مجموعة إستثمار القابضة ش.م.ع.ق.

INVESTMENT HOLDING GROUP Q.P.S.C.

Company Profile 2021

مجموعة إستثمار القابضة ش.م.ع.ق.

INVESTMENT HOLDING GROUP Q.P.S.C.

His Highness Sheikh Hamad bin Khalifa Al-Thani
The Father Emir

His Highness Sheikh Tamim Bin Hamad Al-Thani
Emir of the State of Qatar

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CHAIRMAN'S MESSAGE

On behalf of the Board of Directors, I am delighted to share with you the IHG's annual report for the year ended 31 December 2021.

Despite of the challenges experienced by the Group in the previous year, thanks to God Almighty, we were able to surpass those challenges them and strive forward to keep up with the demands of the Qatari market and diversify the types of services offered to meet the needs of our customers. We will continue developing the Group's activities in line with the remarkable recovery in the Qatari market.

The Group reported net profit attributable to the shareholders amounting to QR 26.3 million for the year ended December 31, 2021 compared with QR 23.3 million for the year 2020. Earnings per share for the year ended December 31, 2021 was QR 0.032 compared with QR 0.028 for the year 2020.

The Board of Directors recommended not to distribute cash dividends for the year 2021 and carry forward the net profit to the following year to maintain a solid liquidity for the Group for facing any future requirements and obtain benefit from the available cash.

As always, Qatar has once again demonstrated the strength and resilience of its economy amidst facing difficulties, which comes as a result of the decisions taken by the Government under the visionary leadership of His Highness Sheikh Tamim Bin Hamad Al Thani, the Emir of the State of Qatar. The Qatari market is going through a remarkable recovery phase, and this has led to the start of implementing a large number of projects and maintenance contracts that the Group works with, in line with the Group's strategic plans implemented during 2021, which enhances its position as a leader in the Qatari market and maintains achieving sustainable returns for its shareholders.

The positive results of the Group have demonstrated its resilience and ability to deliver and fulfill the various needs for services and products in the Qatari market while ensuring that the highest level of services is provided to its customers, placing it in a leading position in the sectors in which it operates.

With no doubt, the Group has benefited greatly from the diversification of its business portfolio, the trust of its customers, and its track record of achievements over the years, especially in the face of any unprecedented circumstances.

We look forward to taking advantage of the opportunities available in the Qatari market, and we will continue to search for and choose various investment opportunities, focus on projects with acceptable risks and high profitability, and explore opportunities to cooperate with strategic partners, which will create added value and strong and sustainable growth for our valued shareholders.

I extend my sincere gratitude to our employees who made tireless efforts to maintain the profitability of the Group for their continuous support and loyalty and for creating a work environment capable of overcoming all challenges at all levels. Our gratitude is extended to the governmental authorities and regulatory bodies for their continuous and valuable support as well as all other stakeholders who contributed to our success during this challenging year.

On behalf of the Board of Directors, I would like to express our sincere appreciation to His Highness Sheikh Tamim Bin Hamad Al Thani, the Emir of the State of Qatar and to His Highness, Sheikh Hamad Bin Khalifa Al Thani, the Father Emir, for their guidance and wise leadership that had laid down the foundation for success and prosperity.

Khalid Ghanim Al-Hodaifi Al-Kuwari
Chairman

CEO'S MESSAGE

We are proud of our performance in the fiscal year 2021, thanks to God Almighty, we benefited from the remarkable recovery in the Qatari market after the challenges that hit the global and local markets in the previous year as a result of Covid-19 pandemic. The Group's net profit attributable to the shareholders of the company reported an increase of 13%, recording QR 26.3 million in the fiscal year 2021, compared to QR 23.3 million in the year 2020 and the earnings per share amounted to 0.032 in 2021 compared to 0.028 in 2020.

