

# Striding towards the future







السَّلَامُ الْعَالَمِيَّةُ  
SALAM INTERNATIONAL



**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 ABDULSALAM 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. Salam International was able to overcome many challenges over the past few years and became healthier and healthier, and this can be seen in the profits that the Company made in 2023 and the recommendations to distribute dividends to the Company's shareholders.

We, at Salam, are working towards the future, steadily, persistently, and optimistically, to reach higher levels of achievements. Salam will concentrate its efforts on the key activities: Oil & Gas, Information Technology, Interior & Fit-out, and Retail & Distribution.

Finally, I would take the opportunity to extend my deep gratitude to our shareholders and customers for their continuous support and trust, and we undertake to continue working wholeheartedly to achieve the Company's goals and mission. 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 devotion and hard work, wishing everyone all the best and prosperity.

**ISSA ABDULSALAM 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 since 2006 up to date. He graduated in 1981 from Aquinas University, Michigan - USA, with a major in Political Science and International Relationships. Former Head of Studies & Research Dept. – Ministry of Finance and Petrol, from 1981-1986. The Chairman of Al Sulaiman Holding Company since 1986. Board Member in the Technical Inspection Company (Fahes) from 16/02/2004 till 2009. Member of Qatar's Advisory Council since 2004 till 30/06/2021. Board member of the Qatari Businessmen Association since 2007 up to date. Member of the Board of the Qatari Chamber of Commerce and Industry since 2017 up to date. Member of the Tax Grievance Committee (General Tax Authority) from 2020 till the end of 2022. Founding partner in Qatar Hotels Association since 2020. Member of the Board of Directors of Qatar General Insurance and Reinsurance Co. since 25/04/2021 up to date, Chairman of the Gold & Jewels committee/Qatar Chamber since 2023 up to date, and a Member of the Federation of GCC Chambers of Commerce and Industry (FGCC Chambers) since 2024.



**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. He is 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, at Salam International Investment Limited. 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., 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. 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. 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.

# BOARD OF DIRECTORS REPORT



# Report of the Board of Directors to the General Assembly on the Company's Performance in 2023 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, I would like to warmly welcome you all. I would also like to present to you the Company's Annual Report for the year 2023.

## First - Future Plans of the Company:

The Board of Directors continues to closely monitor the developments on the international scene and their potential adverse repercussions on the global, regional, and local economy. This is in addition to the possible directions of the national economy.

Based on the directives of the Board, the Executive Management of the company continues to follow the conservative financial policy aimed at restructuring the subsidiaries, by stopping underachieving activities, reducing administrative and general expenses, and focusing on profitable activities.

## Second – Financial Results:

The consolidated financial statements for the fiscal year ending 31/12/2023 showed a Net Profit around QAR 52.6 million. However, after deducting the non-controlling interest, the Profit becomes about QAR 41.5 million. These profits are net profits after allocating all necessary provisions. The Earnings per Share amounted to about QAR 0.036.

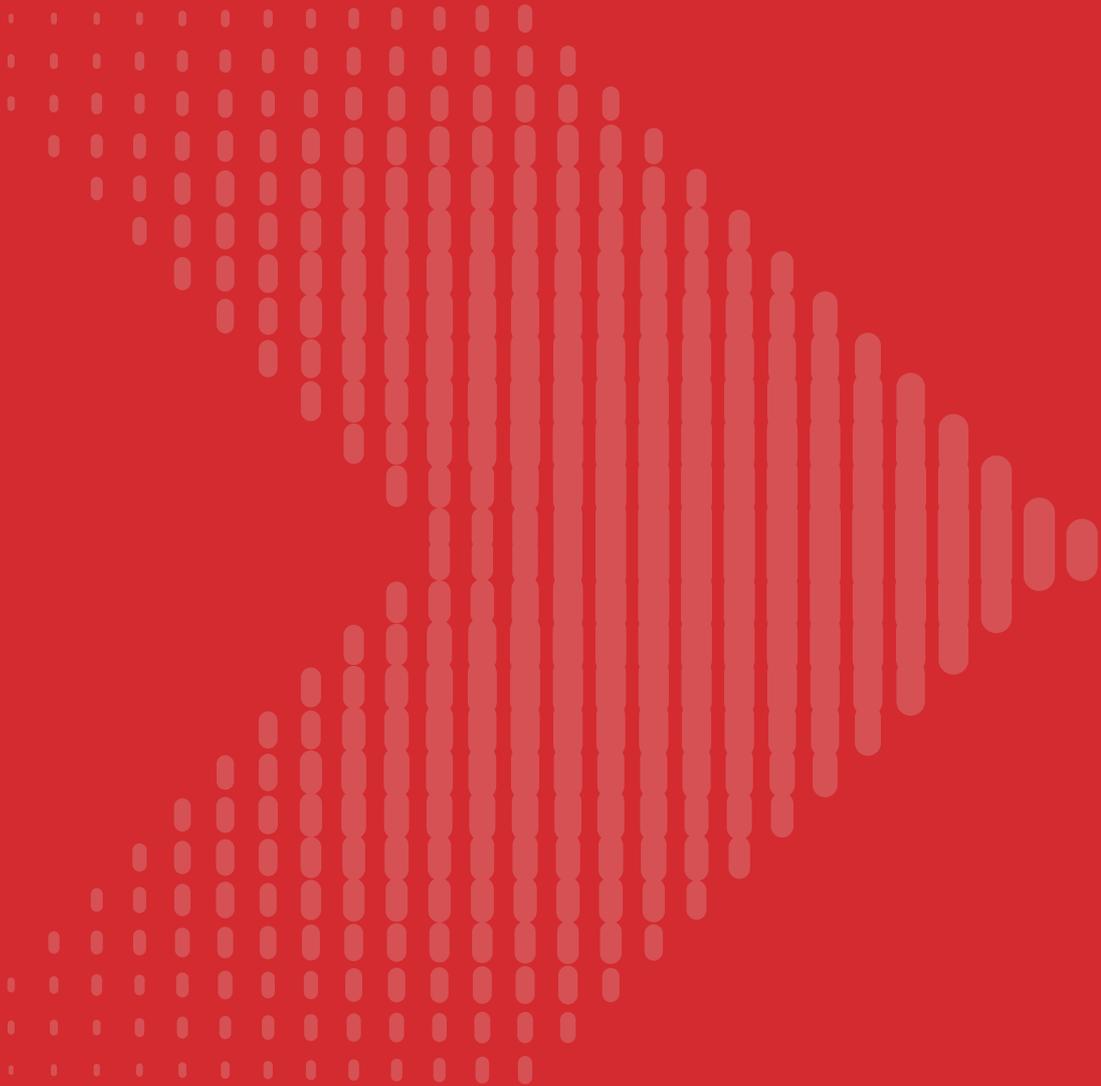
Based on the above-mentioned realized profits, the Board of Directors recommends to your esteemed General Assembly to approve the distribution of cash dividends to shareholders amounting to 3% of the paid-up capital.

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 ABDULSALAM 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 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 2023.

### **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 that is free from material misstatement and for the information contained therein. 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 19 February 2024, 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 also responsible for preventing and detecting fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities. 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.

### **Our Responsibilities**

Our responsibility is to examine the Statement prepared by the Company and to report thereon in the form of 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. That standard 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, 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 2023, 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 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 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, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's process or internal control over the preparation and fair presentation of the Statement.

Our engagement also 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, the suitability of the criteria used by the Company in preparing the Statement in the circumstances of the engagement, evaluating the appropriateness of the methods, 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 Board of Directors is responsible for the other information. The other information comprises the information to be included the Company's annual corporate governance report which is 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 and evidence obtained, 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 that the Company is in compliance with the articles of the Code except for the noncompliance as included in the Statement as at 31 December 2023.

## Emphasis of matter

We draw attention to noncompliance as included in the Board of Directors' Statement with respect to Article (8), Article (10), Article (12), Article (18), Article (19), 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.

3 March 2024  
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



# CORPORATE GOVERNANCE



# Fourteenth Corporate Governance Report Salam International Investment Limited (SIIL) 2023

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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-Eighth-Ninth-Tenth-Eleventh-Twelfth, and Thirteenth).

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 Fourteenth annual report (2023) “The Report”, which contains the modular typical sections in addition to the Company’s achievements during the year 2023 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 2023**

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 2023 with the exception of the following

#	Description of Non-Compliance	Reference
1	<p>A. The Company has not developed the Board Charter.</p> <p>However, subsequently, the company prepared the board charter and passed it to the board for approval in Q1 2024.</p> <p>B. The company did not communicate the Periodic compliance reports to the audit committee.</p> <p>However, subsequently, the periodic compliance reports have been developed and will be implemented in 2024.</p>	Article (8)

#	Description of Non-Compliance	Reference
	<p>C. The company did not develop the Annual training programs for the Board members, Executive Management and Company's employees.</p> <p>However, subsequently, annual trainings have been developed, completed and will be passed to the Board for approval in 2024.</p> <p>D. The Company did not obtain annual certifications from employees for their compliance with the Code of Conduct.</p> <p>The Code of Conduct was circulated to the employees and was included in the Company's manual, which they acknowledged. Also, it is posted on the board in the Company.</p> <p>The Company has obtained signed executive management's compliance declaration, but that does not require renewal.</p> <p>However, the Company will annually obtain certification from the Board members only for their compliance to the Code of Conduct starting from 2024.</p>	
2	<p>The company did not communicate the delegation of authority with the Board.</p> <p>However, Subsequently, The company developed and completed the delegation of authority and will pass it to the Board in Q1 2024 for approval.</p>	Article (10)
3	<p>The Board has not adequately assessed the performance of the Board Members in accordance with the policy approved by the Board.</p> <p>However, Subsequently, the Company developed and completed the assessment form, which is going to be implemented in 2024.</p>	Article (12)
4	<ul style="list-style-type: none"> <li>• The Company has not prepared the comprehensive annual performance assessment report of Board members.</li> </ul> <p>However, the nomination committee evaluated the performance of the Board and included the respective assessment in the minutes of the meeting of the Nomination committee.</p> <ul style="list-style-type: none"> <li>• The Company has not listed the following items in the minutes of the 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 for the Board Members and Company's employees on the topics of risk management, governance, and internal control.</li> </ul> </li> </ul>	Article (18)
5	<p>The annual reports of Board committees have not been submitted to the Board including its work and recommendations.</p>	Article (19)
6	<p>The Company has not obtained annual declarations of conflict of interest from employees only.</p> <p>However, the annual declarations of conflict of interest from Board members and Executive Management have been obtained. (Employees when signing the Employment contract undertake to inform the company of any conflict of interest, no annual declarations are taken).</p>	Article (26)

#	Description of Non-Compliance	Reference
7	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, Subsequently, it is being prepared and will be passed to the Board for review and approval in 2024.	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 2023.

## Section One

### Procedures followed by the Company during 2023, to Comply with the Requirements of the Code

**1.** During 2023, 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).

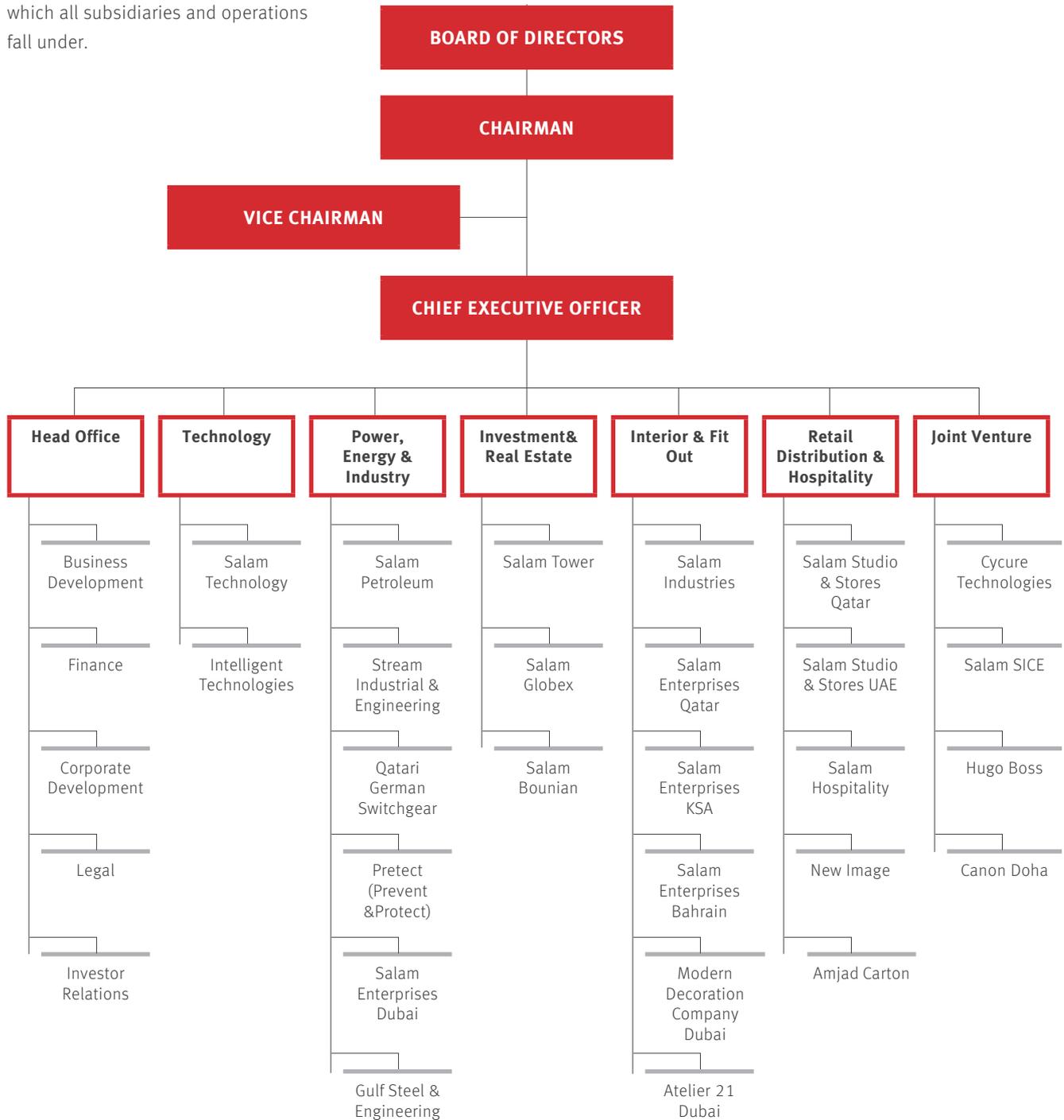
In 2017, the Board of Directors restructured the committees, so that the participation of all members of the Board in each committee is expanded. The charter and framework of the committees have also been published on the Company's website. Section Two of this report will detail the above-mentioned committees and their achievements during 2023.

