
	<b>15,216,916</b>	22,014,658

## 16. OTHER ASSETS

	Current		Non-current	
	2022	2021 Restated	2022	2021 Restated
Advance payments	88,473,374	91,345,853	2,938,779	73,465,587
Accrued income	28,270,096	23,931,110	-	-
Prepayments	5,942,333	15,358,157	8,333,593	7,127,402
Others	21,576,963	26,669,171	-	-
	<b>144,262,766</b>	157,304,291	<b>11,272,372</b>	80,592,989

## 17. INVENTORIES

	2022	2021
Goods for resale	343,110,455	276,714,224
Goods in transit	18,835,654	2,637,955
	361,946,109	279,352,179
Less: provision for slow moving inventories	(80,477,710)	(70,955,369)
	<b>281,468,399</b>	208,396,810

Provision for slow moving inventories are determined based on the age, ability to sell and management's historical experience with respect to various items of inventories.

The movement of provision for slow moving inventories is as follows:

	2022	2021
Balance at 1 January	70,955,369	84,667,683
Provision during the year (1)	10,211,228	7,280,359
Reversals during the year (2)	-	(20,144,562)
Write-offs during the year	(688,887)	(848,111)
<b>Balance at 31 December</b>	<b>80,477,710</b>	70,955,369

(1). Provision for the year is allocated in the consolidated statement of profit or loss as follows

	2022	2021
Operating cost (Note 30)	-	13,471
General and administrative expense (Note 30)	10,211,228	7,266,888
	<b>10,211,228</b>	7,280,359

(2). The Group has sold these inventories during the year and related provision was reversed. Reversal of provision amounting to QR Nil (2021: QR 20,144,562) was included in the cost of goods sold under operating cost due to the utilisation of these inventories during the year.

## 18. RELATED PARTIES

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard No. 24, Related Party Disclosures. Related parties comprise companies under common ownership and/or common management and control, key management personnel, entities in which the shareholders have controlling interest, affiliates, and other related parties.

### a. Transactions with related parties

	2022	2021
<b>Sales of goods and services</b>		
Other related parties and equity accounted investees	<b>4,482,115</b>	3,286,288
<b>Real estate income</b>		
Other related parties and equity accounted investees	<b>27,146,638</b>	24,358,301
<b>Cost of goods sold</b>		
Other related parties and equity accounted investees	<b>644,685</b>	1,793,070
<b>Other income</b>		
Other related parties and equity accounted investees	<b>1,405,349</b>	3,183,909
<b>Other expenses</b>		
Other related parties and equity accounted investees	<b>698,836</b>	428,665
<b>Dividend received</b>		
Joint ventures	<b>17,618,623</b>	7,655,063
Associates	<b>500,000</b>	500,001

### Terms and conditions of transactions with related parties

Transactions with related parties are approved by the management. These transactions were carried out at prices or terms approved by management. All outstanding balances except loan to associate companies, are of trading nature, bear no interest or securities and are receivable on demand. There have been no guarantees received for any related party receivables balances.

## 18. RELATED PARTIES (CONTINUED)

### b. Loan to associate companies

	Relationship	2022	2021
Dutchkid FZCO and Just Kidding General Trading Company	Associate	20,808,424	20,247,098
Mideco Trading and Contracting W.L.L.	Associate	3,034,063	3,034,063
		<b>23,842,487</b>	23,281,161

### c. Compensation of key management personnel

	2022	2021
<b>Short-term and long-term benefits</b>		
Salaries and other short-term benefits	22,591,969	25,125,598
Executive management bonus	3,520,878	2,600,710
End of service benefits	829,571	905,505
	<b>26,942,418</b>	28,631,813

### d. Due from related parties

	Relationship	2022	2021 Restated
Serene Real Estate S.A.L.	Associate	100,839,479	99,009,529
West Bay Medicare W.L.L.	Affiliate	100,498,670	77,549,974
Mideco Trading and Contracting W.L.L.	Associate	42,592,449	35,467,687
Salam Holdings W.L.L.	Affiliate	19,420,351	14,144,036
Qatar Boom Electrical Engineering W.L.L.	Affiliate	14,498,773	10,640,464
Salam Sice Tec Solutions W.L.L.	Associate	9,303,563	-
Burhan International Construction Company W.L.L.	Affiliate	6,754,112	13,943,080
Just Kidding	Associate	5,907,999	4,516,166
Technical Field Services	Affiliate	4,614,842	4,614,842
Eco Engineering and Energy Solution L.L.C	Affiliate	1,219,692	1,184,191
Mr. Bassam Abu Issa	Others	469,062	87,548
Mr. Mohammad Hammoudi	Others	357,859	359,038
Real Jubail Investment W.L.L.	Affiliate	242,032	479,341
Al Hussam Holding W.L.L.	Affiliate	228,868	-
Atelier 101	Affiliate	224,085	147,923
Mr. Jamal Abu Issa	Others	134,260	127,124
Meta Coat W.L.L.	Associate	-	23,539,152
Soula Systems W.L.L.	Affiliate	-	2,641,589
Salam Media Cast – Doha	Affiliate	-	89,941
Nasser Bin Khaleed & Son Trading Company	Others	81,780	73,875
		307,387,876	288,615,500
Allowance for impairment of due from related parties		(60,761,931)	(70,800,394)
		<b>246,625,945</b>	217,815,106

The movement in allowance for impairment of due from related parties are as follows:

	2022	2021 Restated
Balance at 1 January	70,800,394	53,569,060
Allowance made during the year (Note 39 C (I))	8,542,659	18,013,234
Transfers	140,000	(30,523)
Write-offs during the year	(18,721,122)	(751,377)
<b>Balance at 31 December</b>	<b>60,761,931</b>	70,800,394

**e. Due to related parties**

	Relationship	2022	2021
Other related party	Affiliate	1,183,947	1,194,422
Canon office Imaging W.L.L.	Associate	240,685	119,164
Salam Sice Tec Solutions W.L.L.	Joint venture	-	1,939,077
Al Hussam Holding W.L.L.	Affiliate	-	1,854,905
		<b>1,424,632</b>	5,107,568

## 19. CONTRACT ASSETS AND CONTRACT LIABILITIES

	2022	2021 Restated
Aggregate amount of costs incurred and recognised profit (less any recognised losses) to the reporting date	3,883,578,223	4,584,732,264
Progress billings made to customers to the reporting date	(3,766,563,733)	(4,262,719,215)
Less: Allowance for impairment of contract assets (i)	(9,913,685)	(16,458,095)
<b>Contracts-in-progress-net</b>	<b>107,005,805</b>	305,554,954

Presented in the consolidated statement of financial position as follows:

	2022	2021 Restated
Contract assets	147,232,054	373,228,401
Less: Allowance for impairment of contract assets (i)	(9,913,685)	(16,458,095)
<b>Contract assets, net</b>	<b>137,318,369</b>	356,770,306
Contract liabilities	(30,217,564)	(51,215,352)
<b>Contracts-in-progress-net</b>	<b>107,100,805</b>	305,554,954



## 19. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

(i). The movement in allowance for impairment of contract assets is as follows:

	2022	2021 Restated
Balance at 1 January	16,458,095	35,006,295
Reversals during the year (Note 39 C (I))	(4,618,792)	(4,439,092)
Write-offs during the year	(1,925,618)	(13,833,908)
Transfers	-	(275,200)
<b>Balance at 31 December</b>	<b>9,913,685</b>	16,458,095

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on several projects relating to the operating segments such as contracting, technology and energy and industry. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

The contract liabilities primarily relate to the advance consideration received from customers for construction of several projects relating to the operating segments such as contracting, technology, and energy and industry, for which revenue is recognised over time.