The increase in the Group's profits and revenues for the year ended December 31, 2021, compared to the previous year, came as a result of the recovery of the Qatari market, the Group's entry into profitable contracts with strategic clients, and the completion of uncompleted projects in the previous year. This resulted in an increase in the gross profit by 28% compared to the previous year. Net cash generated from operating activities amounted to QR 12.4 million used to reduce the Group's debt in general, despite of the new facilities obtained from local banks for both new ongoing and awarded projects.

The Group's flexibility and its ability to respond quickly and adapt to the remarkable recovery in the Qatari market have resulted in relatively good results during the year 2021. As a result of the diversification of services provided, the Group was able to meet the demands of the changing market through its existing business sectors. Therefore, the Group succeeded in maintaining its leadership in the sectors in which it operates and provided integrated solutions to its customers.

The Group reported an increase in general and administrative expenses during 2021, compared to the year 2020, mainly because of the increase in revenues in the current year by 13%, which required the provision of a larger labor force to meet the noticeable increase in the projects that the Group is implementing. In terms of financing, the Group was able to benefit from its strong relationships with Qatari banks, obtain additional banking facilities and reduce financing costs in addition to being able to pay off part of its debt, which had a positive impact on the Group's overall results.

In addition to the above, we focused during the year 2021 on the administrative restructuring of some of our subsidiaries in order to ensure the optimal implementation of the Group's strategies, achieve its objectives and ensure the ability to grow, expand, develop the workflow of these companies and mitigate the risks that they may be exposed to. We have succeeded in establishing to provide a shared services model, which helps in reducing operating expenses and increasing efficiency.

We are currently working on studying the feasibility of merging some subsidiaries with similar and/or overlapping activities and taking advantage of the opportunities available in the market with the aim of continuing to raise our operational efficiency and reduce costs. We have also started implementing the unified corporate resource system for the Group and its subsidiaries which will have a significant impact on improving the control of the Group's companies and raising the efficiency of operation and decision-making.

Throughout the year, the Group continued to comply with the corporate governance code issued by the Qatar Financial Markets Authority and to adopt the best administrative and supervisory practices in order to ensure the proper conduct of its business in all its activities and achieve the principle of transparency, responsibility, fairness and equality and enhance the confidence of investors and all stakeholders in the Group.

Based on our commitment to our social responsibility, the Group worked to implement the general safety requirements among the employees and workers in all work sites.

Looking forward to 2022, we expect the Group to report significant increase in the new year after executing several signed contracts and contracts to be signed during the year in which the Qatari market witnesses a remarkable recovery.

We are working hard to benefit from the experience gained, build on the great success we have achieved to date, and continue to diversify our sources of income and focus on projects with high profit margins.

We will continue to seek to benefit from the growth opportunities offered by Qatar National Vision 2030 and the government measures in support of all economic activities in the country with the upcoming 2022 World Cup, supported by the wise vision of our government led by His Highness Sheikh Tamim bin Hamad Al Thani, the Emir of the country.

On this occasion, I cannot but extend my sincere gratitude and appreciation to our employees who contributed with their outstanding performance in achieving our goals and providing sustainable returns for our shareholders in the long term. I would like to thank the Chairman and members of the Board of Directors of the Group, our valued shareholders, members of the Executive Management and relevant stakeholders for their support.