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

During 2023, 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).

The Consultant M/s BDO developed 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. The program will be implemented in 2024.

## 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 31/12/2023

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>	100,003,506	8.75%
<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. Sheikh Nawaf is a prominent figure in the Qatar business community and an active contributor to the country's real estate and economic growth.</p> <p>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 since 2006 up to date. He graduated in 1981 from Aquinas University, Michigan - USA, with a major in Political Science and International Relationships. Former Head of Studies &amp; Research Dept. – Ministry of Finance and Petrol, from 1981-1986. The Chairman of Al Sulaiman Holding Company since 1986. Board Member in the Technical Inspection Company (Fahes) from 16/02/2004 till 2009. Member of Qatar's Advisory Council since 2004 till 30/06/2021. Board member of the Qatari Businessmen Association since 2007 up to date. Member of the Board of the Qatari Chamber of Commerce and Industry since 2017 up to date. Member of the Tax Grievance Committee (General Tax Authority) from 2020 till the end of 2022. Founding partner in Qatar Hotels Association since 2020. Member of the Board of Directors of Qatar General Insurance and Reinsurance Co. since 25/04/2021 up to date, Chairman of the Gold &amp; Jewels committee/Qatar Chamber since 2023 up to date, and a Member of the Federation of GCC Chambers of Commerce and Industry (FGCC Chambers) since 2024.</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. He is the founder of Thani Bin Ali Al Thani Law Firm for Legal Consulting and Arbitration.</p> <p>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 Haidar</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 Haidar Foods Co. and a Board Member at the following: Al Haidar 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 of Salam International Investment Limited. 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>	1,000,888	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>	1,000,000	0.09%

Name	Brief Description	No. of Shares	%
<p><b>His Excellency Sheikh Ali Bin Jassim bin Mohamed Jassim Al Thani</b> Member of the Board of Directors</p>	<p>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.</p>	1,900,000	0.17%
<p><b>Mr. Ahmed Rashed Ahmed Al-Moosafri</b> Member of the Board of Directors</p>	<p>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.</p>	100	
<p><b>Mr. Abdul Salam Issa Abu Issa</b> Member of the Board of Directors</p>	<p>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</p>	15,250,000	1.33%
<p><b>Dr. Adnan Ali Steitieh</b> Secretary of the Board of Directors</p>	<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.</p> <p>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.</p> <p>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. 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)
- **Non-Executives (non-independent):**
  - Mr. Issa Abdul Salam Abu Issa
  - Mr. Hussam Abdul Salam Abu Issa
  - Mr. Bassam 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 going 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. Nomination Policy- Board of Directors Membership:

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. 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 is currently working on updating the Board Charter which would be adopted early 2024.

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:

### Overview

The Corporate Delegation of Authority (DoA) clarifies roles and emphasizes the delineation of duties between Board of Directors (BOD), Board Committees, Executive Management, Corporate Managers, and other support staff of Salam International Investment Limited (SIIL), involved in decision making processes. Moreover, it defines and specifies the authorities to the extent to which they are authorized to commit in SIIL which have an organizational, administrative, and financial impact on the overall functioning of the SIIL.

The DoA was developed based upon the SIIL objectives to ensure proper control, governance, risk management, monitoring, internal controls and autonomy in decision making in order to achieve the business objectives of SIIL.

The DoA provides a reference point for determining authorities to approve specific courses of action and describes the process by which these authorities are delegated, reviewed, administered, and updated. However, the authorities shall be exercised in conjunction with established governance and operational policies and procedures of SIIL.

## Objective

The objective of the DoA is to ensure appropriate financial and operational management controls are applied to the decision process; in line with the guiding principles underpinning the views of SILL; whilst maintaining effectiveness of delivery, autonomy and accountability in the authority process.

The DoA contains the following:

- Functional areas involving decision authorities
- Specific detail of the authority to be delegated
- The positions to which the authority is delegated
- The applicable limits of any such authority
- Reporting / further action requirements in respect of the approval authority.

The DoA should conform with the principles of internal controls relating to the segregation of duties. SILL Management will delegate authorities according to the level and responsibilities of employees. These authorities will be directly and absolutely linked to positions and should only be exercised by individuals officially holding these positions and within the scope of their authority and responsibility.

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.

### 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 7 meetings during 2023 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 2023:

Meeting No.	Date	Members attending in person	Members attending via proxy	Absent
1/2023	12/02/2023	9	2	-
2/2023	19/04/2023	10	1	-
3/2023	20/06/2023	11	-	-
4/2023	09/08/2023	8	2	1
5/2023	27/09/2023	8	-	3
6/2023	24/10/2023	9	2	-
7/2023	12/12/2023	10	1	-

## 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.** 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.** 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 2023:**

- A.** The Committee held six meetings during 2023 where they discussed the 2023 budget, the final financial statements for the year 2022 and the quarterly and semi-annual financial statements for 2023. It also reviewed the final financial statements for 2023 in February 2024. 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 2023:**

- A.** The Committee held two meetings during 2023, evaluated the performance of the Board during the first half of 2023, and then evaluated the performance of the Board for the entire year 2023, and opened the nomination for the BOD membership for the term 2024-2026 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.

#### **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.** 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.
- D.** 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.
- E.** The Committee should supervise the application of the remuneration policies and principles.
- F.** 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.
- G.** The Committee should assume any other functions that fall within its competencies delegated to it by the Board of Directors.
- H.** 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 2023:**

- A.** The Committee held One meeting during 2023, in which it considered the remuneration of the Board of Directors’ committees for the year 2022, 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.

**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 2023:**

The Membership (Nominations) Committee conducted an objective evaluation of the performance of the Board of Directors during 2023, following the criteria adopted within the evaluation system and according to the following:

The Board held seven meetings in 2023. The members of the Board achieved a 100% attendance rate, of which 97.4% were attendees in person and 2.6% 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 2022. The Board reviewed, studied and discussed the quarterly and semi-annual financial statements for 2023 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 (25) resolutions in 2023 related to investment opportunities and operational issues for the Company and its subsidiaries, including five resolutions by circulation 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 2023.

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 9 press releases and 12 disclosures during 2023 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 2023:**

In implementation of the aforementioned remuneration policy, and despite achieving profits in the year 2023, 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
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	Executive Director - Business Development	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>Pacha 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 2023 was Qr. 7,806,954.**

## 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.

SILL prepared its Code of Conduct, as per the following:

#### a) Objective:

- To ensure the compliance of SILL, and its subsidiaries
- To elaborate the disseminated Code of Conduct and Corporate Compliance Policies, be it included within the Company Corporate Governance Reports or those of Board of Directors related committees among which is the Audit Committee.
- Create foundation for reaching the implementation of the mandatory requirements.
- To Enactment of a Rules of Conduct in respect

of any prospective Conflict of Interest that might arise between the private interests of those duties of employees.

#### b) Application:

- Board Members follow SILL's values and act honestly and with integrity in all their dealings.
- Code of Conduct should be applicable to all the Company employees, consultants, and associates.

#### c) Local and foreign laws:

- Employees shall avoid breaking or seek to evade, directly or indirectly, the laws or regulations of any country in, or which SILL seeks to do business.

#### d) Avoidance of Conflict of Interest:

- Employees shall avoid Conflicts of Interest and disclose to the Company and the Audit Committee that handles the Conflict-of-Interest issues whenever they may arise.
- Employees shall avoid any relationship or activity that might impair, or appear to impair, the ability to render objective and appropriate business decisions in the performance of Company's job.

#### e) Dealing with Former Employees

- Employees who have in the course of their employment official dealings with former employees of the Company, who are governed by the post-employment measures set out in the Company's employment contract or any ancillary documents, must report this fact to their manager(s) who has the duty to elevate the same to the higher line of management in a manner that ensures transparency and reporting to the Audit Committee as needed.

#### 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. Company cash flow status.
  4. 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.

### Action Taken on Risk Management

The company submitted the company's organizational risk management framework (ERM), the risk register, and everything related to risk management in the company, covering the functions of finance, human resources, strategic planning, marketing and communication, information

technology, and legal affairs, to the Board of Directors, after receiving them from the external consultant, in August 2023 for review and approval.

## 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:**

### **I. Purpose**

Salam International Investment Limited (SIIL) should have the setup of a succession plan to provide continuity in leadership and avoid extended and costly vacancies in key positions. SIIL's succession plan will be designed to identify and prepare candidates for high-level management positions that become vacant due to retirement, resignation, death, or new business opportunities.

### **II. Policy**

The policy of SIIL will be to assess the leadership needs of the Company to ensure the selection of qualified leaders that are diverse and a good fit for the organization's mission and goals and have the necessary skills for the organization.

### **III. Roles and responsibilities**

#### **1. Board Of Directors:**

- The Board of Directors (the "Board") and the CEO have pivotal role in succession planning.
- The Board is responsible for succession planning for the CEO position by hiring or internally promoting the new CEO, when the existing CEO leaves, and ensure the new CEO has the required skills to implement the Company's mission and vision.
- The CEO, through the Budget and Planning Committee and Human Resource Department, oversees Executive Officer, Developments, and corporate succession plans for the Executive officers to provide continuity in Senior Management.

The CEO is responsible for ensuring a Succession plan is in place for other key positions in the Company with the assistance from the Senior Management team and Human Resource Department.

#### **2. Human Resources**

- Ensure position descriptions allow for multi skilling.
- Build a data base that can be used to make better staffing decisions for key jobs and for back up staff during periods of leaves, vacancies, or unforeseen events.

- Provide advice and support to managers and staff in identifying and implementing the objectives within in policy.
- Improve employee commitment and retention.
- Meet the career development expectations and training needs of existing employees within budgets annually through the performance review process.

#### **IV. Succession Planning Guidelines**

Succession Planning shall be anchored on the company's short and long-term corporate goals and objectives to ensure the continuity of an effective organizational performance and attainment of business objectives and targets through succession planning programs.

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

Key functions and positions included under the Succession Planning phase shall be identified for key positions, in consultation with all departments concerned, and shall be based on:

- Areas of competencies
- Criticality – positions which, if removed, will cause a significant loss to the company, or have a critical impact on the company's ability to conduct normal business; and
- Retention - functions that represent the highest retention risks.

#### **V. Review and Amendment:**

- The Board of Directors on its own and / or as per the recommendations of the Nomination Committee, The CEO, Budget and Planning Committee or Human resources department can amend this policy, as and when deemed fit or required.
- In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

#### **VI. Regulatory Compliance**

This policy is prepared taking into consideration the laws and regulations in the State of Qatar, which includes – but not limited to – QFMA Governance code for companies & Legal entities listed on the Main Market issued by the QFMA's Board pursuant to Decision No. (5) of 2016, (the QFMA Corporate Governance Code); Qatar Exchange (QSE) Regulations, and Commercial Companies Law No. 11 of 2015 and its amendments No. 8 of 2021.

This Policy has also been developed in line with the Company's Employment Policy, Nomination Committee Policy and Human Resources Guideline and Practices.

In the event that a conflict exists between this policy and regulatory pronouncements, the latter shall take precedence. Amendments to this policy shall be required to ensure compliance.

##### **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 2023.

## 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, SILL 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 SILL 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.

### SILL Social Contributions and Activities during 2023:

1	Hathab Equestrian Tour – Season 2023
2	Blood Donation Drive
3	Qatar National Sports Day
4	Assistive Technology Center Qatar (MADA)
5	Donation for Qatar Society for Rehabilitation of People with Special Needs
6	Palestinian Cultural Heritage Festival

## 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:

- Prepare the Internal Audit Charter to identify authorities and responsibilities.
- Risk assessment of the Company's activities and accounting operations.
- Identification of the major business risks in terms of importance and probability of occurrence.
- Internal audit plan for risk assessment and assistance in achieving strategic objectives.
- 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 pro-cedures 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 2023 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 2023.