## 20. TRADE AND OTHER RECEIVABLES

	2022	2021
Trade receivables	693,635,056	560,754,820
Notes receivables	9,648,238	11,981,671
	703,283,294	572,736,491
Less: Allowance for impairment of trade receivables	(198,299,999)	(197,749,439)
	<b>504,983,295</b>	374,987,052

The movement in allowance for impairment of trade receivables is as follows:

	2022	2021
Balance at 1 January	197,749,439	217,955,096
Allowance made during the year (Note 39 C (I))	14,286,061	596,604
Write-offs during the year	(13,735,501)	(20,802,261)
<b>Balance at 31 December</b>	<b>198,299,999</b>	197,749,439

## 21. CASH AND CASH EQUIVALENTS

	2022	2021
Cash balances	2,489,494	2,020,379
Bank balances	85,611,055	128,319,924
Short term deposits (Maturity less than 90 days)	4,709,634	25,082,854
<b>Cash and cash equivalents in the statement of financial position</b>	<b>92,810,183</b>	155,423,157
Less: Bank overdraft (i)	(80,096,311)	(50,593,729)
Less: Margin deposits against guarantees	(2,757,415)	(2,354,416)
<b>Cash and cash equivalents in the statement of cash flow</b>	<b>9,956,457</b>	102,475,012

(i). Bank overdrafts carried an average interest rate ranging from 5.75% to 6.75% p.a. (2021: 4.25% to 4.75% p.a.).

(ii). Short terms deposits carried and average interest rate ranging from 1.15% p.a. (2021: 1.15% to 1.43% p.a.)

## 22. SHARE CAPITAL

	2022	2021
Authorised, issued and fully paid-up capital (1,143,145,870 shares @ QR 1 each in current and comparative year)	1,143,145,870	1,143,145,870

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

## 23. LEGAL RESERVE

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

## 24. NON-CONTROLLING INTERESTS

	2022	2021
Balance at 1 January	220,805,203	217,159,058
Share of profit for the year	20,240,833	7,453,570
Share of other comprehensive income for the year	192,169	399,332
Acquisition of non-controlling interest	(816,314)	(692,201)
Net movement in non-controlling interests	(272,783)	(3,514,556)
Absorption of losses attributable to non-controlling interests	6,773,555	-
<b>Balance at 31 December</b>	<b>246,922,663</b>	220,805,203

## 24. NON-CONTROLLING INTERESTS (CONTINUED)

The following table summarises the information relating to Salam Bounian Development Company P.Q.S.C., the Group's subsidiary that has material non-controlling interest, before any intra-group eliminations.

	2022	2021
NCI Percentage	29.08%	29.19%
Non-current assets	1,635,060,987	1,605,127,229
Current assets	238,501,457	236,044,076
Non-current liabilities	(244,824,118)	(251,935,491)
Current liabilities	(814,894,576)	(842,638,553)
<b>Net assets</b>	<b>813,843,750</b>	<b>746,597,261</b>
<b>Net assets attributable to NCI</b>	<b>236,665,763</b>	<b>217,931,740</b>
Revenue	128,648,499	117,669,441
Profit	66,600,034	23,920,765
Other comprehensive income	646,455	1,362,316
<b>Total comprehensive income</b>	<b>67,246,489</b>	<b>25,283,081</b>
<b>Profit allocated to NCI</b>	<b>19,367,290</b>	<b>6,982,471</b>
<b>Other comprehensive income allocated to NCI</b>	<b>187,989</b>	<b>397,660</b>
Cash flows from operating activities	23,384,668	27,516,474
Cash flows from investing activities	13,747,662	(8,579,853)
Cash flows from financing activities	(37,846,205)	(23,382,536)
<b>Net decrease in cash and cash equivalents</b>	<b>(713,875)</b>	<b>(4,445,915)</b>

## 25. BORROWINGS

	2022	2021
Balance at 1 January	2,398,040,189	2,697,784,486
Proceeds from borrowings	403,141,478	373,654,859
Addition through business combination (Note 34)	8,427,858	-
Repayment of borrowings - principal	(558,843,386)	(746,380,728)
Interest expenses (i)	115,553,668	109,586,557
Interest paid	(79,310,484)	(36,604,985)
<b>Balance at 31 December</b>	<b>2,287,009,323</b>	<b>2,398,040,189</b>

(i). Finance costs has been allocated in the consolidated statement of profit or loss as follows:

	2022	2021
Finance costs (Note 32)	107,563,973	97,562,417
Operating cost (Note 30)	7,989,695	12,024,140
<b>Balance at 31 December</b>	<b>115,553,668</b>	<b>109,586,557</b>

	Current		Non-current	
	2022	2021	2022	2021
Terms loans (a)	121,860,145	265,833,205	1,811,237,584	1,821,913,147
Loan against trust receipts (b)	353,911,594	295,067,171	-	-
Project finance (c)	-	15,226,666	-	-
	<b>475,771,739</b>	<b>576,127,042</b>	<b>1,811,237,584</b>	<b>1,821,913,147</b>

#### a. Term loans

Term loans represent the following and all these loans are carrying interest rates ranging from 3.5% to 8% (2021: 2.90% to 5.25%).

	Maturity	2022	2021
Loan 1 (i)	31 May 2041	1,187,866,661	1,190,656,236
Loan 2 (ii)	31 March 2035	330,141,000	343,641,000
Loan 3 (iii)	31 May 2041	207,534,443	205,822,769
Loan 4 (iv)	31 March 2023	44,543,712	143,430,329
Loan 5 (v)	01 May,2026	46,473,255	52,675,674
Loan 6 (vi)	31 December 2025	50,000,000	51,011,731
Loan 7 (vii)	30 April 2027	29,250,000	32,500,000
Loan 8 (viii)	11 August 2023	19,724,778	30,345,828
Loan 9 (ix)	18 February 2023	-	16,098,992
Loan 10 (x)	Various date	17,563,880	21,563,793
		<b>1,933,097,729</b>	<b>2,087,746,352</b>

- (i). A term loan of QR 1.06 billion was availed as a part of the Groups debt management. The loan is re-payable in 79 quarterly instalments of QR 21.75 million each with a bullet payment of QR 221.35 million in May 2041.
- (ii). Two term loans of QR 300 million and QR 100 million were availed as a part of the Group's debt management. These two existing term loans were consolidated and a term loan of QR 345.14 million was availed during the last year. This loan is repayable in 52 quarterly instalments on step up basis with a final instalment of QR 15.31 million in March 2035.
- (iii). A term loan of QR 195 million was availed as part of the Groups debt management. This loan is re-payable in 79 quarterly instalments of QR 4.15 million each with a bullet payment of QR 29.24 million in May 2041.
- (iv). A commodity Murabaha of QR 147 million was availed as part of the Groups debt management. This loan is re-payable in 9 monthly instalments of QR 17.50 million each with a final instalment due in March 2023.

## 25. BORROWINGS (CONTINUED)

### a. Term loans (continued)

- (v). A term loan of QR 67 million was obtained to finance refurbishing at The Gate Mall. Principal payment of the loan has a grace period of one year and is re-payable in seven years after the grace period, in monthly instalments of QR 0.97 million each with a bullet payment of QR 13.01 million in May 2026.
- (vi). A term loan of QR 50 million was availed to meet working capital requirement. The loan is repayable in 36 monthly instalments of QR 1.42 million each with a final payment of QR 5.98 million in December 2025.
- (vii). A term loan of QR 32.50 million was availed as part of the Group's debt management. Principal payment of the loan has a grace period of one year. This loan is re-payable in 20 quarterly instalments of QR 1.63 million each with a final instalment due in April 2027.
- (viii). A term loan of QR 47.45 million (USD 13 million) was availed for general corporate purposes. The loan is repayable on a monthly basis with the last instalments due in August 2023.
- (ix). A term loan of QR 40.15 million (USD 11 million) was availed for general corporate purposes. This loan is re-payable on monthly basis with a final instalment was on February 2023. The Group has early settled the loan during the year.
- (x). Various term loans were availed for general business operations; These term loans are having varying maturities.

### b. Loans against trust receipts

These represent import credit facilities obtained from local and foreign banks, secured by full corporate guarantee of the Group and carry interest rates ranging from 4.15% to 4.75% per annum (2021: 4.15% to 4.75%). Those facilities are short term in nature and, are repayable within one fiscal year from the date of the facility.

### c. Project finances

These represent facilities obtained from local and foreign banks and secured by full corporate guarantee of the Group. These facilities carried interest rates ranging from 4.25% to 5 % (2021: 4.25% to 5 %) per annum and obtained to finance construction projects and operations of subsidiaries under the contracting, energy and power sectors. Those facilities are short term in nature with original repayment schedule of one to three years in accordance with the project duration. During the year, the Group settled the loan.

### Securities

Loan (i) and Loan (iii) are secured over certain investment properties with a fair value of QR 2,094,000,000 (2021: QR 2,042,058,820) (Note 12) and certain property and equipment with the net book value of QR 97,246,289 (2021: QR 100,240,036) (Note 9). Other loans and borrowings are secured by corporate guarantees of the Company and / or cross corporate guarantees of subsidiaries.