Samer Mohammad Wahbeh

Group Chief Executive Officer

Board of Directors

Khalid Ghanim Sultan Al - Hodaifi Al-Kuwari
Chairman

Mr. Hamad Ghanim S Al Hodaifi Al-Kuwari
Vice Chairman

Sheikh Nasser bin Ali bin Saud Al-Thani
Board Member

Mr. Hamad Abdulla M SH Al-Emadi
Board Member

Mr. Omer Abdulaziz H A Al-Marwani
Board Member

Mr. Abdul Rahman Ghanim S Al Hodaifi Al-Kuwari
Board Member

Mr. Mohammed Ghanim S Al Hodaifi Al-Kuwari
Board Member

Mr. Sultan Ghanim S Al Hodaifi Al-Kuwari
Board Member

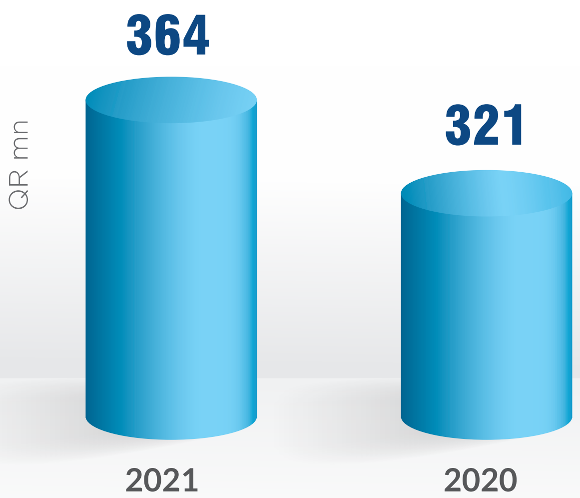
Mr. Samir Abu Lughod
Board Member

Mr. Abdulaziz Ghanim S Al Hodaifi Al-Kuwari
Board Member

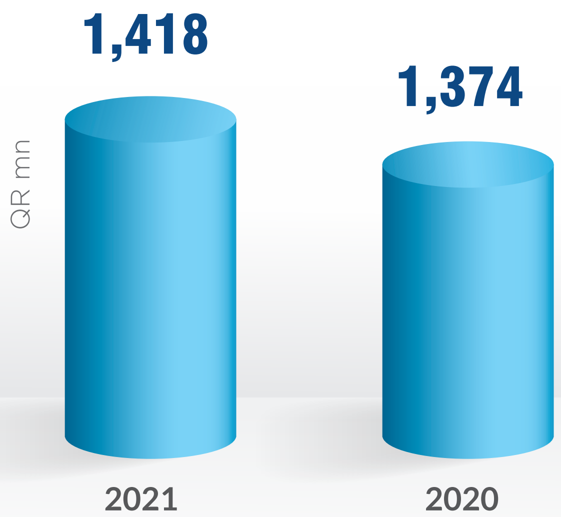

3.98
3.35
6.17
2.57

Financial Indicators

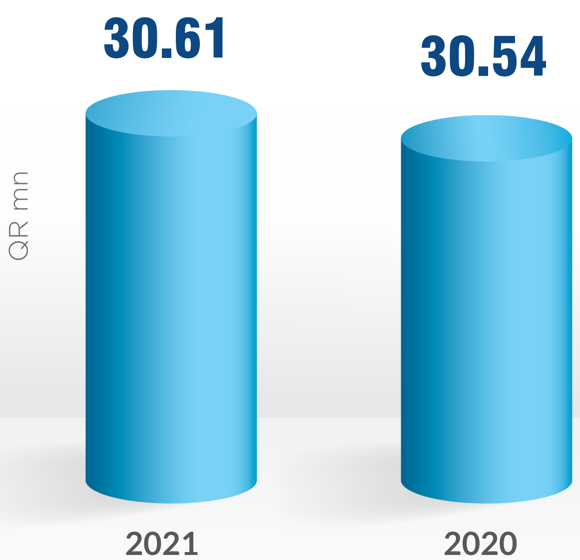
Revenue



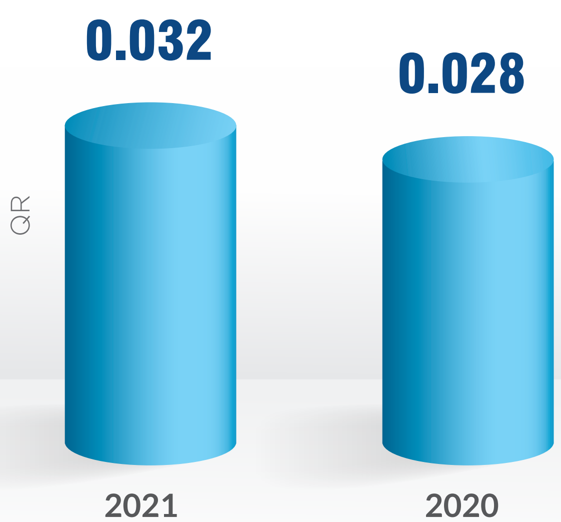
Assets



Cashflow



Earnings per Share



About Us

Investment Holding Group Q.P.S.C. (IHG) was founded in 2008 as a Limited Liability Company and has converted its legal status to a Qatari Public Shareholding Company with its shares publicly traded on the Qatari Stock Exchange since 2017. IHG is one of the leading conglomerates in Qatar managing its portfolio companies that are operating in compliance with Islamic Sharia. IHG's current subsidiary companies are specialized in: construction and contracting, specialized contracting (mechanical, electrical and plumbing), supply of building materials, safety equipment, wooden products, fire-fighting systems, and other related materials, in addition to food, chemicals, consumable supplies and real estate.

Since its foundation and throughout the years, IHG has always held majority stakes in all subsidiaries; thus, exercised control over the subsidiaries. The Group strives to further acquire significant stakes in companies operating in defensive. industries and diversify its portfolio to include a variety of sectors, including: manufacturing, education, healthcare, trading, hospitality and significantly increase its real estate portfolio.

Representing a network of leading companies in the Qatari market, IHG benefits from its subsidiary companies' extensive expertise, which ensures providing outstanding services and engineering solutions to its clients enabling them to enjoy successful track records in their respective sectors. The Group assesses its projects both financially and strategically and prioritizes specialized projects with high profitability and relatively lower risk, through which it contributes to the development of the Qatari economy, and delivers steady and sustainable returns for its shareholders.