### External audit:

The General Assembly annually appoints an external auditor, from one of the senior external auditors accredited by and registered with the Ministry of Commerce & Industry and the QFMA. Its mission includes auditing the company's financials, in accordance with international accounting standards, which consist of the consolidated statement of financial position at the end of each fiscal year, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in ownership rights, the statement of cash flows for the financial year, and the notes that include a summary of significant accounting policies and other explanatory notes.

“In 2023, the Audit Fees, paid to the External Auditors M/s KPMG, amounted to QR. 873,000 and Non-Audit Fees amounted to QR. 424,500”.

### 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 31/12/2023 has reached 5,576 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	100,003,506	8.75%
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 2023

	December	
	2023	2022
Sales of goods and services	6,907,503.00	4,482,115.00
Real Estate Income	27,804,092.00	27,146,638.00
Cost of goods sold	862,366.00	644,685.00
Other Income	751,374.00	844,023.00
Finance Income	11,554,717.00	7,536,100.00
Other Expenses	739,418.00	698,836.00
Dividends received	12,365,253.00	18,118,623.00

## Section Six

### Transparency and Disclosure

#### 34. Litigation and Lawsuits:

Salam International and its subsidiaries have filed several law cases and have some cases filed against them. However, none of the cases has a major impact on the operation of the Company.

### 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 2023.

### 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 2023 a total of 21 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.

## Section Seven

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

The Company continued, during 2023, 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 2024:

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 - 2023

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 (SIIL) 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.

SIIL's expertise across its different businesses enables us to deliver key solutions in the sectors and economies in which we operate. Throughout its evolution SIIL 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 SIIL 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, SIIL 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 SIIL 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 SIIL'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 2023



## **HATHAB EQUESTRIAN TOUR SEASON 2023 – SALAM INTERNATIONAL**

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.

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**

On the 31st of May 2023, Salam International made a meaningful contribution to Qatar’s blood donation drive launched by Hamad Medical Corporation.

SIIL encouraged the group’s employees and visitors alike to donate blood at its retail shopping destination, The Gate Mall. This campaign resulted in donations from amongst Salam’s employees and visitors. SIIL is glad to have contributed in this manner to Hamad Medical Corporations’ desire to save lives and support those who suffer from blood diseases or need blood during surgery.

**ASSISTIVE TECHNOLOGY CENTER QATAR (MADA) – SALAM INTERNATIONAL**

Salam was delighted to support MADA and share its mission by contributing digital devices for students with visual disabilities. Mada – Assistive Technology Canter Qatar is a private institution for public benefit, which was founded in 2010 as an initiative that aims at promoting digital inclusion and building a technology-based community that meets the needs of persons with disabilities (PWDs) in Qatar.

**QATAR SOCIETY FOR REHABILITATION OF PEOPLE WITH SPECIAL NEEDS – SALAM INTERNATIONAL**

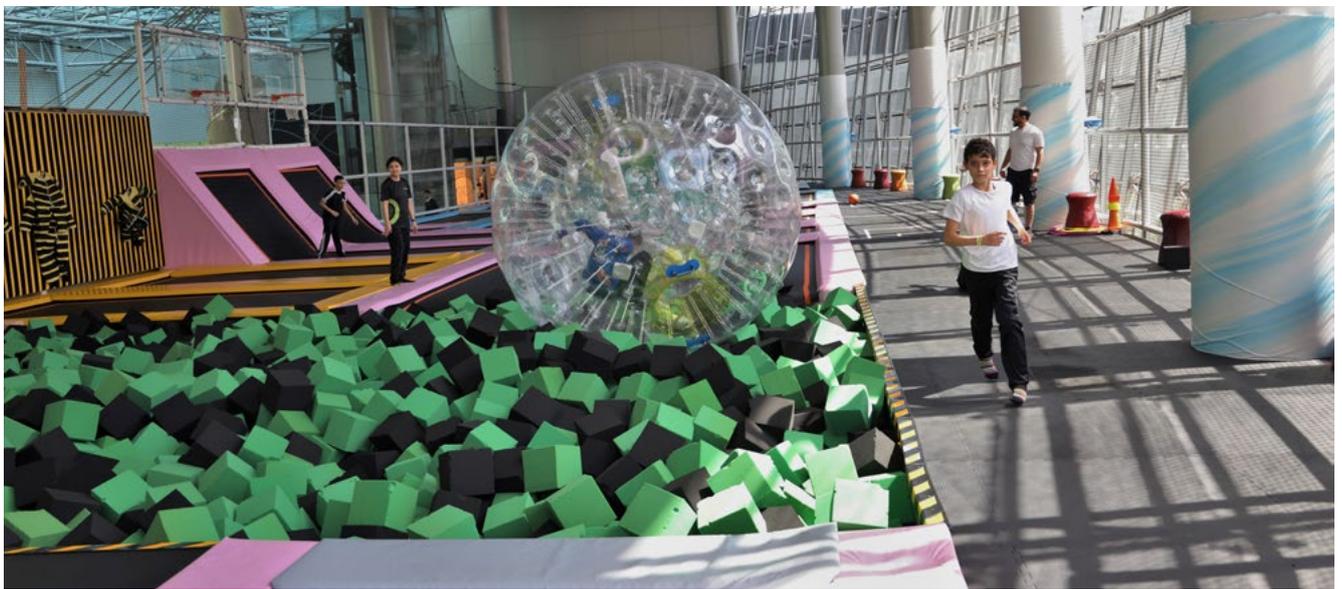
Salam International donated funds for Qatar Society for Rehabilitation of People with Special Needs. The Qatar Society for Rehabilitation and Special Needs is a non-government funded organisation that primarily provides integrated care for children and young adults with special needs and disabilities.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

**PALESTINIAN CULTURAL HERITAGE FESTIVAL – SALAM INTERNATIONAL**

Salam International is grateful to extend its support to Palestinian Cultural Heritage Festival in partner with Final Vision. The festival run from May 4-13, 2023, at Katara showcasing Palestinian history, landmarks, food, and live handicrafts.

## QATAR NATIONAL SPORTS DAY

Salam International was delighted to join Qatar's national drive for an active healthy lifestyle. We celebrated Qatar National Sport Day with multiple, exciting activities at a variety of locations. Among our activities were Table Tennis, Trampoline, Padel and Basketball Tournament. We are pleased to report that our celebrations drew support from the Salam family and the effort was indeed a great success.



# 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.

# 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

### **BUSINESS DEVELOPMENT**

Salam The Gate Mall Tower 1, 9th Floor  
TEL: +974 4448 5771  
P.O. BOX 15224, DOHA-QATAR  
E-mail: m.abuissa@salaminternational.com

## **CORPORATE FINANCE**

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

Salam The Gate Mall Tower 1, 4th Floor  
TEL: +974 4411 0801  
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  
Email: siiil\_legal@salaminternational.com

## **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**

SIIL 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, 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: +966 112932470  
P.O. BOX 85021, Kingdom of Saudi Arabia  
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 Design  
Email: mail@atelier-salam.com

#### **MODERN DECORATION COMPANY**

TEL: +971 4 8104900  
FAX: +971 4 8853633  
P.O. BOX 50797, 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 4407 7280  
FAX: +974 4407 7281  
P.O. BOX 24845, DOHA-QATAR  
Activity: Turnkey Solution provider  
Email: sales@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: salam.wafi@salams.com

**NEW IMAGE BUILDING SERVICES**

TEL: +974 4020 6444  
P.O. BOX 24621, DOHA-QATAR  
Activity: Facility Management  
E-mail: info@newimagegulfstates.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**

SILL 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**

P.O. BOX 20839 Doha Qatar  
E-mail: info@sice-salam.com

**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.**

## 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 2023, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting 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 2023 amounted to QR 2,243,726,706 (2022: QR 2,370,885,601), which represents 50% (2022: 51%) of the Group’s total assets, hence a material portion of the consolidated statement of financial position as at 31 December 2023.</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>

## 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 Accounting 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.
- 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 2023.

15 February 2024  
Doha  
State of Qatar

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

**SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C.**  
**Consolidated statement of financial position**  
**As at 31 December 2023**

In Qatari Riyals

<b>Assets</b>	<b>Note</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Property and equipment	9	260,170,628	284,326,849
Right-of-use assets	10 (l)	68,982,943	78,637,376
Intangible assets and goodwill	11	70,410,197	73,976,632
Investment properties	12	2,243,726,706	2,370,885,601
Equity-accounted investees	13	209,751,637	212,683,483
Investment securities	14	93,843,039	87,099,465
Retention receivables	15 (l)	34,137,381	43,259,430
Loans to associate companies	18 (b)	24,435,928	23,842,487
Other assets	16	10,471,620	11,272,372
<b>Non-current assets</b>		<b>3,015,930,079</b>	<b>3,185,983,695</b>
Inventories	17	291,948,052	281,468,399
Due from related parties	18 (d)	276,930,306	246,625,945
Retention receivables	15 (l)	30,813,534	45,930,427
Contract assets	19	147,850,834	137,318,369
Trade and other receivables	20	308,440,320	504,983,295
Other assets	16	128,034,642	144,262,766
Cash and cash equivalents	21	257,994,794	92,810,183
<b>Current assets</b>		<b>1,442,012,482</b>	<b>1,453,399,384</b>
<b>Total assets</b>		<b>4,457,942,561</b>	<b>4,639,383,079</b>

**SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C.**  
**Consolidated statement of financial position (continued)**  
**As at 31 December 2023**

In Qatari Riyals

	Note	31 December 2023	31 December 2022
<b>Equity</b>			
Share capital	22	1,143,145,870	1,143,145,870
Legal reserve	23	319,987,382	477,675,924
Fair value reserve		(26,704,981)	(36,661,963)
Retained earnings / (accumulated losses)		36,454,600	(161,840,172)
<b>Equity attributable to owners of the Company</b>		<b>1,472,882,871</b>	<b>1,422,319,659</b>
Non-controlling interests	24	257,787,082	246,922,663
<b>Total equity</b>		<b>1,730,669,953</b>	<b>1,669,242,322</b>
<b>Liabilities</b>			
Borrowings	25	1,764,089,424	1,811,237,584
Lease liabilities	10 (II)	59,155,872	67,895,323
Employees' end of service benefits	26	52,687,100	56,164,592
Retention payables	15 (II)	3,576,979	3,729,541
Trade and other payables	28	550,000	1,100,000
<b>Non-current liabilities</b>		<b>1,880,059,375</b>	<b>1,940,127,040</b>
Due to related parties	18 (e)	2,042,955	1,424,632
Bank overdrafts	21	50,438,787	80,096,311
Borrowings	25	329,724,836	475,771,739
Lease liabilities	10 (II)	8,149,001	11,218,289
Retention payables	15 (II)	10,379,358	11,487,375
Advances from customers		72,752,258	77,233,260
Contract liabilities	19	39,073,992	30,217,564
Other liabilities	27	136,581,429	135,290,130
Trade and other payables	28	198,070,617	207,274,417
<b>Current liabilities</b>		<b>847,213,233</b>	<b>1,030,013,717</b>
<b>Total liabilities</b>		<b>2,727,272,608</b>	<b>2,970,140,757</b>
<b>Total equity and liabilities</b>		<b>4,457,942,561</b>	<b>4,639,383,079</b>

These consolidated financial statements were approved by the Board of Directors and signed on its behalf by the following on 15 February 2024:

**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 2023**

In Qatari Riyals

	Note	2023	2022
Revenue from contract with customers		1,422,541,032	1,480,117,690
Real estate revenue		116,052,648	111,119,339
<b>Revenue</b>	29	<b>1,538,593,680</b>	1,591,237,029
Operating cost	30	(1,078,947,287)	(1,150,365,798)
<b>Gross profit</b>		<b>459,646,393</b>	440,871,231
Other income	32	49,941,279	42,072,973
General and administrative expenses	31	(337,119,356)	(329,151,409)
Impairment of goodwill	11 (i)	-	(15,178,083)
Allowance for impairment of financial assets and contract assets	41 C (l)	(19,560,879)	(30,604,353)
Net gain on investment properties	33	21,355,958	60,295,963
<b>Operating profit</b>		<b>174,263,395</b>	168,306,322
Finance cost		(143,632,880)	(110,674,719)
Finance income		15,452,042	8,218,048
<b>Net finance cost</b>	34	<b>(128,180,838)</b>	(102,456,671)
Share of profit of equity accounted investees, net of tax	13	8,905,407	16,091,238
<b>Profit before tax</b>		<b>54,987,964</b>	81,940,889
Income tax expense	35	(2,412,664)	(1,467,314)
<b>Profit for the year</b>		<b>52,575,300</b>	80,473,575
<b>Profit attributable to:</b>			
Owners of the Company		41,516,301	60,232,742
Non-controlling interests	24	11,058,999	20,240,833
<b>Profit for the year</b>		<b>52,575,300</b>	80,473,575
<b>Earnings per share</b>			
Basic and diluted earnings per share	37	<b>0.036</b>	0.053

**SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C.**  
**Consolidated statement of comprehensive income**  
**For the year ended 31 December 2023**