	Liabilities				Equity					Total
	Borrowing	Lease liabilities	Others	Share capital	Legal reserve	Fair value reserve	Accumulated losses	NCI		
<b>Balance at 1 January 2022 (Restated)</b>	2,398,040,189	79,250,248	-	1,143,145,870	471,652,650	(32,523,105)	(214,782,176)	220,805,203	4,065,588,879	
<b>Changes from financing cash flows</b>										
Proceeds from borrowings	403,141,478	-	-	-	-	-	-	-	403,141,478	
Repayment of borrowings	(558,843,386)	-	-	-	-	-	-	-	(558,843,386)	
Payment of lease liabilities	-	(9,304,555)	-	-	-	-	-	-	(9,304,555)	
Acquisition of non-controlling interests	-	-	-	-	-	-	-	(816,314)	(816,314)	
Net movement in non-controlling interests	-	-	-	-	-	-	-	(272,783)	(272,783)	
<b>Total changes from financing cash flows</b>	(155,701,908)	(9,304,555)	-	-	-	-	-	(1,089,097)	(166,095,560)	
<b>Other changes</b>										
<b>Liability-related</b>										
New leases	-	15,477,506	-	-	-	-	-	-	15,477,506	
Added through business combination	8,427,858	-	-	-	-	-	-	-	8,427,858	
Interest expense	115,553,668	3,915,274	6,176,830	-	-	-	-	-	125,645,772	
Interest paid	(79,310,484)	(3,915,274)	(6,176,830)	-	-	-	-	-	(89,402,588)	
Rent concessions related to COVID 19	-	(2,920,158)	-	-	-	-	-	-	(2,920,158)	
Derecognition	-	(3,389,429)	-	-	-	-	-	-	(3,389,429)	
<b>Total liability-related other changes</b>	44,671,042	9,167,919	-	-	-	-	-	-	53,838,961	
<b>Total equity-related other changes</b>										
	-	-	-	-	6,023,274	(4,138,858)	52,942,004	27,206,557	82,032,977	
<b>Balance at 31 December 2022</b>	<b>2,287,009,323</b>	<b>79,113,612</b>	<b>-</b>	<b>1,143,145,870</b>	<b>477,675,924</b>	<b>(36,661,963)</b>	<b>(161,840,172)</b>	<b>246,922,663</b>	<b>4,035,365,257</b>	

## 25. BORROWINGS (CONTINUED)

	Liabilities			Equity					
	Borrowing	Lease liabilities	Others	Share capital	Legal reserve	Fair value reserve	Accumulated losses	NCI	Total
Balance at 1 January 2021 (Restated)	2,697,784,486	73,610,852	-	1,143,145,870	466,489,040	(36,266,401)	(264,571,359)	217,159,058	4,297,351,546
Changes from financing cash flows									
Proceeds from borrowings	373,654,859	-	-	-	-	-	-	-	373,654,859
Repayment of borrowings	(746,380,728)	-	-	-	-	-	-	-	(746,380,728)
Payment of lease liabilities	-	(16,615,617)	-	-	-	-	-	-	(16,615,617)
Acquisition of non-controlling interests	-	-	-	-	-	-	127,911	(692,201)	(564,290)
Net movement in non-controlling interests	-	-	-	-	-	-	-	(3,514,556)	(3,514,556)
Total changes from financing cash flows	(372,725,869)	(16,615,617)	-	-	-	-	127,911	(4,206,757)	(393,420,332)
Other changes									
Liability-related									
New leases	-	28,833,975	-	-	-	-	-	-	28,833,975
Interest expense	109,586,557	4,419,841	4,818,036	-	-	-	-	-	118,824,434
Interest paid	(36,604,985)	(7,454,885)	(4,818,036)	-	-	-	-	-	(48,877,906)
Rent concessions related to COVID 19	-	(1,606,436)	-	-	-	-	-	-	(1,606,436)
Derecognition	-	(1,937,482)	-	-	-	-	-	-	(1,937,482)
Total liability-related other changes	72,981,572	22,255,013	-	-	-	-	-	-	95,236,585
Total equity-related other changes	-	-	-	-	5,163,610	3,743,296	49,661,272	7,852,902	66,421,080
Balance at 31 December 2021 (Restated)	2,398,040,189	79,250,248	-	1,143,145,870	471,652,650	(32,523,105)	(214,782,176)	220,805,203	4,065,588,879



## 26. EMPLOYEES' END OF SERVICE BENEFITS

	2022	2021
Balance at 1 January	60,422,972	61,663,949
Acquired through business combination (Note 34)	73,866	-
Provision made during the year	8,466,019	10,587,433
Payments made during the year	(12,798,265)	(11,828,410)
<b>Balance at 31 December</b>	<b>56,164,592</b>	60,422,972

## 27. OTHER LIABILITIES

	2022	2021 Restated
Provision for supplier dues	33,569,622	36,688,752
Staff dues and incentives	25,520,974	29,817,360
Accrued expenses	18,479,471	25,040,337
Provision for completed jobs	24,370,765	18,585,175
Dividend payable	15,541,525	15,850,871
Provision for contribution for social and sports fund (Note 36)	1,505,818	3,443,928
Other payables	16,301,955	41,574,599
	<b>135,290,130</b>	171,001,022

## 28. TRADE AND OTHER PAYABLES

	2022	2021
Trade payables	199,660,310	192,872,761
Notes payables	8,714,107	8,408,773
	<b>208,374,417</b>	201,281,534

Trade and other payables are presented in the consolidated statement of financial position as follows:

	2022	2021
Current	207,274,417	199,442,404
Non-current	1,100,000	1,839,130
	<b>208,374,417</b>	201,281,534

## 29. REVENUE

### A. Revenue streams

The Group generates revenue primarily from the sale of products, provision of services and through construction contracts. Other sources of revenue include rental income from owned properties and leased investment properties.

	2022	2021 Restated
Revenue from contracts with customers	1,480,117,690	1,445,820,636
Real estate revenue		
- Rental income from investment properties (Note 12)	101,362,177	96,657,110
- Other rental income	9,757,162	11,837,065
<b>Total revenue</b>	<b>1,591,237,029</b>	1,554,314,811

## 29. REVENUE (CONTINUED)

### B. Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and services lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (Note 38).

For the year ended 31 December 2022		Contracting	Energy and industry	Luxury retail	Technology	Real estate and investments	Total
<b>Primary geographical markets</b>							
State of Qatar	235,202,354	299,702,378	499,522,963	202,550,500	36,113,128	1,273,091,323	
United Arab Emirates	17,110,702	-	127,367,670	8,471,316	-	152,949,688	
Others	53,054,309	-	1,022,370	-	-	54,076,679	
<b>Major products/service lines</b>							
Contract revenue	288,106,646	184,486,498	5,600,090	132,734,976	27,730,758	638,658,968	
Revenue from sale of goods	16,851,339	107,732,705	618,573,430	13,390,603	-	756,548,077	
Service revenue	409,380	7,483,175	3,739,483	64,896,237	8,382,370	84,910,645	
	305,367,365	299,702,378	627,913,003	211,021,816	36,113,128	1,480,117,690	
<b>Type of customers</b>							
Third party customers	305,213,955	298,708,680	627,158,293	210,924,740	33,629,907	1,475,635,575	
Related parties	153,410	993,698	754,710	97,076	2,483,221	4,482,115	
	305,367,365	299,702,378	627,913,003	211,021,816	36,113,128	1,480,117,690	
<b>Timing of revenue recognition</b>							
Products transferred at a point in time	16,851,339	107,732,705	618,573,430	13,390,603	-	756,548,077	
Products and services transferred over time	288,516,026	191,969,673	9,339,573	197,631,213	36,113,128	723,569,613	
<b>Revenue from contracts with customers</b>	<b>305,367,365</b>	<b>299,702,378</b>	<b>627,913,003</b>	<b>211,021,816</b>	<b>36,113,128</b>	<b>1,480,117,690</b>	
Real estate revenue	-	768,750	3,461,028	245,219	106,644,342	111,119,339	
<b>External revenue as reported (Note 38)</b>	<b>305,367,365</b>	<b>300,471,128</b>	<b>631,374,031</b>	<b>211,267,035</b>	<b>142,757,470</b>	<b>1,591,237,029</b>	