IHG considers minimizing the environmental impact of its work as a top priority as it seeks to improve the quality of life for everyone, now and in the future. The Group therefore endeavors to promote sustainable development by conserving energy, materials, and resources. Moreover, the Group takes active measures to ensure its activities are conducted in an environmentally conscious manner, and to incorporate the relevant environmental safety precautions.

Consolidated Engineering Systems Company W.L.L. (CESCO) is specialized in the firefighting and low-current systems associated with commercial and residential complexes, and with industrial plants and military establishments. Additionally, it specializes in lighting and electrical installation material for various applications.

Specifically, CESCO services encompass design, engineering, supply, installation, commissioning and maintenance of the following systems:

- Fire detection and voice alarm systems (Edwards)
- Xtralis aspirating detection systems (VESDA)
- FM-200, Co2 and dry chemical systems
- Security systems (access control, CCTV, integrated security systems)
- Public address systems
- Intercom & paging
- Timekeeping
- Nurse call systems
- Parking control systems

CESCO has completed a large number of complex and high-profile mega projects since its establishment in 2006, and is renowned for its effectiveness, consistent quality and superb after-sales service. The company is recognized by principal advisors, civil and other specialists for its high standards in planning and executing, for its firefighting protection work and for the low-current systems related to different types of premises.

The award of ISO 9001:2015 Quality Management Certification demonstrates CESCO's dedication to continuous business venture improvement. The company's environmental management system—recognized with ISO 14001:2015—guarantees the applicable implementation of its environmental strategies. Likewise, ISO 18001:2007 affirms the consistency of CESCO's frameworks within the International Occupational Health and Safety Management Systems. Furthermore, CESCO is a distinguished member in the National Fire Protection Association (NFPA), and is certified by the Qatar Civil Defense and listed by Kahramaa. In addition, the company is classified Grade 'A' by the Qatar Ministry of Interior, thereby verifying the company's high performance and commitment to the highest standards in the services it provides to clients.