In Qatari Riyals

		2023	2022
Profit for the year		<b>52,575,300</b>	80,473,575
<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	11,144,296	(3,946,689)
<b>Other comprehensive income for the year</b>		<b>11,144,296</b>	(3,946,689)
<b>Total comprehensive income for the year</b>		<b>63,719,596</b>	76,526,886
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		51,473,283	56,093,884
Non-controlling interests		12,246,313	20,433,002
<b>Total comprehensive income for the year</b>		<b>63,719,596</b>	76,526,886

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

## Consolidated statement of changes in equity

### For the year ended 31 December 2023

In Qatari Riyals

	Attributable to owners of the Company						Total equity
	Share capital	Legal reserve	Fair value reserve	Retained earnings	Total	Non-controlling interests	
Balance at 1 January 2023	1,143,145,870	477,675,924	(36,661,963)	(161,840,172)	1,422,319,659	246,922,663	1,669,242,322
Profit for the year	-	-	-	41,516,301	41,516,301	11,058,999	52,575,300
Other comprehensive income for the year	-	-	9,956,982	-	9,956,982	1,187,314	11,144,296
<b>Total comprehensive income for the year</b>	-	-	9,956,982	41,516,301	51,473,283	12,246,313	63,719,596
<i>Transactions with owners of the Company</i>							
Net movement in non-controlling interests	-	-	-	-	-	(1,079,468)	(1,079,468)
Acquisition of non-controlling interests without a change in control (Note 36 (c))	-	-	-	127,836	127,836	(302,426)	(174,590)
Total transactions with owners of the Company	-	-	-	127,836	127,836	(1,381,894)	(1,254,058)
Transfer to legal reserve	-	4,151,630	-	(4,151,630)	-	-	-
Absorption of accumulated losses (i)	-	(161,840,172)	-	161,840,172	-	-	-
Transfer to social and sports development fund (Note 38)	-	-	-	(1,037,907)	(1,037,907)	-	(1,037,907)
<b>Balance at 31 December 2023</b>	<b>1,143,145,870</b>	<b>319,987,382</b>	<b>(26,704,981)</b>	<b>36,454,600</b>	<b>1,472,882,871</b>	<b>257,787,082</b>	<b>1,730,669,953</b>

(i) During the year, the Group utilised the legal reserve to absorb accumulated losses as of 31 December 2022, which amounted to QR 161,840,172. This absorption was approved in the Extraordinary General Assembly Meeting held on 1 November 2023.

**SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C.**  
**Consolidated statement of changes in equity (continued)**  
**For the year ended 31 December 2023**

In Qatari Riyals

	Attributable to owners of the Company						Total equity
	Share capital	Legal reserve	Fair value reserve	Accumulated losses	Total	Non-controlling interests	
Balance at 1 January 2022	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 36 (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 38)	-	-	-	(1,505,818)	(1,505,818)	-	(1,505,818)
<b>Balance at 31 December 2022</b>	1,143,145,870	477,675,924	(36,661,963)	(161,840,172)	1,422,319,659	246,922,663	1,669,242,322

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

## Consolidated statement of cash flows

### For the year ended 31 December 2023

In Qatari Riyals

	Note	2023	2022
<b>Cash flows from operating activities</b>			
Profit before tax		54,987,964	81,940,889
<i>Adjustments for:</i>			
– Depreciation of property and equipment	9	52,676,354	62,012,640
– Write-offs of property and equipment and intangible assets	9 & 11	3,868,365	31,626
– Amortization of intangible assets	11	3,684,479	3,812,537
– Depreciation on right-of-use assets	10 (I)	12,683,421	15,080,952
– Net gain on fair valuation of investment properties	12	(24,128,235)	(56,503,813)
– Loss / (gain) on disposal of investment properties	33	2,772,277	(3,792,150)
– Gain on disposal of investment in equity-accounted investees	32	-	(3,554,108)
– Goodwill written off	11	-	15,178,083
– Provision for slow moving inventories	17	12,303,189	10,211,228
– Allowance for impairment of financial assets and contract assets.	41 C (I)	19,560,879	30,604,353
– Provision for employees' end of service benefits	26	9,317,072	8,466,019
– Profit on disposal of property and equipment	32	(3,987,256)	(495,705)
– Finance costs	34	145,406,349	119,468,942
– Interest income	34	(13,562,735)	(7,688,980)
– Dividend income	34	(1,889,307)	(529,068)
– Lease concession received	32	(1,427,956)	(2,920,158)
– Gain on derecognition of right-of-use assets and lease liabilities	32	(3,886,471)	(214,658)
– Share of results from equity-accounted investees	13	(8,905,407)	(16,091,238)
		259,472,982	255,017,391
<b>Changes in:</b>			
– Inventories		(22,782,842)	(83,282,817)
– Other assets		17,028,876	12,650,926
– Due from related parties		(31,819,983)	(30,378,726)
– Retention receivables		24,238,942	28,310,402
– Contract assets		(10,673,131)	224,070,729
– Trade and other receivables		189,599,660	(144,282,304)
– Due to related parties		618,323	(23,072,482)
– Retention payables		(1,260,579)	(6,797,742)
– Advances from customers		(4,481,002)	(34,002,493)
– Contract liabilities		8,856,428	(20,997,788)
– Trade and other payables		(9,753,800)	6,766,319
– Other liabilities		(777,548)	(32,551,729)
Cash generated from operating activities		418,266,326	151,449,686
Employees' end of service benefits paid	26	(12,794,564)	(12,798,265)
Income tax paid		(1,381,724)	(267,590)
<b>Net cash from operating activities</b>		<b>404,090,038</b>	138,383,831

**SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C.**  
**Consolidated statement of cash flows (continued)**  
**For the year ended 31 December 2023**

In Qatari Riyals

	Note	2023	2022
<b>Cash flows from investing activities</b>			
Acquisition of property and equipment	9	(38,069,458)	(41,786,854)
Proceeds from disposal of property and equipment	9	9,683,119	2,141,264
Proceeds from sale of investment securities	14	4,400,722	17,495,809
Proceeds from disposal of investment properties	12	148,514,853	18,415,912
Acquisitions of investment in equity-accounted investees	13	(528,000)	(528,000)
Cash received from business acquisition	36	-	64,395
Proceeds from disposal of equity-accounted investees	13	-	4,015,000
Acquisitions of intangible assets	11	(132,947)	(34,521)
Dividends received from equity-accounted investees	13	12,365,253	18,118,623
Dividends received	34	1,889,307	529,068
Interest received		2,008,018	152,881
<b>Net cash from investing activities</b>		<b>140,130,867</b>	18,583,577
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	25	475,771,342	403,141,478
Repayment of borrowings	25	(686,824,602)	(558,843,386)
Net movement in margin deposits against guarantees		(3,004,293)	(402,999)
Net movement in term deposit	21	(84,760,000)	-
Acquisition of non-controlling interests	36	(174,590)	(577,960)
Net movement in non-controlling interests	24	(1,079,468)	(272,783)
Payment of lease liabilities	10 (II)	(9,523,300)	(9,304,555)
Finance costs paid		(127,548,152)	(83,225,758)
<b>Net cash used in financing activities</b>		<b>(437,143,063)</b>	(249,485,963)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>107,077,842</b>	(92,518,555)
Cash and cash equivalents at 1 January		9,956,457	102,475,012
<b>Cash and cash equivalents at 31 December</b>	21	<b>117,034,299</b>	9,956,457

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

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

**For the year ended 31 December 2023**

### **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 2023 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 Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). They were authorised for issue by the Company’s board of directors on 15 February 2024.

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

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

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

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

These consolidated financial statements have been prepared under historical cost basis except for the 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.

#### ***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.

## 5 USE OF JUDGEMENT AND ESTIMATES (CONTINUED)

### 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 41 – Investment securities

## 6. CHANGES IN MATERIAL ACCOUNTING POLICIES

### *New standards, amendments, and interpretations effective for annual reporting period beginning on 1 January 2023.*

The Group adopted below amended IFRS Accounting Standards ("IFRS" or "standards") that are effective for the annual reporting period beginning on 1 January 2023:

Effective date	New standards or amendments
1 January 2023	<ul style="list-style-type: none"> <li>• IFRS 17 Insurance Contracts, including amendments.</li> <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>• Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)</li> </ul>
23 May 2023	<ul style="list-style-type: none"> <li>• Amendments to IAS 12 - International Tax Reform – Pillar Two Model Rules</li> </ul>

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

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the consolidated financial statements. Management reviewed the accounting policies and made updates to the information disclosed in Note 7 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments. Other than the

above, these amendments had no impact on the consolidated financial statements of the Group.

***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 2023 have not been applied in preparing these consolidated financial statements.

Effective date	New standards or amendments
1 January 2024	<ul style="list-style-type: none"> <li>• Non-current Liabilities with Covenants (Amendments to IAS 1)</li> <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> <li>• Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7</li> </ul>
1 January 2025	<ul style="list-style-type: none"> <li>• Lack of Exchangeability – Amendments to IAS 21</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. MATERIAL ACCOUNTING POLICIES

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

### 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 36.

#### 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 36.

## 7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### a) Basis of consolidation (continued)

#### 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.

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.

### 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.

## 7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 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.

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.

## 7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### j) Financial instruments (continued)

#### ii) Classification and subsequent measurement (continued)

##### *Financial assets (continued)*

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.

**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.

## 7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 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.

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.

## 7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (n) Income tax (continued)

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.

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.

## 7 MATERIAL ACCOUNTING POLICIES (CONTINUED)

### q) Fair value measurement (continued)

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 41.

### 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 41.

### iii) Market risk

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

#### **Currency risk**

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

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

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

#### **Interest rate risk**

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

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

#### **Equity price risk**

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

Further information about the Group's exposure to market risk are provided in Note 41.

### **Capital management**

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

### **Gearing ratio**

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

The gearing ratios at the year end are as follows:

	2023	2022
Debt (Note 25)	2,093,814,260	2,287,009,323
Cash and cash equivalents (net of bank overdraft)	(207,556,007)	(12,713,872)
<b>Net debt (a)</b>	<b>1,886,258,253</b>	2,274,295,451
<b>Equity (b)</b>	<b>1,730,669,953</b>	1,669,242,322
<b>Net debt to equity</b>	<b>109%</b>	136%

(a) Net debt is defined as long and short-term borrowing, 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 2023	304,991,085	327,024,086	92,937,429	42,441,164	223,991,652	8,182,699	999,568,115
Additions	438,520	3,212,611	412,599	3,405,824	6,349,780	24,250,124	38,069,458
Disposals	-	(58,834)	(664,316)	(3,853,935)	(13,920,504)	-	(18,497,589)
Transfers	-	5,112,669	-	-	44,473	(5,157,142)	-
Write-offs	-	(14,507,696)	(2,237,495)	-	(2,911,297)	-	(19,656,488)
Balance at 31 December 2023	305,429,605	320,782,836	90,448,217	41,993,053	213,554,104	27,275,681	999,483,496
<b>Accumulated depreciation</b>							
Balance at 1 January 2023	147,751,663	254,540,949	85,988,803	36,450,970	190,508,881	-	715,241,266
Depreciation (iii)	9,013,435	23,174,282	3,184,812	3,114,575	14,189,250	-	52,676,354
Disposals	-	(62,466)	(565,894)	(3,828,379)	(8,344,987)	-	(12,801,726)
Write-offs	-	(11,001,149)	(1,911,608)	-	(2,890,269)	-	(15,803,026)
Balance at 31 December 2023	156,765,098	266,651,616	86,696,113	35,737,166	193,462,875	-	739,312,868
<b>Carrying amounts</b>							
<b>At 31 December 2023 (iv)</b>	<b>148,664,507</b>	<b>54,131,220</b>	<b>3,752,104</b>	<b>6,255,887</b>	<b>20,091,229</b>	<b>27,275,681</b>	<b>260,170,628</b>

	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	305,159,372	304,742,426	97,871,166	42,263,334	200,281,983	10,963,672	961,281,953
Reclassifications	-	(128,718)	120,199	-	(936,321)	944,840	-
Adjustments	(126,057)	(50)	(1,878)	(283,765)	(5,510,574)	-	(5,922,324)
Balance at 1 January 2022 (adjusted)	305,033,315	304,613,658	97,989,487	41,979,569	193,835,088	11,908,512	955,359,629
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 36)	-	3,233,099	41,185	194,173	13,266,798	-	16,735,255
Write-offs	-	-	(224,607)	-	-	-	(224,607)
Balance at 31 December 2022	304,991,085	327,024,086	92,937,429	42,441,164	223,991,652	8,182,699	999,568,115
<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
Reclassifications	(630)	(112,150)	112,780	5	(5)	-	-
Adjustments	(126,108)	1,399	(4,446)	(283,765)	(5,509,404)	-	(5,922,324)
Balance at 1 January 2022 (adjusted)	138,575,992	232,063,298	87,724,838	35,078,429	177,904,676	-	671,347,233
Depreciation (iii)	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	147,751,663	254,540,949	85,988,803	36,450,970	190,508,881	-	715,241,266
<b>Carrying amounts</b>							
<b>At 31 December 2022 (iv)</b>	157,239,422	72,483,137	6,948,626	5,990,194	33,482,771	8,182,699	284,326,849