For the year ended 31 December 2021 (Restated)	Contracting	Energy and industry	Luxury retail	Technology	Real estate and investments	Total *Restated
<b>Primary geographical markets</b>						
State of Qatar	267,517,875	254,322,580	472,397,707	222,906,965	27,696,273	1,244,841,400
United Arab Emirates	20,157,141	-	115,185,197	12,437,060	-	147,779,398
Others	52,240,259	-	959,579	-	-	53,199,838
	339,915,275	254,322,580	588,542,483	235,344,025	27,696,273	1,445,820,636
<b>Major products/service lines</b>						
Contract revenue	319,988,358	172,563,728	3,030,687	136,247,331	27,696,273	659,526,377
Revenue from sale of goods	19,523,189	75,654,706	578,508,940	20,891,134	-	694,577,969
Service revenue	403,728	6,104,146	7,002,856	78,205,560	-	91,716,290
	339,915,275	254,322,580	588,542,483	235,344,025	27,696,273	1,445,820,636
<b>Type of customers</b>						
Third party customers	339,130,277	253,801,253	587,897,402	235,344,025	26,361,390	1,442,534,347
Related parties	784,998	521,327	645,081	-	1,334,883	3,286,289
	339,915,275	254,322,580	588,542,483	235,344,025	27,696,273	1,445,820,636
<b>Timing of revenue recognition</b>						
Goods transferred at a point in time	19,523,189	75,654,706	578,508,940	20,891,132	-	694,577,967
Services transferred over time	320,392,086	178,667,874	10,033,543	214,452,893	27,696,273	751,242,669
<b>Revenue from contracts with customers</b>	339,915,275	254,322,580	588,542,483	235,344,025	27,696,273	1,445,820,636
Real estate revenue	-	824,999	5,599,281	278,465	101,791,430	108,494,175
<b>External revenue as reported (Note 38)</b>	339,915,275	255,147,579	594,141,764	235,622,490	129,487,703	1,554,314,811

### 30. EXPENSES BY NATURE

	2022	2021 Restated
Contract cost	515,781,953	532,160,217
Cost of goods sold	543,146,130	531,188,325
Cost of service	56,330,884	63,531,895
Real estate costs (Note 12)	5,678,020	5,691,054
Staff cost	175,780,012	171,874,947
Depreciation of property and equipment (Note 9)	62,012,640	53,433,839
Depreciation of right-of-use assets (Note 10 (A) (I))	15,080,952	19,415,181
Amortisation of intangible assets (Note 11 (ii))	3,812,537	3,319,368
Interest on lease liabilities (Note 10 (A) (II))	1,083,796	1,242,516
Interest charged to projects (Note 25)	7,989,695	12,024,140
Marketing expenses	22,474,662	20,444,295
Supplier contribution for marketing expenses	(10,726,785)	(14,642,671)
Rent expense	10,655,239	11,786,002
Repairs and maintenance	9,463,720	10,816,617
Legal and registration charges	7,141,174	8,465,998
Professional fees	9,057,011	8,345,177
Provision / (reversal) for slow moving inventories (Note 17)	10,211,228	(12,864,203)
Electricity and water	5,676,660	5,770,450
Write-offs of inventory	-	4,934,579
Communication	3,314,370	3,438,247
Fuel	2,849,141	2,702,546
Printing and stationery	1,576,156	2,180,422
Insurance	1,593,617	1,647,925
Advertising	2,308,766	1,335,400
Write-offs of property and equipment and intangible assets	31,626	984,468
Impairment loss on goodwill (Note 11)	15,178,083	-
Entertainment	2,052,867	839,408
Tender fees	631,621	631,703
Travelling	1,266,598	518,417
Transportation	433,129	495,442
Business development	190,286	388,454
Donations	391,999	321,188
Subscription and catalogues	457,454	249,307
Meeting and conference	105,208	65,163
Others	5,767,279	3,766,633
	<b>1,488,797,728</b>	1,456,502,449

The above expenses are presented in the statement of profit or loss and other comprehensive income as follows:

	2022	2021 Restated
Operating cost	1,150,365,798	1,137,305,596
General and administrative expenses	323,253,847	319,196,853
Impairment of goodwill	15,178,083	-
	<b>1,488,797,728</b>	1,456,502,449

Operating cost has been further analysed as follows:

	2022	2021 Restated
Contract costs*	517,724,211	533,082,008
Cost of goods sold**	543,146,130	511,057,504
Cost of service	56,330,884	63,531,895
Real estate costs	5,678,020	5,691,054
Interest charged to projects (Note 25)	7,989,695	12,024,140
Depreciation of property and equipment (Note 9)	15,589,549	7,703,101
Depreciation of right-of-use assets (Note 10 (A) (I))	2,823,837	3,019,125
Interest on lease liabilities (Note 10 (A) (II))	1,083,472	1,196,769
	<b>1,150,365,798</b>	1,137,305,596

\* This includes depreciation of property and equipment amounted to QR 1,942,258 (2021: QR 921,791) (Note 9).

\*\* This includes provision for slow moving inventories amounted to QR Nil (2021: QR 13,741) and reversal of provision amounted to QR Nil (2021: QR 20,144,562) (Note 17)

General and administrative expenses have been further analysed as follows:

	2022	2021 Restated
Staff cost***	175,855,944	173,246,470
Depreciation of property and equipment (Note 9)	44,480,833	44,808,947
Depreciation of right-of-use assets (Note 10 (A) (I))	12,181,507	15,070,280
Amortisation of intangible assets	3,812,537	3,319,368
Rent expense	10,655,239	11,786,002
Repairs and maintenance	9,463,720	10,816,617
Legal and registration charges	7,141,174	8,465,998
Professional fees	9,057,011	8,345,177
Provision for slow moving inventories (Note 17)	10,211,228	7,266,888
Electricity and water	5,676,660	5,770,450
Write-offs of inventory	-	4,934,579
Communication	3,314,370	3,438,247
Fuel	2,849,141	2,702,546
Printing and stationery	1,576,156	2,180,422
Insurance	1,593,617	1,647,925
Advertising	2,308,766	1,335,400
Marketing expenses	22,474,662	20,444,295
Supplier contribution for marketing expenses	(10,726,785)	(14,642,671)
Write-offs of property and equipment and intangible assets	12,679	984,459
Entertainment	2,052,867	839,408
Tender fees	631,621	631,703
Travelling	1,266,598	518,417
Transportation	433,129	495,442
Business development	190,286	388,454
Donations	391,999	321,188
Subscription and catalogues	457,454	249,307
Meeting and conference	105,208	65,163
Others	5,786,226	3,766,372
	<b>323,253,847</b>	319,196,853

\*\*\* This includes depreciation of right-of-use assets amounted to QR 75,608 (2021: QR 1,325,776) and interest on lease liabilities amounted to QR 324 (2021: QR 45,747) (Note 10).

### 31. OTHER INCOME

	2022	2021
Profit on disposal of property and equipment (Note 9)	495,705	1,983,259
Lease concession received due to COVID-19	2,920,158	1,606,436
Service and consultancy income	1,328,139	993,667
Gain on disposal of investment in equity accounted investee (Note 13)	3,554,108	72,830
Gain on derecognition of right-of-use assets and lease liabilities	214,658	88,118
Gain on disposal of investment property (Note 12)	3,792,150	-
Consignment income	4,776,760	4,316,784
Scrap sales	271,783	-
Miscellaneous income	28,511,662	27,782,362
	<b>45,865,123</b>	36,843,456

### 32. NET FINANCE COSTS

	2022	2021
<b>Finance income</b>		
Interest income	7,688,980	7,246,644
Dividend income	529,068	792,795
	<b>8,218,048</b>	8,039,439
<b>Finance cost</b>		
Interest on borrowing	(107,563,973)	(97,562,417)
Interest on lease liabilities	(2,831,478)	(3,177,325)
Others	(6,176,830)	(4,818,036)
	<b>(116,572,281)</b>	(105,557,778)
<b>Net finance cost recognised in profit or loss</b>	<b>(108,354,233)</b>	(97,518,339)

### 33. INCOME TAX EXPENSE

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the consolidated statement of profit or loss are:

	2022	2021
<b>Current tax expense</b>		
Current year	1,204,270	881,012
Changes in estimates related to prior years	263,044	286,530
	<b>1,467,314</b>	1,167,542
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	-	-
	-	-
<b>Tax expense</b>	<b>1,467,314</b>	1,167,542

In December 2019, a new Executive Regulations for the tax was introduced in the State of Qatar, replacing the previous executive regulations. The tax exemption provided under Article 4 (paragraph 13) of the New Tax Law in relation to non-Qatari investors' share in profits in listed entities shall not be extended to subsidiaries of listed entities. The share of profits in non-listed entity attributable to the listed entity would be subject to tax to the extent of the profit share attributable to non-Qatari shareholders in the listed entity.