Consolidated Supplies Company W.L.L.

Formed in 2002, **Consolidated Supplies Company W.L.L. (CSC)** is a multi-divisional business that is specialized in the refilling and servicing of fire extinguishers, the supply and maintenance of electrical, lighting, sanitary ware and personal protective equipment. CSC also supplies additional building materials such as safety equipment, power tools, hand tools, plumbing materials, lighting fixtures, binding wires and other accessories that are commonly used in construction projects.

In addition, the global brand names showcased within CSC's multiple divisions—such as Waiss and Hammer Man—are perceived for their standout clean items and personal safeguard apparatuses that are exclusive to CSC.

With the successful completion of numerous projects over the last two decades, CSC has gained a strong reputation for productivity, unwavering quality and an excellent after-sales service.

Guaranteeing the high caliber of its items through reviews and stringent testing, CSC meets the continuous high demand for its products and services that are customized to the needs of its clients, while meeting the significant legal and administrative requirements of the State of Qatar.

WATERMASTER Qatar W.L.L.

Water Technology, Swimming Pools, Jaccouzi, Saunas
Fountains Designers & Contractors

WATERMASTER Qatar W.L.L. (WATERMASTER), was founded in 2006 and specializes in water-related projects that include water features, water / wastewater treatment, and wellness and pools. The company also provides designs for treatment plants and sub-water networks as well as the supply, installation, commissioning and maintenance of the plants.

Since its initiation, WATERMASTER has consistently kept pace with the latest innovations in water treatment. The company's advancements in this field are due to its precision design and planning standards, expert knowledge of water toxins and science, and industry best practices for environmental protection.

Over the last couple of years, the company has effectively completed around 170 projects in Qatar. In accordance with the, Equivalent Employment Opportunity' strategy, WATERMASTER promotes a culture of equity and fairness, providing professional development opportunities to every worker. The company likewise regularly assesses its health and safety standards to shield staff from any risks, updating its procedures as necessary.

In recognition of WATERMASTER's continued efforts in the area of risk control, the company has gained the OHSAS 18001:2007 Occupational Health and Safety Management Systems certification. Additionally, the company has been certified with ISO 9001:2015 for Quality Management Systems and ISO 14001:2005 for Environmental Management Systems.

Trelco Limited Company W.L.L.

Trelco LIMITED CO. W.L.L.

شركة تريلكو المحدودة ذ.م.م

Trading, Contracting, Transportation
Projects & Government Supplies & Services

Trelco Limited Company W.L.L. (TLC) is a fast-growing business group with major operations. Its commitment to solid principles and corporate ethics has earned TLC a reputation that spans over 40 years. The business activities of the company currently cover the following sectors:

- Trading
- Information technology and communications
- Security
- Engineering
- Construction
- Transport
- Services
- Energy
- Consumer products
- Chemicals

TLC specializes in the trading of industrial materials and chemicals, oil and gas, water treatment, and agriculture and health chemicals. Furthermore, TLC is now one of the major suppliers of imported foods and beverages and other consumer goods in Qatar.

Supported by its team of expert professionals, highly experienced in sales, marketing and distribution; the company supplies various government departments as well as private companies. TLC meets clients' requirements for an assortment of hardware equipment, consumable supplies and services.

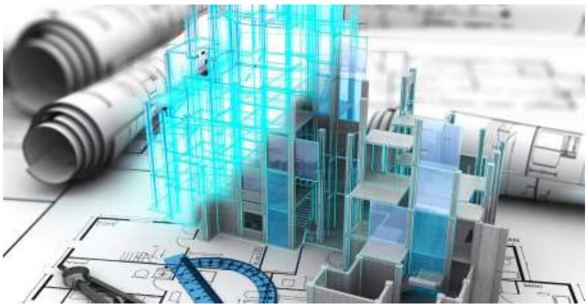
DEBBAS ENTERPRISE - QATAR WLL

Debbas Enterprise – Qatar W.L.L. (DEQ) was established in 2006, in partnership with Debbas Holding - Lebanon, with the aim of providing top-notch electro-mechanical contracting and facility management services to the booming market of the State of Qatar. Specialized in the management and execution of electro-mechanical projects, DEQ is structured to tackle the entire process from design support, planning and comprehensive engineering to complete execution and integrated facility management services. DEQ services include mechanical, electrical, plumbing, low voltage works and data center infrastructure in addition to street-lighting installations.