## 9 PROPERTY AND EQUIPMENT (CONTINUED)

- (i) This includes buildings costing value at the reporting date amounted to QR 162,519,738 (2022: 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 94,359,672 (31 December 2022: QR 97,246,289) (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:

	2023	2022
Operating cost (Note 30)	5,712,034	17,531,807
General and administrative expenses (Note 31)	46,964,320	44,480,833
Depreciation in the consolidated statement of profit or loss	<b>52,676,354</b>	62,012,640

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

	2023	2022
Carrying amounts	5,695,863	1,645,559
Gain from sales of property and equipment (Note 32)	3,987,256	495,705
Proceeds from disposal of property and equipment	<b>9,683,119</b>	2,141,264

## 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.

#### I. 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 and other properties	
	2023	2022
<b>Costs</b>		
Balance at 1 January	145,224,313	135,336,597
Additions	22,685,289	15,477,506
Derecognition (i)	(39,493,943)	(5,589,790)
<b>Balance at 31 December</b>	<b>128,415,659</b>	<b>145,224,313</b>
<b>Accumulated depreciation</b>		
Balance at 1 January	66,586,937	53,921,004
Depreciation (ii)	12,683,421	15,080,952
Derecognition (i)	(19,837,642)	(2,415,019)
<b>Balance at 31 December</b>	<b>59,432,716</b>	<b>66,586,937</b>
<b>Carrying amounts</b>		
<b>At 31 December</b>	<b>68,982,943</b>	<b>78,637,376</b>

(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:

	2023	2022
Operating cost (Note 30)	2,243,326	2,823,837
General and administrative expenses (Note 31)	10,440,095	12,257,115
Depreciation in the consolidated statement of profit or loss	<b>12,683,421</b>	15,080,952

## II. Lease liabilities

	2023	2022
Balance at 1 January	79,113,612	79,250,248
Additions	22,685,289	15,477,506
Interest expense (i)	4,098,966	3,915,274
Principal repayments	(9,523,300)	(9,304,555)
Interest paid	(4,098,966)	(3,915,274)
Rent concession received on account of COVID-19 (ii)	-	(2,920,158)
Rent concession	(1,427,956)	-
Derecognition	(23,542,772)	(3,389,429)
<b>Balance at 31 December</b>	<b>67,304,873</b>	<b>79,113,612</b>

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

	2023	2022
Current	8,149,001	11,218,289
Non-current	59,155,872	67,895,323
	<b>67,304,873</b>	<b>79,113,612</b>

## 10 LEASES (CONTINUED)

### A. Group as lessee (continued)

#### II. Lease liabilities (continued)

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

	2023	2022
No later than 1 year	11,646,514	16,147,220
Later than 1 year and no later than 5 years	35,469,088	50,672,317
Later than 5 years	49,188,340	42,783,160
Total undiscounted lease liabilities at 31 December	96,303,942	109,602,697
Future finance charges of finance leases	(28,999,069)	(30,489,085)
Lease liabilities included in the statement of financial position at 31 December	<b>67,304,873</b>	79,113,612

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

	2023	2022
Operating cost (Note 30)	833,405	1,083,472
General and administration cost (Note 31)	-	324
Finance costs (Note 34)	3,265,561	2,831,478
	<b>4,098,966</b>	3,915,274

(ii) As a consequence of COVID-19 pandemic, the Group received rent concessions from various lessors related to its certain lease properties during the comparative year. 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 in comparative year. (Note 32)

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

	2023	2022
Depreciation of right of use assets [Note 10 (A) (I)]	12,683,421	15,080,952
Interest on lease liabilities [Note 10 (A)(II)]	4,098,966	3,915,274
Expenses relating to short-term leases and leases of low value assets (Note 31)	10,398,759	10,655,239
Rent concession received on account of COVID-19 (Note 32)	-	(2,920,158)
Rent concession (Note 32)	(1,427,956)	-
	<b>25,753,190</b>	26,731,307

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

	2023	2022
Lease principal payments	9,523,300	9,304,555
Interest on lease liabilities	4,098,966	3,915,274
Total cash outflow for leases	<b>13,622,266</b>	13,219,829

## 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 2023 was QR 116,052,648 (2022: QR 111,119,339) (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.

	2023	2022
Less than one year	78,942,039	76,899,862
One to two years	32,646,132	44,199,848
Two to three years	21,971,889	9,997,043
Three to four years	15,575,800	2,961,950
Four to five years	-	72,000
<b>Total</b>	<b>149,135,860</b>	134,130,703

### II. Finance lease

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

## 11. INTANGIBLE ASSETS AND GOODWILL

	2023	2022
Goodwill (i)	45,447,432	45,447,432
Intangible assets (ii)	24,962,765	28,529,200
	<b>70,410,197</b>	73,976,632

### (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.

	2023	2022
Balance at 1 January	45,447,432	60,625,515
Impairment loss	-	(15,178,083)
<b>Balance at 31 December</b>	<b>45,447,432</b>	45,447,432

## 11 INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

### (i) Goodwill (continued)

#### *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:

	2023	2022
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>	45,447,432

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.

	2023	2022
Discount rate	11%	11%
Terminal growth rate	2.3%	2.3%
Budgeted EBITDA growth rate (average of next five years)	18%	21%

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

During the comparative year, the carrying amount of the CGUs exceeded it estimated recoverable amount by approximately QR 15,178,083. Therefore, impairment loss of QR 15,178,083 was recognised. The impairment loss was fully allocated to goodwill and included in consolidated statement of profit or loss.

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	
	2023	2022
<b>Discount rate</b>	19.6%	18.5%

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.

	2023	2022
<b>Cost</b>		
Balance at 1 January	80,493,638	79,098,215
Additions	132,947	34,521
Reclassification from property and equipment	-	1,380,139
Write-off	(1,644,591)	(19,237)
<b>Balance at 31 December</b>	<b>78,981,994</b>	80,493,638
<b>Accumulated amortisation</b>		
Balance at 1 January	51,964,438	48,151,901
Amortisation (Note 31)	3,684,479	3,812,537
Write off	(1,629,688)	-
<b>Balance at 31 December</b>	<b>54,019,229</b>	51,964,438
<b>Carrying amounts at 31 December</b>	<b>24,962,765</b>	28,529,200

## 12. INVESTMENT PROPERTIES

### I. Reconciliation of carrying amount

The movements in the investment properties during the year are as follows:

	2023	2022
Balance at 1 January	2,370,885,601	2,266,079,798
Reclassification from other assets (i)	-	69,768,823
Reclassification to property and equipment (Note 9)	-	(6,843,071)
Disposals (ii)	(151,287,130)	(14,623,762)
Net fair value gain(iii)	24,128,235	56,503,813
<b>Balance at 31 December</b>	<b>2,243,726,706</b>	2,370,885,601

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 comparative 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.

## 12 INVESTMENT PROPERTIES (CONTINUED)

### I. Reconciliation of carrying amount (continued)

- (ii) This represents the disposal of lands in Dubai during the year for net proceeds of QR 148,514,853 (2022: QR 18,415,912). The Group recognised a loss of QR 2,772,277 (2022: gain of QR 3,792,150) on disposal of these investment properties during the year (Note 33).
- (iii) Changes in fair values are recognised as a gain or loss in the consolidated statement of profit or loss and included in net gain on investment properties (Note 33). These losses or gains are unrealised.

Investment properties consist of following:

	2023	2022
Completed properties	2,218,499,010	2,257,128,713
Vacant lands	25,227,696	113,756,888
	<b>2,243,726,706</b>	2,370,885,601

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.

	2023	2022
Completed properties		
<i>Located in State of Qatar</i>	2,139,400,000	2,117,000,000
<i>Located in United Arab Emirates</i>	79,099,010	140,128,713
	2,218,499,010	2,257,128,713
Vacant land		
<i>Located in United Arab Emirates</i>	3,792,079	92,603,960
<i>Located in State of Palestine (Ramallah)</i>	21,435,617	21,152,928
	25,227,696	113,756,888
	<b>2,243,726,706</b>	2,370,885,601

- 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 2023 of QR 2,166,400,000 (31 December 2022: QR 2,094,000,000) are mortgaged to a local bank against the facilities obtained by the Group (Note 25).
- The rental income recognised by the Group during the year was QR 107,025,140 (2022: 101,362,177) 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 7,608,345 (2022: QR 5,678,020) 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 2023 and 2022. 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 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.

### ***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.

## 12 INVESTMENT PROPERTIES (CONTINUED)

### II. Measurement of fair values (continued)

The following table shows the carrying amounts and fair values of investment properties, including their fair value hierarchy

<i>As at 31 December 2023</i>	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
Completed properties	2,218,499,010	-	102,099,010	2,116,400,000
Vacant lands	25,227,696	-	25,227,696	-
	<b>2,243,726,706</b>	<b>-</b>	<b>127,326,706</b>	<b>2,116,400,000</b>
<i>As at 31 December 2022</i>				
	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	113,756,888	-	113,756,888	-
	2,370,885,601	-	276,885,601	2,094,000,000

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 2023 and 2022 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
			2023	2022	
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% - 22%	Range from 2% - 13%	* Expected market rental growth rate were higher (lower)
		Occupancy rate	Range from 79% - 94%	Range from 83% - 94%	* The Occupancy rate were higher (lower)
		Expected net cash flows	Range from QR 133 million– QR 202 million from year 2024 to 2029	Range from QR 113 million– QR 184 million from year 2023 to 2028	* Expected net cash flows were higher (lower);
		Discount rate (Weighted average cost of capital)	8.89% - 9%	8.02% - 8.1%	* Discount rates were lower (higher)
		Exit yield rate	8% - 9%	8% - 9%	* Exit yield rates were higher (lower)
		Rental income (sqm)	QR 60 to QR 280	QR 85 to QR 125	* Rental income per sqm was higher or lower

Types of properties	Valuation techniques	Significant unobservable inputs	Range weighted Average		Inter-relationship between key unobservable inputs and fair value measurement
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 138 – QR 465	QR 62 – QR 483	If the price per sqft increased (decreased)

### 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:

- Projected rental revenue per annum
- Projected rent growth per annum
- Projected occupancy per annum
- Projected operating expenses per annum
- Discount rate (Weighted average cost of capital)
- Exit / terminal yield rate

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 2023	Sensitivity Level	Completed Properties
Projected rental revenue per annum	+/- 0.5%	12,573,475
Projected rent growth per annum	+/- 0.5%	12,573,475
Projected occupancy per annum	+/- 0.5%	12,573,475
Projected operating expenses per annum	+/- 0.5%	2,777,908
Discount rate	+/- 0.5%	53,159,527
Exit / terminal yield rate	+/- 0.5%	96,821,499
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%	52,542,167
Exit / terminal yield rate	+/- 0.5%	93,433,986

## 12 INVESTMENT PROPERTIES (CONTINUED)

### III. Amounts recognised in profit or loss

The following amounts are recognized in consolidated statement of profit or loss:

	2023	2022
Rental income and other operating revenues (Note 29)	116,052,648	111,119,339
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the year	(11,648,260)	(12,300,458)
Profit arising from investment property carried at fair value	<b>104,404,388</b>	98,818,881

### IV. Reconciliation of fair values categorized within level 3

The reconciliation of fair values categorized within level 3 is as follows

	2023	2022
Balance as at 1 January	2,094,000,000	2,042,058,820
(Loss) / gain on valuation recognized in profit or loss	22,400,000	58,784,251
Reclassification to property and equipment (Note 9)	-	(6,843,071)
Balance as at 31 December	<b>2,116,400,000</b>	2,094,000,000

## 13. EQUITY-ACCOUNTED INVESTEEES

	2023	2022
Interest in joint ventures (i)	67,348,670	66,979,356
Interest in associates (ii)	142,402,967	145,704,127
	<b>209,751,637</b>	212,683,483

### (i) Interest in joint ventures

Name of joint venture	Country of incorporation	Ownership		2023	2022
4 Homes FZCO L.L.C. (a)	UAE	70%	70%	64,543,910	61,401,567
Shift Point L.L.C. (b)	State of Qatar	51%	51%	422,490	427,590
Salam Sice Tech Solutions W.L.L.(c)	Qatar	51%	51%	2,282,270	5,050,199
Wikaya Contracting W.L.L. (d)	Qatar	50%	50%	100,000	100,000
Mideco Trading and Contracting L.L.C. (e)	Qatar	70%	70%	-	-
				<b>67,348,670</b>	66,979,356

#### 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) 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.

**d) 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.

**e) 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:

	2023	2022
Balance at 1 January	66,979,356	72,686,726
Share of results from joint venture, net	10,734,567	12,372,144
Dividend received	(10,365,253)	(17,618,623)
Disposal *	-	(460,891)
<b>Balance at 31 December</b>	<b>67,348,670</b>	66,979,356

During the comparative year, the Group recognised a gain of QR 3,554,108 on disposal of the joint venture Speedcast Salam L.L.C. (Note 32) 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.