The Group estimated the income tax expense for the year using the prevailing tax rate of 10% that would be applicable to the profit share attributable to 12.09% (2021: 14.08%) of non-Qatari shareholders of the Group. Further, the Group did not estimate significant deferred tax in respect of timing difference.

### 34. SUBSIDIARIES

#### a). Details of the Group's subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Ownership interest (%)	
			2022	2021
Salam Technology W.L.L.	Information technology	Qatar	100	100
I Telligent Technologies L.L.C.	Electronic system installation and maintenance	UAE	100	100
Stream Industrial and Engineering Company W.L.L.	Mechanical services	Qatar	100	100
Qatar German Switchgear Company W.L.L.	Switchgear manufacturing	Qatar	100	100
Salam Petroleum Services W.L.L.	Trading in chemical materials and maintenance of oil equipment	Qatar	100	100
Gulf steel and Engineering W.L.L.	Steel works	Qatar	100	100
International Trading and Contracting Company W.L.L.	Civil contracting	Qatar	100	100
Salam Enterprises Company W.L.L.	Furniture trading and contracting	Qatar	100	100
Salam Industries W.L.L.	Furniture and Interior works	Qatar	100	100
Alu Nasa Company W.L.L. (ii)	Aluminum works	Qatar	100	100
Qatar Transformers Company W.L.L. (v)	Manufacture of transformers	Qatar	-	100
Salam Hospitality W.L.L.	Restaurants and bakeries management	Qatar	100	100
Gulf Industries for Refrigeration and Catering Company W.L.L.	Trading and maintenance of refrigerators, water coolers and air conditioners	Qatar	100	100
Holmsglen Qatar W.L.L. (ii)	Consulting and managerial studies	Qatar	98	98
Salam Bounian Development Company P.Q.S.C. (c)	Real estate	Qatar	70.92	70.81
Gulf Facility Management W.L.L. (ii)	Facility management	Qatar	70.92	70.81
Salam Enterprises L.L.C. (i)	Trading in water equipment	Qatar	100	100
Mafan Al Rasam Trading Company L.L.C.(i) (b) (KSA)	Interior design	KSA	80	80
Modern Decoration Company L.L.C.(i)	Furniture and interiors manufacturing	UAE	100	100
Alu Nasa Aluminium Industry L.L.C. (i)	Aluminium works	UAE	100	100
Salam Group W.L.L.	Luxury Retail trading - intermediary holding company	Qatar	100	100



## 34. SUBSIDIARIES (CONTINUED)

### a). Details of the Group's subsidiaries are as follows (continued):

Name of subsidiary	Principal activities	Country of incorporation	Ownership interest (%)	
			2022	2021
Salam Studio and Stores W.L.L. – Doha	Retail and wholesale of luxury consumer products	Qatar	100	100
Salam Studio and Stores L.L.C. – Dubai (i)	Retail and wholesale of luxury consumer products	UAE	100	100
Salam Studio and Stores W.L.L. – Muscat (iii)	Retail of luxury consumer products	Oman	100	100
Salam Arabia Trading Establishment – Kuwait (v)	General trading	Kuwait	-	100
Salam Trading Enterprises – Jordan (v)	Luxury Fashion retail	Jordan	-	100
Salam Enterprise Company – Bahrain (iv)	Furniture trading	Bahrain	80	80
Salam Amwal Holding S.A.L.	Investments	Lebanon	100	100
Salam Globex W.L.L.	Marketing and offices facilities	Qatar	100	100
Prevent and Protect W.L.L. – Qatar	Oil and gas services	Qatar	100	100
Prevent and Protect L.L.C. – Oman	Oil and gas services	Oman	100	100
New Image Building Services Gulf States L.L.C.	Building and facilities management	Qatar	70.92	70.81
Blink Company W.L.L. (v)	Photography trading and related services	Qatar	-	60
Diversa S.R.L.	Trading in water equipment	Italy	100	100
Qatar Garden W.L.L.	Construction of soft and hard landscaping and supply of related materials	Qatar	100	100
Al-shamila Eco Studies and Energy Solution W.L.L.	Trading in equipment and rendering	Qatar	51	51
Amjad Company for Manufacture and printing Cardboard W.L.L. (b)	Manufacture of bowls and boxes of cardboard	Qatar	100	100
PC Deal Net W.L.L. (Qatar) (b)	Trading in IT equipment	Qatar	100	100
Cycure Technologies W.L.L. (b)	Information technology services	Qatar	76	76
I Telligent Technologies W.L.L. (b)	Trading in Computer Network and IT Consulting	Qatar	100	100
Atelier 21 L.L.C. (UAE)	Interior design	UAE	100	100
Salam Security Systems and Services O.P.C	Installation, Operation and maintenance of cameras and security surveillance	Qatar	100	100
Meta Coat W.L.L.	Aluminum and powder coating services	Qatar	100	-

- (i). 99 % of the capital of these Group entities are commercially registered in the name of the Company and 1% is registered in the name of Salam Group W.L.L., an affiliate. The Group beneficially owned 100% of the subsidiary.
- (ii). The operations and activities of these entities are currently on hold.
- (iii). 99% of the capital of Salam Studio and Stores W.L.L. – Muscat is commercially registered in the name of the Company and 1% is registered in the name of Salam Studio and Stores W.L.L., a Group entity. The Group beneficially owned 100% of the entity.
- (iv). The capital of these entities is registered in the name of a Bahraini national for the beneficial interest of the Group.
- (v). These Companies were liquidated during the year.

**b). Acquisition of a subsidiary**

In January 2022, the Group acquired additional 49% of the shares and voting interests in Meta Coat W.L.L. (“Meta Coat”). As a result, the Group’s equity interest in Meta Coat W.L.L. increased from 51% to 100%, granting it absolute control of Meta Coat W.L.L.

Included in the identifiable assets and liabilities acquired at the date of acquisition of Meta Coat W.L.L. are inputs (Factory and production facilities), production processes and organised workforce. The Group has determined that together the acquired inputs and processes significantly contribute to the ability to create revenue. The Group has concluded that the acquired set is a business.

**i. Consideration received**

The Group paid cash consideration of QR Nil to acquire additional 49% shares and the voting interests in Meta Coat W.L.L. as it was loss making entity. There are no other classes of considerations agreed or to be transferred between the parties.

**ii. Acquisition-related costs**

The Group incurred acquisition-related costs of QR Nil on legal fees and due diligence costs.

**iii. Fair value of identifiable assets acquired and liabilities assumed**

The following table summarises the recognised amounts of fair value of assets acquired, and liabilities assumed at the date of acquisition.