In affirmation of its strong focus on quality management, DEQ has been awarded ISO 9001:2015; for its commitment to environmental protection: ISO 14001:2015; and for its health and safety standards: OHSAS 18001:2007. These accreditations confirm the company's dedication to persistent improvement and excellence in every area of its operations.

DEQ is confirmed by KAHRAMAA as a Grade 3 company for executing electrical works of up to 500 KW, and designated by Ashghal for roadway/road light support works. Likewise, the company is classed as Grade 2 by the Ministry of Finance for electro-mechanical works; establishment of works and for the maintenance of MEP equipment and electrical works.

Construction Development Contracting & Trading W.L.L.



Construction Development Contracting and Trading W.L.L. (CDCT) is a civil contractor providing a broad range of construction services. The company's solid reputation comes from its long-term partnerships with customers, architects, engineers, subcontractors and suppliers. Distinguished by its managerial expertise and well-established system of operations, CDCT has highly trained engineering and executive teams with extensive experience with the company in construction, consultancy and supervision work.

Supported by employees committed to offering exceptional customer service—and with its 70 completed projects so far—CDCT has consistently exceeded expectations.

As a holder both of ISO 9001:2008 for quality management and ISO 14001:2004 for environmental management, CDCT is perceived as a quality-affirmed company for its guarantees in these areas. Additionally, the OHSAS 18001:2007 certification affirms the company's strong performance in occupational health and safety management.

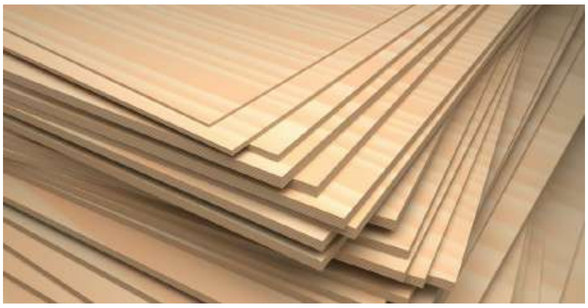
Electro Mechanical Engineering Company W.L.L. (EMEC) was established in 2005. The company provides various mechanical, electrical and contracting activities. Its areas of specialty include the installation and maintenance of HVAC, plumbing, drainage and water supply systems. It also specializes in the supply, installation and maintenance of high- and low-voltage equipment, in addition to low-current, security and building management systems. EMEC's services are supported by its team of highly qualified engineers and technicians.

By meeting the complex demands of its customers in Qatar, EMEC ensures the complete satisfaction of its long-term and professional partnerships across the commercial, industrial, residential and public sectors.

Designated as a Grade 'A' MEP contractor, the company is included in the list of Ashghal's vendors for undertaking drainage projects. Likewise, EMEC acts as a subcontractor for installation work and is approved by Kahramaa as a Grade 'A' company for executing electrical contracting works in Qatar.

The company has earned EMEC ISO 9001:2015, confirming that all processes and procedures within its quality administration framework have been carefully designed and quality-tested according to international standards. Furthermore, the company holds the ISO 14001:2015 certificate of compliance for its environmental management systems, and ISO 45001:2018, in recognition of its commitment to health and safety in the workplace.