## 13 EQUITY-ACCOUNTED INVESTEEES (CONTINUED)

### (i) Interest in joint ventures (continued)

#### 4 Homes FZCO L.L.C.

	2023	2022
<b>Percentage ownership interest</b>	<b>70%</b>	70%
Non-current assets	35,481,060	25,688,214
Current assets	88,346,508	85,372,678
Non-current liabilities	(20,601,275)	(14,296,096)
Current liabilities	(18,590,180)	(16,617,745)
<b>Net assets (100%)</b>	<b>84,636,113</b>	80,147,051
Group's share of net assets (70%)	59,245,279	56,102,936
Goodwill	5,298,631	5,298,631
<b>Carrying amount of interest in joint venture</b>	<b>64,543,910</b>	61,401,567

	2023	2022
Revenue (100%)	137,538,177	128,316,420
Profit and total comprehensive income (100%)	12,409,857	10,795,066
<b>Dividend received by the Group</b>	<b>5,544,554</b>	12,475,248

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.

	2023	2022
Carrying amount of interest in joint ventures	<b>2,804,760</b>	5,577,789
Group's share of:		
- Profit	<b>2,047,670</b>	4,815,599
- OCI	-	-
	<b>2,047,670</b>	4,815,599

### (ii) Interest in associates

Name of associate	Country of incorporation	Ownership		2023	2022
Serene Real Estate S.A.L.	Lebanon	49%	49%	116,401,537	117,901,537
Qatar Aluminum Extrusion Company P.Q.S.C	Qatar	20%	20%	17,038,248	20,003,131
Canon Office Image Solutions W.L.L. (a)	Qatar	51%	51%	6,511,049	5,226,159
Salam Stores Hugo Boss W.L.L.	Qatar	30%	30%	2,452,133	2,573,300
Dutchkid FZCO and Just Kidding General Trading Company	UAE	50%	50%	-	-
				<b>142,402,967</b>	145,704,127

- 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:

	2023	2022
Balance at 1 January	145,704,127	141,957,033
Additions	528,000	528,000
Share of results from associates	(1,829,160)	3,719,094
Dividend received	(2,000,000)	(500,000)
<b>Balance at 31 December</b>	<b>142,402,967</b>	145,704,127

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.

	2023	2022
<b>Percentage ownership interest</b>	<b>49%</b>	49%
Non-current assets	241,828,954	238,507,260
Current assets	31,919,783	33,230,068
Non-current liabilities	(244,819,031)	(244,136,389)
Current liabilities	(7,803,295)	(5,668,599)
<b>Net assets (100%)</b>	<b>21,126,411</b>	21,932,340
Group's share of net assets (49.99%)	10,351,941	10,963,977
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	2,647,266	3,535,230
<b>Carrying amount of interest in associate</b>	<b>116,401,537</b>	117,901,537
Revenue	-	-
Loss for the year (100%)	<b>(20,452,374)</b>	(19,945,344)

## 13 EQUITY-ACCOUNTED INVESTEEES (CONTINUED)

### (ii) Interest in associates (continued)

Qatar Aluminum Extrusion Company P.Q.S.C.

	2023	2022
<b>Percentage ownership interest</b>	<b>20%</b>	20%
Non-current assets	111,085,806	118,467,516
Current assets	321,600,489	306,391,954
Non-current liabilities	(72,526,613)	(67,166,628)
Current liabilities	(287,128,446)	(267,455,108)
<b>Net assets (100%)</b>	<b>73,031,236</b>	90,237,734
Group's share of net assets (20%)	14,606,248	18,047,547
Capital infusion	2,432,000	1,904,000
Effect of share of profit or loss not recorded	-	51,584
<b>Carrying amount of interest in associate</b>	<b>17,038,248</b>	20,003,131
Revenue	<b>257,088,049</b>	439,098,099
(Loss) / profit for the year (100%)	<b>(7,206,499)</b>	12,084,962

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.

	2023	2022
Carrying amount of interest in associates	<b>8,963,182</b>	7,799,459
Group's share of:		
- Profit	1,163,724	1,591,280
	<b>1,163,724</b>	1,591,280

The Group has not recognised losses totalling QR 31,337,580 (2022: QR 30,337,580) 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

	2023	2022
<b>Non-current investments</b>		
Quoted equity securities – at FVOCI	43,745,667	30,522,405
Unquoted equity securities – at FVOCI	50,097,372	56,577,060
<b>Balance at 31 December</b>	<b>93,843,039</b>	87,099,465

## 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	
	2023	2022	2023	2022
Quoted equity instruments	43,745,667	30,522,405	539,084	529,068
Unquoted equity instruments	50,097,372	56,577,060	1,350,223	-
	<b>93,843,039</b>	87,099,465	<b>1,889,307</b>	529,068

The movement in equity securities designated at FVOCI is as follows:

	2023	2022
Balance at 1 January	87,099,465	108,541,962
Disposals during the year	(4,400,722)	(17,495,808)
Net change in fair value during the year	11,144,296	(3,946,689)
<b>Balance at 31 December</b>	<b>93,843,039</b>	87,099,465

The movement in fair value reserve during the year is as follows:

	2023	2022
Balance at 1 January	(36,661,963)	(32,523,105)
Effect of change in fair value during the year	9,956,982	(4,138,858)
<b>Balance at 31 December</b>	<b>(26,704,981)</b>	(36,661,963)

## 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.

	2023	2022
Retention receivables	104,362,185	128,601,127
Less: Allowance for expected credit loss	(39,411,270)	(39,411,270)
	<b>64,950,915</b>	89,189,857

Movement in allowance for impairment of retention receivables is as follows:

	2023	2022
Balance at 1 January	39,411,270	39,286,270
Allowance (reversals) during the year (Note 41 C (I))	-	125,000
<b>Balance at 31 December</b>	<b>39,411,270</b>	39,411,270

## 15 RETENTION (CONTINUED)

### I. Retention receivables (continued)

Retention receivables is presented in the consolidated statement of financial position as follows:

	2023	2022
Current	30,813,534	45,930,427
Non-current	34,137,381	43,259,430
	<b>64,950,915</b>	89,189,857

### 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.

	2023	2022
Current	10,379,358	11,487,375
Non-current	3,576,979	3,729,541
	<b>13,956,337</b>	15,216,916

## 16. OTHER ASSETS

	Current		Non-current	
	2023	2022	2023	2022
Advance payments	85,217,744	88,473,374	3,209,685	2,938,779
Accrued income	17,387,577	28,270,096	-	-
Prepayments	4,699,379	5,942,333	7,189,194	8,333,593
Others	20,729,942	21,576,963	72,741	-
	<b>128,034,642</b>	144,262,766	<b>10,471,620</b>	11,272,372

## 17. INVENTORIES

	2023	2022
Goods for resale	366,771,433	343,110,455
Goods in transit	10,089,294	18,835,654
	376,860,727	361,946,109
Less: provision for slow moving inventories	(84,912,675)	(80,477,710)
	<b>291,948,052</b>	281,468,399

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:

	2023	2022
Balance at 1 January	80,477,710	70,955,369
Provision during the year (1)	12,303,189	10,211,228
Write-offs during the year	(7,868,224)	(688,887)
<b>Balance at 31 December</b>	<b>84,912,675</b>	80,477,710

(1) Provision for the year is allocated in the consolidated statement of profit or loss as follows

	2023	2022
General and administrative expense (Note 31)	12,303,189	10,211,228
	<b>12,303,189</b>	10,211,228

## 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

	2023	2022
Sales of goods and services	<b>6,907,503</b>	4,482,115
Real estate income	<b>27,804,092</b>	27,146,638
Cost of goods sold	<b>862,366</b>	644,685
Other income	<b>751,374</b>	844,023
Finance income	<b>11,554,717</b>	7,536,100
Other expenses	<b>739,418</b>	698,836
Dividend received	<b>12,365,253</b>	18,118,623

### 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.

### (b) Loan to associate companies

	Relationship	2023	2022
Dutchkid FZCO and Just Kidding General Trading Company	Associate	21,401,865	20,808,424
Mideco Trading and Contracting W.L.L.	Associate	3,034,063	3,034,063
		<b>24,435,928</b>	23,842,487

## 18 RELATED PARTIES (CONTINUED)

### (c) Compensation of key management personnel

	2023	2022
<b>Short-term and long-term benefits</b>		
Salaries and other short-term benefits	20,520,845	22,591,969
Executive management bonus	5,008,003	3,514,891
End of service benefits	824,488	829,571
	<b>26,353,336</b>	26,936,431

### (d) Due from related parties

	Relationship	2023	2022
Serene Real Estate S.A.L.	Associate	104,499,479	100,839,479
West Bay Medicare W.L.L.	Affiliate	121,032,101	100,498,670
Mideco Trading and Contracting W.L.L.	Associate	51,177,259	42,592,449
Salam Holdings W.L.L.	Affiliate	24,823,949	19,420,351
Qatar Boom Electrical Engineering W.L.L.	Affiliate	11,496,353	14,498,773
Salam Sice Tec Solutions W.L.L.	Associate	14,019,413	9,303,563
Burhan International Construction Company W.L.L.	Affiliate	6,754,112	6,754,112
Just Kidding	Associate	5,857,727	5,907,999
Technical Field Services	Affiliate	-	4,614,842
Qatar Aluminum Extrusion Company P.Q.S.C	Associate	1,702,623	-
Salam Stores Hugo Boss W.L.L.	Associate	1,215,896	-
Eco Engineering and Energy Solution L.L.C	Affiliate	1,250,438	1,219,692
Mr. Bassam Abu Issa	Others	453,555	469,062
Mr. Mohammad Hammoudi	Others	382,377	357,859
Amiri Gems	Affiliate	309,546	-
Atelier 101	Affiliate	274,314	224,085
Real Jubail Investment W.L.L.	Affiliate	-	242,032
Al Hussam Holding W.L.L.	Affiliate	67,101	228,868
Mr. Jamal Abu Issa	Others	-	134,260
Nasser Bin Khaleed & Son Trading Company	Others	98,051	81,780
		345,414,294	307,387,876
Allowance for impairment of due from related parties		(68,483,988)	(60,761,931)
		<b>276,930,306</b>	246,625,945

The movement in allowance for impairment of due from related parties are as follows:

	2023	2022
Balance at 1 January	60,761,931	70,800,394
Allowance made during the year (Note 41 C (I))	12,476,898	8,542,659
Transfers	(140,000)	140,000
Write-offs during the year	(4,614,841)	(18,721,122)
<b>Balance at 31 December</b>	<b>68,483,988</b>	60,761,931

**(e) Due to related parties**

	Relationship	2023	2022
Shift Point L.L.C.	Joint venture	1,166,972	1,183,947
Other related party	Affiliate	838,932	-
Canon office Imaging W.L.L.	Associate	37,051	240,685
		<b>2,042,955</b>	1,424,632

**19. CONTRACT ASSETS AND CONTRACT LIABILITIES**

	2023	2022
Aggregate amount of costs incurred and recognised profit (less any recognised losses) to the reporting date	2,335,053,064	3,883,578,223
Progress billings made to customers to the reporting date	(2,216,362,537)	(3,766,563,733)
Less: Allowance for impairment of contract assets (i)	(9,913,685)	(9,913,685)
<b>Contracts-in-progress-net</b>	<b>108,776,842</b>	107,100,805

Presented in the consolidated statement of financial position as follows:

	2023	2022
Contract assets	157,764,519	147,232,054
Less: Allowance for impairment of contract assets (i)	(9,913,685)	(9,913,685)
<b>Contract assets, net</b>	<b>147,850,834</b>	137,318,369
Contract liabilities	(39,073,992)	(30,217,564)
<b>Contracts-in-progress-net</b>	<b>108,776,842</b>	107,100,805

(i) The movement in allowance for impairment of contract assets is as follows:

	2023	2022
Balance at 1 January	9,913,685	16,458,095
Allowance / (reversal) during the year (Note 41 C (I))	140,666	(4,618,792)
Write-offs during the year	(140,666)	(1,925,618)
<b>Balance at 31 December</b>	<b>9,913,685</b>	9,913,685

## 19 CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

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

	2023	2022
Trade receivables	490,558,522	693,635,056
Notes receivables	19,591,425	9,648,238
	510,149,947	703,283,294
Less: Allowance for impairment of trade receivables	(201,709,627)	(198,299,999)
	<b>308,440,320</b>	504,983,295

The movement in allowance for impairment of trade receivables is as follows:

	2023	2022
Balance at 1 January	198,299,999	197,749,439
Allowance made during the year (Note 41 C (I))	6,943,315	14,286,061
Write-offs during the year	(3,533,687)	(13,735,501)
<b>Balance at 31 December</b>	<b>201,709,627</b>	198,299,999

## 21. CASH AND CASH EQUIVALENTS

	2023	2022
Cash balances	1,368,300	2,489,494
Bank balances	131,866,494	85,611,055
Short term deposits (Maturity less than 90 days)	40,000,000	4,709,634
Term deposits (Maturity after 90 days)	84,760,000	-
<b>Cash and cash equivalents in the statement of financial position</b>	<b>257,994,794</b>	92,810,183
Less: Bank overdraft	(50,438,787)	(80,096,311)
Less: Margin deposits against guarantees	(5,761,708)	(2,757,415)
Less: Term deposits (Maturity after 90 days)	(84,760,000)	-
<b>Cash and cash equivalents in the statement of cash flow</b>	<b>117,034,299</b>	9,956,457

## 22. SHARE CAPITAL

	2023	2022
Authorised, issued and fully paid-up capital		
(1,143,145,870 shares @ QR 1 each in current and comparative year)	<b>1,143,145,870</b>	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

	2023	2022
Balance at 1 January	246,922,663	220,805,203
Share of profit for the year	11,058,999	20,240,833
Share of other comprehensive income for the year	1,187,314	192,169
Acquisition of non-controlling interest	(302,426)	(816,314)
Net movement in non-controlling interests	(1,079,468)	(272,783)
Absorption of losses attributable to non-controlling interests	-	6,773,555
<b>Balance at 31 December</b>	<b>257,787,082</b>	246,922,663

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.