	2022
Property and equipment	16,735,255
Cash and cash equivalents	64,395
Trade and other receivables	57,607
Due from related parties	4,100,000
Borrowings	(8,427,858)
Trade and other payables	(326,563)
Other liabilities	(908,849)
Employees’ end of service benefits	(73,866)
<b>Fair value of total net identifiable assets acquired</b>	<b>11,220,121</b>

**iv. Loss arising on business combination**

Loss arising from the business acquisition has been recognised as follows:

	2022
Consideration transferred – pre-existing	11,220,121
Fair value of pre-existing interest in Meta Coat W.L.L.	-
Fair value of net identifiable assets acquired	(11,220,121)
<b>Net impact arising on business combination</b>	<b>-</b>

## 34. SUBSIDIARIES (CONTINUED)

### c). Details of the change in Group's subsidiaries are as follows:

#### Salam Bounian Development Company P.Q.S.C. – Acquisition of non-controlling interest

During the year 2022, the Company purchased additional 57,796 shares (2021: 17,677 shares) in Salam Bounian Development Company P.Q.S.C. and reached Group's ownership to 70.92% from 70.81%. The details of the additional purchase with respective gain from purchase recognised in equity are as follows:

	2022	2021
Carrying amount of non-controlling interest acquired	816,314	692,201
Consideration paid to non-controlling interest acquired	(577,960)	(564,290)
An increase in equity attributable to owners of the Group	<b>238,354</b>	127,911

## 35. EARNINGS PER SHARE

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

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

	2022	2021
Profit for the year attributable to Owners of the Company	<b>60,232,742</b>	61,792,365
Adjusted weighted average number of outstanding shares	<b>1,143,145,870</b>	1,143,145,870
<b>Basic and diluted earnings per share</b>	<b>0.053</b>	0.054

## 36. CONTRIBUTION TO SOCIAL AND SPORTS FUND

Pursuant to the Qatar Law No. 13 of 2008 and the related clarifications issued in 2010, which is applicable to all Qatari listed shareholding companies with publicly traded equity, the Group has to make an appropriation of 2.5% of its net profit attributable to the owners of the Company as a contribution to social and sports fund. During the year the Group has appropriated QR 1,505,818 to the Social and Sports Development Fund of the State of Qatar. Last year, the Group appropriated QR 4,163,928 to the Social and Sports Development Fund of the State of Qatar representing QR 1,290,902 for the year ended 31 December 2021 and QR 2,873,026 as the outstanding contribution for the year ended 31 December 2019. There were no other outstanding as at 31 December 2021.

### 37. COMMITMENTS AND CONTINGENT LIABILITIES

	2022	2021
Letters of credit	52,522,030	58,934,682
Letters of guarantee	239,692,435	333,982,759

### 38. OPERATING SEGMENTS

#### I). Basis for segmentation

The Group has the following six strategic divisions, which are its reportable segments. These divisions offer different products and services, and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations of each reportable segment.

Reportable segments	Operations
Contracting	Civil contracting, mechanical, plumbing and electrical contracting and related services
Energy and industry	Oil and gas services including trading in chemical materials and maintenance of oil equipment
Luxury retail	Retail and wholesale of luxury consumer products
Technology	Information technology and related infrastructure project
Real estate and investments	Real estate operation and investment

The Group's chief executive officer reviews the internal management reports of each division at least quarterly.

#### II). Information about reportable segmentation

Information related to each reportable segment is set out below. Segment profit (loss) before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

### 38. OPERATING SEGMENTS (CONTINUED)

#### a). In terms of operating sectors

	2022	Contracting	Energy and industry	Luxury retail	Technology	Real estate and investments	Total
External revenue	305,367,365	300,471,128	631,374,031	211,267,035	142,757,470	1,591,237,029	
Inter-segment revenue	16,512,786	11,141,537	3,692,330	2,445,649	60,842,325	94,634,627	
<b>Segment revenue</b>	<b>321,880,151</b>	<b>311,612,665</b>	<b>635,066,361</b>	<b>213,712,684</b>	<b>203,599,795</b>	<b>1,685,871,656</b>	
<b>Segment profit / (loss)</b>	<b>(9,076,169)</b>	<b>3,060,988</b>	<b>70,305</b>	<b>8,141,180</b>	<b>78,277,271</b>	<b>80,473,575</b>	
Interest and dividend income	-	6,718	-	3,188	8,208,142	8,218,048	
Interest expense	1,129,895	7,299,056	18,069,498	5,574,513	93,572,810	125,645,772	
Depreciation and amortisation	9,613,448	19,995,632	35,931,890	1,254,089	14,111,070	80,906,129	
Share of result of equity accounted investees	-	-	7,596,493	1,551,333	6,943,412	16,091,238	
Other material items of income and expenses and non-cash items:							
- Impairment losses on trade receivables and contract assets	8,677,212	(1,623,040)	3,487,688	4,144,799	15,917,694	30,604,353	
- Impairment losses on non-financial assets	-	-	-	-	15,178,083	15,178,083	
<b>Segment assets</b>	<b>292,381,190</b>	<b>287,015,140</b>	<b>521,547,401</b>	<b>364,171,051</b>	<b>3,174,268,297</b>	<b>4,639,383,079</b>	
Equity-accounted investees	-	-	63,974,867	5,326,159	143,382,457	212,683,483	
Capital expenditure:							
Tangible assets	10,337,755	23,703,501	10,539,208	782,281	13,159,364	58,522,109	
Intangible assets	-	-	34,521	-	-	34,521	
<b>Segment liabilities</b>	<b>196,556,060</b>	<b>123,229,222</b>	<b>393,005,326</b>	<b>157,602,577</b>	<b>2,099,747,572</b>	<b>2,970,140,757</b>	

2021 (Restated)	Contracting	Energy and industry	Luxury retail	Technology	Real estate and investments	Total *Restated
External revenue	339,915,275	255,147,579	594,141,764	235,622,490	129,487,703	1,554,314,811
Inter-segment revenue	3,944,488	10,614,396	3,646,705	4,849,752	57,377,804	80,433,145
Segment revenue	343,859,763	265,761,975	597,788,469	240,472,242	186,865,507	1,634,747,956
Segment profit / (loss)	400,236	607,241	(7,780,947)	6,525,957	69,493,448	69,245,935
Interest income		12,222	11,832	2,360	8,013,025	8,039,439
Interest expense	(1,365,204)	(5,163,714)	(18,054,838)	(8,680,537)	(85,560,141)	(118,824,434)
Depreciation and amortisation	(8,031,795)	(10,968,325)	(42,628,148)	(1,200,491)	(13,339,628)	(76,168,387)
Share of profit / (loss) of equity accounted investees	-	-	9,738,874	-	2,703,770	12,442,644
Other material items of income and expenses and non-cash items:						
Impairment losses on trade receivables and contract assets	(4,211,692)	6,499,360	(5,068,635)	601,044	12,904,035	10,724,112
Segment assets	307,735,511	313,023,186	507,906,043	427,744,088	3,182,052,639	4,738,461,467
Equity-accounted investees						
Capital expenditure:						
Tangible assets	1,482,633	5,722,017	13,206,776	388,075	8,665,703	29,465,204
Intangible assets	48,837	-	66,837	1,435,200	27,950	1,578,824
Segment liabilities	228,760,072	240,808,872	407,152,066	246,795,508	2,026,646,507	3,150,163,025

### 38. OPERATING SEGMENTS (CONTINUED)

#### b). In terms of geographic locations

	2022					2021				
	Qatar	United Arab Emirates	Others	Total	Total	Qatar	United Arab Emirates	Others	Total	Total
External revenue	1,375,765,551	161,394,799	54,076,679	1,591,237,029	1,348,646,306	152,468,672	53,199,833	1,554,314,811		
Inter-segment revenue	80,269,128	634,956	13,730,543	94,634,627	77,278,042	771,733	2,383,370	80,433,145		
<b>Segment revenue</b>	<b>1,456,034,679</b>	<b>162,029,755</b>	<b>67,807,222</b>	<b>1,685,871,656</b>	<b>1,425,924,348</b>	<b>153,240,405</b>	<b>55,583,203</b>	<b>1,634,747,956</b>		
<b>Segment profit</b>	<b>55,258,342</b>	<b>21,899,023</b>	<b>33,16,210</b>	<b>80,473,575</b>	<b>51,302,628</b>	<b>15,996,223</b>	<b>1,947,084</b>	<b>69,245,935</b>		
<b>Segment assets</b>	<b>3,839,375,655</b>	<b>470,236,173</b>	<b>329,771,251</b>	<b>4,639,383,079</b>	<b>3,902,817,410</b>	<b>500,025,506</b>	<b>335,618,551</b>	<b>4,738,461,467</b>		
Equity-accounted investees										
Capital expenditure:										
- Tangible assets	58,484,957	37,152	-	58,522,109	29,002,736	462,468	-	29,465,204		
- Intangible assets	34,521	-	-	34,521	1,542,190	36,634	-	1,578,824		
<b>Segment liabilities</b>	<b>2,849,064,579</b>	<b>77,860,113</b>	<b>43,216,065</b>	<b>2,970,140,757</b>	<b>3,072,251,318</b>	<b>51,759,839</b>	<b>26,151,868</b>	<b>3,150,163,025</b>		



## 39. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

### a). Accounting classifications and fair values

The Group's financial assets (trade and other receivables, retention receivables, due from related parties, loans to associate companies, and cash at bank) and financial liabilities (credit facilities, retention payable and trade and other payables) are measured at amortised cost and not at fair value. Management believes that the carrying values of these financial assets and financial liabilities as at the reporting date are a reasonable approximation of their fair values.