TBMC
شـركـة تـريـلـكـو لـمـواد الـبـنـاء
TRELCO BUILDING MATERIALS CO
Wood & Steel Suppliers



Trelco Building Materials Company W.L.L. (TBMC) was established in 2008 and supplies building materials to the market in Qatar. The company is the main supplier of:

- Plywood
- Bitumen impregnated boards
- Steel prop pipe supports
- Scaffolding
- Engineered panels
- Softwood
- Temperate and tropical hardwood species
- Woodworking accessories and tools

TBMC's substantial storage facilities, together with its large fleet of transportation vehicles and equipment facilitate its major operations.

Well-known for its quality, adaptability and dependability over the last decade, TBMC consistently earns consumer loyalty through the expertise of its proficient and accomplished technical team.

The company is authorized with ISO: 9001:2015 Quality Management Systems and Forest Stewardship Council certifications. As such, the company demonstrates a strong commitment to implementing environmental policies as well as occupational health and safety systems across all areas of the business.

GOVERNANCE REPORT 2021

Governance Report

2021

In accordance with the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market issued by Qatar Financial Markets Authority (QFMA) pursuant to Resolution No. 5 of 2016.

Introduction

Governance is one of the most important management and control systems for companies in general, and for listed shareholding companies in particular. Such importance is due to the fact that governance entrenches the principles of good governance; determines the functions and responsibilities of the Board of Directors, Senior Executive Management and employees of the Group; promotes the principles of justice and equality among stakeholders; ensures productive control and risk management; enhances transparency and disclosure; regulates stakeholder's rights; and promotes community advancement. This can improve the Group's performance in general, and inevitably ends in achieving the true meaning of the principle of upholding the interests of the public, the Group and stakeholders, placing them before any other interest.

From that standpoint and based on the commitment of Investment Holding Group Q.P.S.C. to the principles of Corporate Governance Code for Companies and Legal Entities Listed on the Main Stock Market, particularly those promulgated under the QFMA Board of Directors' decision No. 5 of 2016, published in the Official Gazette on 15/05/2017, and out of the keenness of the Board to implement the rules of governance, the Group adopts the best management practices with a view to achieving a good governance level. By doing so, the Group aims to: promote the confidence of current and prospective investors; spread the Group's governance culture; consolidate the values of justice and equality among stakeholders and non-discrimination on the basis of race, gender and religion; promote transparency and disclosure and provision of information to the Authority and stakeholders at the right time and in the manner that enables them to make decisions and undertake their duties properly; uphold the values of the Group's corporate social responsibility; giving the public interest of the Group and stakeholders a priority.

over the personal interest; and undertake duties, tasks and functions in good faith, integrity, honor and sincerity and take the responsibility arising therefrom before both stakeholders and society. All that can be achieved by establishing the following principles:

Transparency

This principle is based on good faith, honesty and openness; upholding of the values of self-censorship and integrity; exercising of great caution, diligence and honesty in performing the tasks and functions assigned to each and every employee and official in the Group, including the Chairman, Board members, Senior Executive Management, all employees and other parties related to the Group. This principle determines the framework of disclosure and provision of the information required by the Authority, other regulatory bodies or stakeholders at the right time and in the manner that enables the requester of information to take the proper decision. It also regulates insiders' way of dealing in the securities issued by the Group or any of its subsidiaries as well as serves to avoid and reduce conflicts of interest and achieve public interest under the concept of fair investment in the market.

Responsibility Taking and Acknowledgement: This principle aims to determine the rights, duties and responsibilities in the Group; develop an appropriate control mechanism to hold each official/employee accountable for his work and assess his performance; and assess the Group's overall performance in accordance with best international standards whether the control process is carried out internally by the Board and its committees or by the internal audit, each within its scope of competence, or externally by an auditor. It also aims to make each official acknowledge his responsibility even when delegating some of his functions or powers to others since such delegation is only related to tasks not responsibilities. In addition, this principle aims to outline the social responsibility of the Group and its role towards the development and prosperity of society and preservation of the environment.