	2023	2022
NCI Percentage	29.05%	29.08%
Non-current assets	1,544,548,782	1,635,060,987
Current assets	268,285,852	238,501,457
Non-current liabilities	(233,393,160)	(244,824,118)
Current liabilities	(729,451,791)	(814,894,576)
<b>Net assets</b>	<b>849,989,683</b>	<b>813,843,750</b>
<b>Net assets attributable to NCI</b>	<b>246,888,776</b>	<b>236,665,763</b>
Revenue	138,247,386	128,648,499
Profit	32,062,341	66,600,034
Other comprehensive income	4,083,592	646,455
<b>Total comprehensive income</b>	<b>36,145,933</b>	<b>67,246,489</b>
<b>Profit allocated to NCI</b>	<b>9,312,857</b>	<b>19,367,290</b>
<b>Other comprehensive income allocated to NCI</b>	<b>1,186,124</b>	<b>187,989</b>
Cash flows from operating activities	(58,793,598)	23,384,668
Cash flows from investing activities	101,227,993	13,747,662
Cash flows from financing activities	(42,240,281)	(37,846,205)
<b>Net decrease in cash and cash equivalents</b>	<b>194,114</b>	<b>(713,875)</b>

## 25. BORROWINGS

	2023	2022
Balance at 1 January	2,287,009,323	2,398,040,189
Proceeds from borrowings	475,771,342	403,141,478
Addition through business combination (Note 36)	-	8,427,858
Repayment of borrowings – principal	(686,824,602)	(558,843,386)
Interest expenses (Note 34) (i)	137,770,278	113,315,228
Interest paid	(119,912,081)	(77,072,044)
<b>Balance at 31 December</b>	<b>2,093,814,260</b>	2,287,009,323

(i) Finance costs has been allocated in the consolidated statement of profit or loss as follows:

	2023	2022
Finance costs	136,830,214	105,604,801
Operating cost (Note 30)	940,064	7,710,427
<b>Balance at 31 December</b>	<b>137,770,278</b>	113,315,228

	Current		Non-current	
	2023	2022	2023	2022
Terms loans (a)	120,034,133	121,860,145	1,764,089,424	1,811,237,584
Loan against trust receipts (b)	207,404,980	353,911,594	-	-
Project finance (c)	2,285,723	-	-	-
	<b>329,724,836</b>	475,771,739	<b>1,764,089,424</b>	1,811,237,584

### a) Term loans

Term loans represent the following and carried interest at commercial market rates.

	Maturity	2023	2022
Loan 1 (i)	31 May 2040	1,198,593,326	1,187,866,661
Loan 2 (ii)	31 March 2035	318,141,000	330,141,000
Loan 3 (iii)	31 May 2040	208,132,365	207,534,443
Loan 4 (iv)	31 March 2023	-	44,543,712
Loan 5 (v)	01 May, 2026	37,612,723	46,473,255
Loan 6 (vi)	31 December 2025	35,817,995	50,000,000
Loan 7 (vii)	30 April 2027	22,750,000	29,250,000
Loan 8 (viii)	11 August 2023	-	19,724,778
Loan 9 (ix)	5 May 2024	50,000,000	-
Loan 10 (x)	Various date	13,076,148	17,563,880
		<b>1,884,123,557</b>	1,933,097,729

(i) A term loan of QR 1.06 billion was availed. The loan is re-payable in quarterly instalments of QR 21.75 million each with bullet payments of QR 300 million and QR 100 million in 2027 and 2032 respectively, with a final instalment of QR 82.5 million in May 2040.

- (ii) A term loan of QR 345.14 million was availed. 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. This loan is re-payable in 70 quarterly instalments of QR 4.15 million each with a bullet payment of QR 91.5 million in May 2040.
- (iv) A commodity Murabaha of QR 147 million was availed. This loan was re-payable in 9 monthly instalments of QR 17.50 million each with a final instalment due in March 2023. The loan has been fully settled during the year.
- (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 4.06 million in December 2025.
- (vii) A term loan of QR 32.50 million was availed. The loan principal has a grace period of one year. This loan is re-payable in 20 quarterly instalments of QR 1.625 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 was repayable on a monthly basis with the last instalments due in August 2023. The loan has been fully settled during the year.
- (ix) A short-term loan of QR 50 million was availed to meet working capital requirements. The loan shall be settled with a bullet payment due in May 2024.
- (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 at commercial market rates. Those facilities are short term in nature and, are repayable within one fiscal year from the date of the facility.

**c) Project finances**

This represents facility obtained from a local bank and secured by full corporate guarantee of the Group. This facility carries interest at commercial market rate and obtained to finance construction projects and operations of a subsidiary under the energy and power sector. This facility is short term in nature with original repayment schedule in accordance with the project duration.

**Securities**

Loan (i) and Loan (iii) are secured over certain investment properties with a fair value of QR 2,166,400,000 (2022: 2,094,000,000) (Note 12) and also certain property and equipment with the net book value of QR 94,359,672 (2022: QR 97,246,289) (Note 9). Other loans and borrowings are secured by corporate guarantees of the Company and / or cross corporate guarantees of subsidiaries.

Reconciliation of movement of liabilities to cash flows arising from financing activities

	As at 1 January 2023	Cash flow changes	Non-cash changes – Transaction cost	As at 31 December 2023
<b>Borrowings</b>	<b>2,287,009,323</b>	<b>(211,053,260)</b>	<b>17,858,197</b>	<b>2,093,814,260</b>

	As at 1 January 2022	Cash flow changes	Non-cash changes – Transaction cost	As at 31 December 2022
Borrowings	2,398,040,189	(155,701,908)	44,671,042	2,287,009,323

## 26. EMPLOYEES' END OF SERVICE BENEFITS

	2023	2022
Balance at 1 January	56,164,592	60,422,972
Acquired through business combination (Note 36)	-	73,866
Provision made during the year	9,317,072	8,466,019
Payments made during the year	(12,794,564)	(12,798,265)
<b>Balance at 31 December</b>	<b>52,687,100</b>	56,164,592

## 27. OTHER LIABILITIES

	2023	2022
Provision for supplier dues	20,587,560	33,569,622
Staff dues and incentives	37,982,474	25,520,974
Accrued expenses	23,813,817	18,479,471
Provision for completed jobs	18,854,137	24,370,765
Dividend payable	15,459,270	15,541,525
Provision for contribution for social and sports fund (Note 38)	1,037,907	1,505,818
Other payables	18,846,264	16,301,955
	<b>136,581,429</b>	135,290,130

## 28. TRADE AND OTHER PAYABLES

	2023	2022
Trade payables	195,368,642	199,660,310
Notes payables	3,251,975	8,714,107
	<b>198,620,617</b>	208,374,417

Trade and other payables are presented in the consolidated statement of financial position as follows:

	2023	2022
Current	198,070,617	207,274,417
Non-current	550,000	1,100,000
	<b>198,620,617</b>	208,374,417

## 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.

	2023	2022
Revenue from contracts with customers	1,422,541,032	1,480,117,690
– Real estate revenue		
– Rental income from investment properties (Note 12)	107,025,140	101,362,177
Other rental income	9,027,508	9,757,162
<b>Total revenue</b>	<b>1,538,593,680</b>	1,591,237,029

### 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 40).

For the year ended 31 December	2023	2022
<b>Primary geographical markets</b>		
State of Qatar	1,168,714,925	1,273,091,323
United Arab Emirates	147,079,885	152,949,688
Others	<b>106,746,222</b>	54,076,679
	<b>1,422,541,032</b>	1,480,117,690
<b>Major products/service lines</b>		
Contract revenue	<b>552,528,397</b>	638,658,968
Revenue from sale of goods	<b>762,667,563</b>	756,548,077
Service revenue	<b>107,345,072</b>	84,910,645
	<b>1,422,541,032</b>	1,480,117,690

	2023	2022
<b>Type of customers</b>		
Third party customers	1,415,633,529	1,475,635,575
Related parties	6,907,503	4,482,115
	1,422,541,032	1,480,117,690
<b>Timing of revenue recognition</b>		
Products transferred at a point in time	762,667,563	756,548,077
Products and services transferred over time	659,873,469	723,569,613
<b>Revenue from contracts with customers</b>	1,422,541,032	1,480,117,690
Real estate revenue	116,052,648	111,119,339
<b>External revenue as reported (Note 40)</b>	<b>1,538,593,680</b>	1,591,237,029

### 30. OPERATING COST

	2023	2022
Contract costs*	445,087,603	517,724,211
Cost of goods sold**	552,850,613	543,146,130
Cost of service	63,437,785	56,330,884
Real estate costs	7,608,345	5,678,020
Interest charged to projects (Note 25)	940,064	7,710,427
Bank charges charged to projects	260,287	279,268
Depreciation of property and equipment (Note 9)	5,685,859	15,589,549
Depreciation of right-of-use assets (Note 10 (A) (I))	2,243,326	2,823,837
Interest on lease liabilities (Note 10 (A) (II))	833,405	1,083,472
	<b>1,078,947,287</b>	1,150,365,798

\* This includes depreciation of property and equipment amounted to QR 26,175 (2022: QR 1,942,258) (Note 9).

### 31. GENERAL AND ADMINISTRATIVE EXPENSES

	2023	2022
Staff cost***	168,745,435	173,755,944
Depreciation of property and equipment (Note 9)	46,964,320	44,480,833
Depreciation of right-of-use assets (Note 10 (A) (I))	10,440,095	12,181,507
Amortisation of intangible assets (Note 11)	3,684,479	3,812,537
Rent expense	10,398,759	10,655,239
Repairs and maintenance	8,372,097	9,463,720
Legal and registration charges	6,195,734	7,141,174
Professional fees	10,077,970	9,057,011
Provision for slow moving inventories (Note 17)	12,303,189	10,211,228
Electricity and water	5,791,705	5,676,660
Communication	2,886,242	3,314,370
Fuel	2,414,319	2,849,141
Printing and stationery	1,406,665	1,576,156
Insurance	1,308,201	1,593,617
Advertising	2,333,729	2,308,766
Marketing expenses	29,376,231	22,474,662
Supplier contribution for marketing expenses	(12,336,747)	(10,726,785)
Write-offs of property and equipment and intangible assets	3,868,365	31,626

	2023	2022
Entertainment	1,760,735	2,052,867
Tender fees	781,334	631,621
Travelling	1,698,352	1,266,598
Transportation	260,144	433,129
Business development	1,023,168	190,286
Donations	384,907	391,999
Subscription and catalogues	497,619	457,454
Meeting and conference	177,491	105,208
Bank charges	6,659,305	5,897,562
Others	9,645,513	7,867,279
	<b>337,119,356</b>	<b>329,151,409</b>

\*\*\* This includes depreciation of right-of-use assets amounted to QR Nil (2022: QR 75,608) and interest on lease liabilities amounted to QR Nil (2022: QR 324) (Note 10).

### 32. OTHER INCOME

	2023	2022
Profit on disposal of property and equipment (Note 9)	3,987,256	495,705
Lease concession received due to COVID-19 (Note 10 (A) (II))	-	2,920,158
Lease concession (Note 10 (A) (II))	1,427,956	-
Service and consultancy income	2,018,619	1,328,139
Gain on disposal of investment in equity accounted investee (Note 13)	-	3,554,108
Gain on derecognition of right-of-use assets and lease liabilities	3,886,471	214,658
Consignment income	4,057,980	4,776,760
Scrap sales	1,604,197	271,783
Miscellaneous income	32,958,800	28,511,662
	<b>49,941,279</b>	<b>42,072,973</b>

### 33. NET GAIN ON INVESTMENT PROPERTIES

	2023	2022
Net fair value gain on investment properties	24,128,235	56,503,813
(Loss) / gain on disposal of investment properties (Note 12)	(2,772,277)	3,792,150
	<b>21,355,958</b>	<b>60,295,963</b>

### 34. NET FINANCE COSTS

	2023	2022
<b>Finance income</b>		
Interest income	13,562,735	7,688,980
Dividend income	1,889,307	529,068
	<b>15,452,042</b>	8,218,048
<b>Finance cost</b>		
Interest on borrowing	(137,770,278)	(113,315,228)
Interest on overdraft	(3,537,105)	(2,238,440)
Interest on lease liabilities	(4,098,966)	(3,915,274)
	(145,406,349)	(119,468,942)
Interest classified under operating cost	1,773,469	8,793,899
Interest classified under general and administrative expenses	-	324
	<b>(143,632,880)</b>	(110,674,719)
<b>Net finance cost recognised in profit or loss</b>	<b>(128,180,838)</b>	(102,456,671)

### 35. 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:

	2023	2022
<b>Current tax expense</b>		
Current year	2,073,386	1,204,270
Changes in estimates related to prior years	339,278	263,044
	<b>2,412,664</b>	1,467,314
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	-	-
	-	-
<b>Tax expense</b>	<b>2,412,664</b>	1,467,314

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 11.10% (2022: 12.09%) of non-Qatari shareholders of the Group. Further, the Group did not estimate significant deferred tax in respect of timing difference.