The following table shows the carrying amounts and fair values of financial assets, including their fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

<b>As at 31 December 2022</b>	<b>Carrying amount</b>	<b>Fair value</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Investment securities – FVOCI</b>				
Quoted equity securities	30,522,405	30,522,405	-	-
Unquoted equity securities	56,577,060	-	-	56,577,060
	87,099,465	30,522,405		56,577,060

<b>As at 31 December 2021</b>	<b>Carrying amount</b>	<b>Fair value</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Investment securities – FVOCI</b>				
Quoted equity securities	38,521,131	38,521,131	-	-
Unquoted equity securities	70,020,831	-	-	70,020,831
	108,541,962	38,521,131	-	70,020,831

## 39. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

### b). Measurement of fair values

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments in the statement of financial position, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<p><b>Market approach</b></p> <p>The transaction price of an investment in an unquoted equity instrument, which is identical to the investment being valued and made close to the measurement date, might be a reasonable starting point for measuring fair value at the measurement date.</p>	Not applicable	Not applicable
<p><b>Adjusted net asset method</b></p> <p>This valuation model considers the fair value of the investee's assets and liabilities (both recognised in the statement of financial position and unrecognised).</p> <p>The unquoted equity securities that are carried at adjusted net assets value are valued on the basis of financial statements available.</p> <p>The management assessed that fair value considered for unquoted equity securities on the basis of adjusted net assets is appropriate as these investee's value are mainly derived from the holding of assets rather the deploying the assets.</p>	Expected fair value of the assets and liabilities.	The estimated fair value would increase / (decrease) if the adjusted net assets were higher / (lower).

### Sensitivity analysis

For the fair valuation of unquoted equity securities that are carried at adjusted net assets value, reasonably possible changes at the reporting date to the significant unobservable input would have the following effect on other comprehensive income.

	Increase	Decrease
31 December 2022		
Adjusted net assets (5% movement)	<b>2,828,853</b>	<b>(2,828,853)</b>
31 December 2021		
Adjusted net assets (5% movement)	3,501,042	(3,501,042)

### c). Financial risk management

#### l). Credit risk

The Group's maximum exposure to credit risk at the reporting date is the carrying amount of its financial assets, which are the following:

	2022	2021 Restated
<b>Financial assets</b>		
Loans to associate companies	23,842,487	23,281,161
Accrued income	28,270,096	23,931,110
Due from related parties	307,387,877	288,615,500
Retention receivables	128,601,126	156,911,528
Trade and other receivables	703,283,294	572,736,491
Bank balances	90,320,689	153,402,778
<b>Contract assets</b>	147,232,054	373,228,401
	<b>1,428,937,623</b>	1,592,106,969

Allowance for impairment losses on financial assets and contract assets recognised in consolidated profit or loss statement were as follows:

	2022	2021
Allowance for impairment loss on trade receivables (Note 20)	14,286,061	596,604
Allowance for impairment loss on due from related parties ((Note 18(d))	8,542,659	18,013,234
Allowance for impairment loss on retention receivables reversed (Note 15(l))	125,000	(3,446,634)
Allowance for impairment loss on contract assets reversed (Note 19)	(4,618,792)	(4,439,092)
Allowance for impairment of pre-existing interest in associate	12,269,425	-
	<b>30,604,353</b>	10,724,112

The movement in allowance for impairment loss of financial assets and contract assets are as follows:

	2022	2021
Balance at 1 January	324,294,198	348,988,155
Allowance during the year	30,604,353	10,724,112
Transfer during the year	140,000	(30,523)
Write-off of pre-existing interest in associate	(12,269,425)	-
Write-offs during the year	(34,382,241)	(35,387,546)
<b>Balance at 31 December</b>	<b>308,386,885</b>	324,294,198

## 39. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

### c). Financial risk management (continued)

#### l). Credit risk (continued)

A summary of the Group's exposure to credit risk for financial assets is as follows:

##### *Expected credit loss assessment*

The Group uses an allowance matrix to measure the ECLs of financial assets.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, age of customer relationship and type of product purchased.

The following table provides information about the exposure to credit risk and ECLs for due from related parties, retention receivables, contract assets and trade and other receivables.

31 December 2022	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
Current (not past due)	6.97%	311,170,688	21,687,352	No
1-60 days	23.27%	137,151,556	31,920,653	No
61-120 days	35.24%	29,020,131	10,227,556	No
121-365 days	18.84%	496,588,712	93,546,831	No
365-730 days	36.35%	105,091,159	38,203,579	No
More than 730 days	53.37%	207,482,105	112,800,914	Yes
		<b>1,286,504,351</b>	<b>308,386,885</b>	

31 December 2021 (Restated)	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
Current (not past due)	6.60%	146,078,537	9,634,909	No
1-60 days	21.55%	175,291,651	37,772,406	No
61-120 days	33.79%	44,100,653	14,901,611	No
121-365 days	15.92%	717,723,786	114,259,649	No
365-730 days	35.64%	121,503,522	43,307,906	No
More than 730 days	55.90%	186,793,771	104,417,717	Yes
		<b>1,391,491,920</b>	<b>324,294,198</b>	

Loss rates are based on actual credit loss experience over the past three years and adjusted for forward looking factors. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Forward looking factors are based on the actual and forecast macro-economic factors (primarily GDP).

### Cash and bank balances

The Group held bank balances of QR 90,320,689 at 31 December 2022 (2021: QR 153,402,778). The bank balances are held with bank and financial institution counterparties, which are rated A1 to A2 based on by Moody Rating Agency ratings.

Impairment on cash and bank balances has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

### Guarantees

The Group's policy is to provide financial guarantees only for liabilities relating to certain subsidiaries. At 31 December 2022, the Company has issued a guarantee to certain banks in respect of credit facilities granted to its subsidiaries.

## II). Liquidity risk

The following are the contractual maturities of financial liabilities and lease liabilities at the reporting date. The amounts are gross and undiscounted and exclude the impact of netting agreements:

	Contractual cash flow				
31 December 2022	Carrying amount	Less than 1 year	1 to 5 years	Above 5 years	Total
Borrowings	2,287,009,323	394,904,352	808,474,493	2,570,320,268	3,773,699,113
Retention payables	15,216,916	11,487,375	3,729,541	-	15,216,916
Other liabilities*	110,919,365	110,919,365	-	-	110,919,365
Due to related parties	1,424,632	1,424,632	-	-	1,424,632
Bank overdrafts	80,096,310	80,096,310	-	-	80,096,310
Notes payable	8,714,107	7,614,107	1,100,000	-	8,714,107
Trade payables	199,660,310	199,660,310	-	-	199,660,310
Lease liabilities	79,113,612	16,147,220	50,672,317	42,783,160	109,602,697
	<b>2,782,154,575</b>	<b>822,253,671</b>	<b>863,976,351</b>	<b>2,613,103,428</b>	<b>4,299,333,450</b>

	Contractual cash flow				
31 December 2021 (Restated)	Carrying amount	Less than 1 year	1 to 5 years	Above 5 years	Total
Borrowings	2,398,040,189	328,109,137	861,793,041	1,874,934,986	3,064,837,164
Retention payables	14,753,591	14,753,591	7,261,067	-	22,014,658
Other liabilities*	152,415,847	152,415,847	-	-	152,415,847
Due to related parties	5,107,568	5,107,568	-	-	5,107,568
Bank overdrafts	50,593,729	50,593,729	-	-	50,593,729
Notes payable	8,408,773	6,569,643	1,839,130	-	8,408,773
Trade and other payables	192,872,761	192,872,761	-	-	192,872,761
Lease liabilities	79,250,248	16,308,355	49,085,762	45,758,958	111,153,075
	2,901,442,706	766,730,631	919,979,000	1,920,693,944	3,607,403,575

\* Excluding provision for completed jobs

## 39. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

### c). Financial risk management (continued)

#### III). Market risk

The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. Market risk is the risk that changes in market prices, such as interest rates and foreign currency exchange rates that will affect the Group's income or the value of the holdings of financial instruments. Management reviews and agrees policies for managing each of these risks which are summarised below:

#### *Equity price risk*

The Group is subject to equity price risk in relation to equity securities at FVOCI. The Group evaluates the current market value and other factors including normal volatility in share price for quoted equities and other relevant factors such as investment manager's periodical reports relating to unquoted equities in order to manage its market risk.

#### *Sensitivity analysis*

A 10% increase in market values of the Group's quoted portfolio of equity securities at FVOCI is expected to result in an increase in the asset and equity by QR 3,052,241 (2021: QR 3,852,113) and a 10% decrease in market values of the Group's quoted portfolio of equity securities at FVOCI are expected to result in a decrease of the asset and equity by QR 3,052,241 (2021: QR 3,852,113).

#### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates. Management does not hedge its interest rate risk.

	Carrying amount	
	2022	2021
<b>Non-interest bearing instruments</b>		
Bank balances	78,222,094	104,590,390
<b>Fixed rate instruments</b>		
Bank loans	(11,967,049)	(60,271,320)
Average interest rate (per annum)	1.5%-4.5%	2.9%-5.25%
<b>Variable rate instruments</b>		
Bank balances	12,098,595	48,812,388
Bank loans	(2,275,042,274)	(2,337,768,869)
Bank overdrafts	(80,096,310)	(50,593,729)
	(2,343,039,989)	(2,339,550,210)
Average interest rate (per annum)	2.9%-5%	1.5%-4.5%

#### **Fair value sensitivity analysis for fixed-rate instruments**

The Group does not account for any fixed-rate financial assets or financial liabilities at FVTPL. Therefore, a change in interest rates at the reporting date would not affect consolidated statement of income.

#### **Cash flow sensitivity analysis for variable-rate instruments**

The following table demonstrates the sensitivity of the Group's profit to reasonably possible changes in interest rates, with all other variables held constant. The sensitivity of the profit is the effect of the assumed changes in interest rate on the Group's profit (loss) for one year, based on the floating rate financial assets and financial liabilities held at 31 December 2022.

	Profit (loss)		Profit (loss)	
	31 December 2022		31 December 2021	
	50 bps	50 bps	50 bps	50 bps
	Increase	Decrease	Increase	Decrease
Variable rate financial liabilities	(11,715,200)	11,715,200	(11,697,751)	11,697,751

#### **Foreign Currency risk**

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group's functional currency and significant foreign currency transactions are denominated in currencies pegged with United States Dollar ("USD"). Therefore, the management is of the opinion that the Group's exposure to currency risk is minimal.

#### **Fair values**

The fair values of financial instruments, with the exceptions of investment at FVOCI, carried at cost are not materially different from their carrying values.

## **40. COMPARATIVE FIGURES**

#### **Restatement of comparative figures**

During the year, the Group identified following accounting errors in the previous years consolidated financial statements.

- Lease liabilities and right of use assets for leases of certain properties and equipment had been erroneously calculated from 1 January 2019, the effective date of application of IFRS 16, 'Leases'. Further, the Group erroneously capitalized depreciation on right of use assets and interest on lease liability for a land. As a consequence, lease liabilities, right-of-use assets and related expenses as at 1 January 2021 and 31 December 2021 have been misstated.
- Contract revenue had been erroneously recognized in the prior years based on unapproved variations and claims and related estimated cost. As a consequence, contract revenue and related expenses, assets, liabilities and accumulated losses as at 1 January 2021 and 31 December 2021 have been misstated.
- The Group has interest in certain associates in the form of equity investment and financing provided to these associates. In the prior years, the amount of share of losses had exceeded the carrying amount of these investments, and all excess losses were being allocated to a separate provision account under other liabilities. However, no losses were being allocated towards the financing provided to the associate in the form of expected credit losses. As a consequence, share of profit/loss of equity accounted investees, due from related parties and other liabilities as at 1 January 2021 and 31 December 2021 have been misstated. To rectify this position in accordance with the requirements of IAS 28, an expected credit loss has to be first be recognised on the due from related parties and only the balance amount of share of losses from these associates should be reserved for separately under other liabilities, to the extent of continuing involvement and obligation of the Group with its associates.

## 40. COMPARATIVE FIGURES (CONTINUED)

### Restatement of comparative figures (continued)

- Certain equity accounted investees which were previously erroneously classified as investment in associates are now reclassified as investment in joint ventures. These do not have any impact on the consolidated financial statements.

The above errors have been corrected by restating each of the affected consolidated financial statement items for the prior periods. Moreover, certain other comparative figures in the prior periods have been regrouped to conform to the presentation in the current year's consolidated financial statements. However, such regrouping does not have any effect on the net income, net assets and equity of the previous year.

The following tables summarise the impacts on the Group's consolidated financial statements.

The impact of the restatement as at 1 January 2021 is as follows:

Consolidated statement of financial position	As previously reported	Adjustment to correct error	Restated
<b>Non-current assets</b>			
Property and equipment	326,865,100	(9,946,393)	316,918,707
Right-of-use assets	77,008,763	(3,162,600)	73,846,163
	403,873,863	(13,108,993)	390,764,870
<b>Current assets</b>			
Due from related parties	196,025,536	(21,014,784)	175,010,752
Contract assets	576,487,822	(172,368,060)	404,119,762
Other assets	135,548,649	(3,658,288)	131,890,361
	908,062,007	(197,041,132)	711,020,875
<b>Non-current liabilities</b>			
Lease liabilities	63,644,435	(8,734,535)	54,909,900
	63,644,435	(8,734,535)	54,909,900
<b>Current liabilities</b>			
Lease liabilities	19,089,203	(388,251)	18,700,952
Contract liabilities	33,905,235	8,134,482	42,039,717
Other liabilities	228,558,551	(13,285,721)	215,272,830
	281,552,989	(5,539,490)	276,013,499
<b>Equity</b>			
Accumulated losses	(68,695,259)	(195,876,100)	(264,571,359)



The impact of the restatement as at 31 December 2021 is as follows:

Consolidated statement of financial position	As previously reported	Adjustment to correct error	Restated
<b>Non-current assets</b>			
Property and equipment	296,085,315	(12,072,919)	284,012,396
Right-of-use assets	89,660,335	(8,244,742)	81,415,593
	385,745,650	(20,317,661)	365,427,989
<b>Current assets</b>			
Due from related parties	252,071,586	(34,256,480)	217,815,106
Contract assets	515,439,268	(158,668,962)	356,770,306
Other assets	161,368,150	(4,063,859)	157,304,291
	928,879,004	(196,989,301)	731,889,703
<b>Non-current liabilities</b>			
Lease liabilities	82,332,107	(13,949,177)	68,382,930
	82,332,107	(13,949,177)	68,382,930
<b>Current liabilities</b>			
Lease liabilities	11,170,156	(302,838)	10,867,318
Contract liabilities	38,624,169	12,591,183	51,215,352
Other liabilities	200,927,322	(29,926,300)	171,001,022
	250,721,647	(17,637,955)	233,083,692
<b>Equity</b>			
Accumulated losses	(29,062,346)	(185,719,830)	(214,782,176)

The impact of the restatement for the year ended 31 December 2021 is as follows:

Consolidated statement of profit or loss	As previously reported	Adjustment to correct error	Restated
Revenue from contract with customers	1,436,578,238	9,242,398	1,445,820,636
Real estate revenue	96,657,110	11,837,065	108,494,175
	1,533,235,348	21,079,463	1,554,314,811
Operating cost	(1,135,820,495)	(1,485,101)	(1,137,305,596)
Other general and administrative expenses	(322,545,439)	3,348,586	(319,196,853)
Allowance for impairment of financial assets and contract assets	6,537,745	(17,261,857)	(10,724,112)
Finance income	2,480,139	5,559,300	8,039,439
Finance cost	(104,608,165)	(949,613)	(105,557,778)
Share of profit of equity accounted investees, net of tax	740,087	11,702,557	12,442,644
Other income	48,680,521	(11,837,065)	36,843,456
	(1,504,535,607)	(10,923,193)	(1,515,458,800)
Profit	59,089,665	10,156,270	69,245,935

## COMPARATIVE FIGURES (CONTINUED)

### Restatement of comparative figures (continued)

Statement of cash flows	As previously reported	Adjustment to correct error	Restated
Net cash from operating activities	327,645,887	(286,747)	327,359,140
Net cash used in investing activities	12,270,171	(69,610)	12,200,561
Net cash from financing activities	(443,727,350)	356,357	(443,370,993)
Net increase in cash and cash equivalents	(103,811,292)	-	(103,811,292)