## 36. SUBSIDIARIES

### a) Details of the Group's subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Ownership interest (%)	
			2023	2022
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
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	70.95	70.92
Gulf Facility Management W.L.L. (ii)	Facility management	Qatar	70.95	70.92
Salam Enterprises L.L.C. (i)	Trading in water equipment	Qatar	100	100
Mafan Al Rasam Trading Company L.L.C. (i) (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
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 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

## 36 SUBSIDIARIES (CONTINUED)

### a) Details of the Group's subsidiaries are as follows (continued)

Name of subsidiary	Principal activities	Country of incorporation	Ownership interest (%)	
			2023	2022
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	70.95	70.92
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.	Manufacture of bowls and boxes of cardboard	Qatar	100	100
Technovate Technology	Trading in IT equipment	Qatar	100	100
Cycure Technologies W.L.L.	Information technology services	Qatar	76	76
I Telligent Technologies W.L.L.	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. (b)	Aluminum and powder coating services	Qatar	100	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.

### (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 paid

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>

## (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 2023, the Company purchased additional 19,718 shares (2022: 57,796 shares) in Salam Bounian Development Company P.Q.S.C. and reached Group's ownership to 70.95% from 70.92%. The details of the additional purchase with respective gain from purchase recognised in equity are as follows:

	2023	2022
Carrying amount of non-controlling interest acquired	302,426	816,314
Consideration paid to non-controlling interest acquired	(174,590)	(577,960)
An increase in equity attributable to owners of the Group	<b>127,836</b>	238,354

## 37. 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.

## 37 EARNINGS PER SHARE (CONTINUED)

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

	2023	2022
Profit for the year attributable to Owners of the Company	41,516,301	60,232,742
Adjusted weighted average number of outstanding shares	1,143,145,870	1,143,145,870
Basic and diluted earnings per share	0.036	0.053

## 38. 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 1,037,907 (2022: QR 1,505,818) to the Social and Sports Development Fund of the State of Qatar.

## 39. COMMITMENTS AND CONTINGENT LIABILITIES

	2023	2022
Letters of credit	46,583,156	52,522,030
Letters of guarantee	236,598,741	239,692,435
Capital commitment	121,035,122	-

## 40. 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.

a) In terms of operating sectors

	Contracting	Energy and industry	Luxury retail	Technology	Real estate and investments	Total
<b>2023</b>						
External revenue	274,776,893	281,130,390	625,605,872	215,815,818	141,264,707	1,538,593,680
Inter-segment revenue	1,915,301	9,916,607	3,597,365	10,512,844	61,010,380	86,952,497
<b>Segment revenue</b>	<b>276,692,194</b>	<b>291,046,997</b>	<b>629,203,237</b>	<b>226,328,662</b>	<b>202,275,087</b>	<b>1,625,546,177</b>
<b>Segment profit / (loss)</b>	<b>695,084</b>	<b>(3,075,256)</b>	<b>(8,175,326)</b>	<b>12,320,663</b>	<b>50,810,135</b>	<b>52,575,300</b>
<b>EBITDA</b>	<b>14,137,577</b>	<b>13,037,677</b>	<b>40,614,785</b>	<b>16,148,924</b>	<b>185,499,604</b>	<b>269,438,567</b>
Interest and dividend income	-	82,727	29,580	2,327	15,337,408	15,452,042
Interest expense	1,479,094	3,627,749	15,922,231	2,363,731	122,013,544	145,406,349
Depreciation and amortisation	11,249,567	12,115,184	32,848,237	1,086,976	11,744,290	69,044,254
Share of result of equity accounted investees	-	-	8,565,731	1,284,890	(945,214)	8,905,407
Income tax expense	713,832	370,000	19,643	377,554	931,635	2,412,664
<b>Segment assets</b>	<b>363,215,758</b>	<b>334,271,219</b>	<b>469,681,344</b>	<b>156,421,032</b>	<b>3,134,353,208</b>	<b>4,457,942,561</b>
Equity-accounted investees	-	-	66,996,044	6,611,049	136,144,544	209,751,637
Capital expenditure:						
– Tangible assets	396,175	6,794,343	7,929,041	684,232	22,265,667	38,069,458
– Intangible assets	4,147	-	128,800	-	-	132,947
<b>Segment liabilities</b>	<b>196,416,437</b>	<b>158,108,671</b>	<b>317,460,147</b>	<b>112,435,174</b>	<b>1,942,852,179</b>	<b>2,727,272,608</b>

#### 40. OPERATING SEGMENTS (CONTINUED)

##### a) In terms of operating sectors (continued)

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
Segment revenue	321,880,151	311,612,665	635,066,361	213,712,684	203,599,795	1,685,871,656
Segment profit / (loss)	(9,076,169)	3,060,988	70,305	8,141,180	78,277,271	80,473,575
EBITDA	1,478,726	30,559,873	50,594,403	14,221,801	185,461,157	282,315,960
Interest and dividend income	-	6,718	-	3,188	8,208,142	8,218,048
Interest expense	477,278	6,994,135	14,592,208	4,603,760	92,801,561	119,468,942
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
Income tax expense	464,169	509,118	-	222,772	271,255	1,467,314
Segment assets	292,381,190	287,015,140	521,547,401	364,171,051	3,174,268,297	4,639,383,079
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
Segment liabilities	196,556,060	123,229,222	393,005,326	157,602,577	2,099,747,572	2,970,140,757

#### 40. OPERATING SEGMENTS (CONTINUED)

##### b) In terms of geographic locations

	2023					2022				
	Qatar	United Arab Emirates	Others	Total		Qatar	United Arab Emirates	Others	Total	
External revenue	1,276,591,455	155,256,003	106,746,222	1,538,593,680		1,375,765,551	161,394,799	54,076,679	1,591,237,029	
Inter-segment revenue	85,562,345	602,728	787,424	86,952,497		80,269,128	634,956	13,730,543	94,634,627	
<b>Segment revenue</b>	<b>1,362,153,800</b>	<b>155,858,731</b>	<b>107,533,646</b>	<b>1,625,546,177</b>		<b>1,456,034,679</b>	<b>162,029,755</b>	<b>67,807,222</b>	<b>1,685,871,656</b>	
<b>Segment profit</b>	<b>26,767,803</b>	<b>17,166,776</b>	<b>8,640,721</b>	<b>52,575,300</b>		<b>55,258,342</b>	<b>21,899,023</b>	<b>3,316,210</b>	<b>80,473,575</b>	
<b>Segment assets</b>	<b>3,745,180,978</b>	<b>338,662,320</b>	<b>374,099,263</b>	<b>4,457,942,561</b>		<b>3,839,375,655</b>	<b>470,236,173</b>	<b>329,771,251</b>	<b>4,639,383,079</b>	
Capital expenditure:										
– Tangible assets	37,301,550	444,977	322,931	38,069,458		58,484,957	37,152	-	58,522,109	
– Intangible assets	128,800	-	4,147	132,947		34,521	-	-	34,521	
<b>Segment liabilities</b>	<b>2,614,494,331</b>	<b>76,286,003</b>	<b>36,492,274</b>	<b>2,727,272,608</b>		<b>2,849,064,579</b>	<b>77,860,113</b>	<b>43,216,065</b>	<b>2,970,140,757</b>	

## 41. 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.

As at 31 December 2023				
	Carrying amount		Fair value	
		Level 1	Level 2	Level 3
<b>Investment securities – FVOCI</b>				
Quoted equity securities	43,745,667	43,745,667	-	-
Unquoted equity securities	50,097,372	-	-	50,097,372
	<b>93,843,039</b>	<b>43,745,667</b>	<b>-</b>	<b>50,097,372</b>
<i>As at 31 December 2022</i>				
	Carrying amount		Fair value	
		Level 1	Level 2	Level 3
<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. 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
<b>Market approach</b>		
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.	Not applicable	Not applicable

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<b>Adjusted net asset method</b>		
<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
<b>31 December 2023</b>		
Adjusted net assets (5% movement)	<b>2,504,869</b>	<b>(2,504,869)</b>
<b>31 December 2022</b>		
Adjusted net assets (5% movement)	<b>2,828,853</b>	<b>(2,828,853)</b>

## C. Financial risk management

### I. 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:

	2023	2022
<b>Financial assets</b>		
Loans to associate companies	24,435,928	23,842,487
Accrued income	17,387,577	28,270,096
Due from related parties	345,414,294	307,387,876
Retention receivables	104,362,185	128,601,127
Trade and other receivables	510,149,947	703,283,294
Bank balances	256,626,494	90,320,689
Contract assets	157,764,519	147,232,054
	<b>1,416,140,944</b>	<b>1,428,937,623</b>

## 41 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

### C. Financial risk management (continued)

#### I. Credit risk (continued)

Allowance for impairment losses on financial assets and contract assets recognised in consolidated profit or loss statement were as follows:

	2023	2022
Allowance for impairment loss on trade receivables (Note 20)	6,943,315	14,286,061
Allowance for impairment loss on due from related parties ((Note 18(d))	12,476,898	8,542,659
Allowance for impairment loss on retention receivables reversed (Note 15(l))	-	125,000
Allowance for impairment loss on contract assets reversed (Note 19)	140,666	(4,618,792)
Allowance for impairment of pre-existing interest in associate	-	12,269,425
	<b>19,560,879</b>	30,604,353

The movement in allowance for impairment loss of financial assets and contract assets are as follows:

	2023	2022
Balance at 1 January	308,386,885	324,294,198
Allowance during the year	19,560,879	30,604,353
Transfer during the year	(140,000)	140,000
Write-off of pre-existing interest in associate	-	(12,269,425)
Write-offs during the year	(8,289,194)	(34,382,241)
<b>Balance at 31 December</b>	<b>319,518,570</b>	308,386,885

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 2023	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
Current (not paste due)	2.68%	145,388,012	3,895,093	No
1-60 days	26.18%	140,431,779	36,767,164	No
61-120 days	74.05%	24,457,071	18,109,646	No
121-365 days	18.24%	537,904,914	98,087,372	No
365-730 days	43.14%	70,070,899	30,226,898	No
More than 730 days	66.40%	199,438,270	132,432,397	Yes
		<b>1,117,690,945</b>	<b>319,518,570</b>	

31 December 2022	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
Current (not paste 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
		1,286,504,351	308,386,885	

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 256,626,494 as at 31 December 2023 (2022: QR 90,320,689). 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 2023, 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:

31 December 2023	Carrying amount	Contractual cash flow			Total
		Less than 1 year	1 to 5 years	Above 5 years	
Borrowings	2,093,814,260	441,342,700	1,072,033,748	1,583,496,180	3,096,872,628
Retention payables	13,956,337	10,379,358	3,576,979	-	13,956,337
Other liabilities*	117,727,292	117,727,292	-	-	117,727,292
Due to related parties	2,042,955	2,042,955	-	-	2,042,955
Bank overdrafts	50,438,787	50,438,787	-	-	50,438,787
Notes payable	3,251,975	2,701,975	550,000	-	3,251,975
Trade payables	195,368,642	195,368,642	-	-	195,368,642
Lease liabilities	67,304,873	11,646,514	35,469,088	49,188,340	96,303,942
	<b>2,543,905,121</b>	<b>831,648,223</b>	<b>1,111,629,815</b>	<b>1,632,684,520</b>	<b>3,575,962,558</b>

## 41 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

### C. Financial risk management (continued)

#### II. Liquidity risk (continued)

31 December 2022	Carrying amount	Contractual cash flow			Total
		Less than 1 year	1 to 5 years	Above 5 years	
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 and other 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
	2,782,154,575	822,253,671	863,976,351	2,613,103,428	4,299,333,450

\* Excluding provision for completed jobs

#### 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 4,374,567 (2022: QR 3,052,241) 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 4,374,567 (2022: QR 3,052,241).

##### **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	
	2023	2022
<b>Non-interest bearing instruments</b>		
Bank balances	123,336,454	78,222,094
<b>Fixed rate instruments</b>		
Bank balance	124,760,000	-
Bank loans	(3,081,346)	(6,743,138)
	121,678,654	(6,743,138)
<b>Variable rate instruments</b>		
Bank balances	8,530,040	12,098,595
Bank loans	(2,090,732,914)	(2,280,266,185)
Bank overdrafts	(50,438,787)	(80,096,311)
	(2,132,641,661)	(2,348,263,901)

These loans carry interest at commercial market rates.

#### ***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 2023.

	Profit (loss)		Profit (loss)	
	31 December 2023		31 December 2022	
	50 bps	50 bps	50 bps	50 bps
	Increase	Decrease	Increase	Decrease
Variable rate financial liabilities	(10,663,208)	10,663,208	(11,741,320)	11,741,320

#### ***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.

## **42. COMPARATIVE FIGURES**

The corresponding figures presented for 2022 have been reclassified where necessary to preserve the consistency with the 2023 figures. However, such reclassification did not have any effect on the net profit, total assets or total equity for the comparative year.