Justice and Equality: Stakeholders, first and foremost shareholders, have equal rights and shall be treated without any discrimination whatsoever on the basis of race, gender or religion, and they shall have all the same rights arising from their share ownership or capacity in the Group. This principle also covers stakeholders' rights in the Group, whether shareholders or others that have a position or an interest in the Group, such as employees, creditors, clients and suppliers. This is aimed to enable them to exercise and enjoy their rights, particularly the rights related to the General Assembly and accessible participation therein, including the rights to vote, candidacy and election of Board members, dividends, access information, and adopt the bonus and incentives policy in the Group, including bonuses of the Chairman and members of the Board and Senior Executive Management.

Commitment

The Group takes into account the protection of the rights of investors and stakeholders in general, enabling them to exercise such rights, as well as upholding of values of protecting the rights of minority shareholders and employees of the Group by adopting preferential treatment for small investors and minority shareholders. The pillars of such treatment involve: not allowing the majority to control the minority; not allowing one or more Board members to dominate the decision-making process; and adopting cumulative voting method in the election of Board members. This method of voting gives each shareholder voting rights equivalent to the number of shares owned by them and allows them to cast the said votes for a single candidate or divide them among selected candidates without any duplication of votes. The said method could increase the opportunities of minority shareholders to enjoy fair representation in the Board, and provide an appropriate mechanism that enable all shareholders and other stakeholders to access information to the extent that protects the interests and rights of the Group and others, as well as a mechanism for submitting appeals and complaints and reporting any violations or risks that might threaten the Group.

Definitions

Company: Investment Holding Group Q.P.S.C.

Chairman: The Board chairman.

Board: The Board of Directors of the company

Governance: System by which a company is directed and controlled. The governance specifies the foundations and principles of the distribution of rights and responsibilities among the different participations in the Company – such as the Board of Directors, managers, shareholders and other Stakeholders – and spells out the rules and procedures for making decisions of the Company's affairs.

Executive Board Member: A Board member who performs an executive role and/ or has a full-time position.

Non-Executive Board Member: A Board member who does not have a full-time management position at the Company or who does not receive a wage.

Independent Board Member: A Board member, who has complete independence.

Corporate Governance Code: Qatar Financial Markets Authority (QFMA) Resolution No. 5 of 2016 for Companies and Legal Entities Listed on the Main Market and its amendments.

Law: Commercial Companies Law No. (11) of 2015 and its amendments.

Authority: Qatar Financial Markets Authority (QFMA).

Disclosures in the Annual Report

The Board is committed to submitting an annual governance report in accordance with the applicable regulations. In its annual report, the Group shall disclose its commitment to apply the principles and provisions of the Governance Code. In case of non-compliance with any principle or provision of the Code for reasons accepted by the Authority, taking into account the public interest, the market interest or the protection of investors, the Group shall specify in the Governance Report the article or articles that it has not complied with and express the justifications for non-compliance or the reasons for violation, as the case may be, provided that the Governance Report is part of the annual report of the Group, including the following:

First: Procedures followed by the Group in implementing the provisions of this Code:

In fact, the Group has adopted the Governance Code No. 5/2016 since the Constituent General Assembly of the Group held on May 8, 2017, which approved the Group's Articles of Association and finally announced the establishment of the Group.

In 2021, the Group adhered to the application of governance systems. To explain, during 2020, the Group held twenty-four (24) meetings for the Audit and Risk Management Committee, two (2) meetings for the Nominations and Remuneration Committee, twenty-one (21) Board meetings, two (2) Ordinary General Assembly meetings.

In 2020, the Group adhered to the application of governance systems. To explain, during 2020, the Group held fifteen (15) meetings for the Audit and Risk Management Committee, two (2) meetings for the Nominations and Remuneration Committee, twelve (12) Board meetings, One (1) Ordinary General Assembly meeting and Two (2) Extraordinary General Assembly meetings.

During Financial Year 2021, the Audit and Risk Committee meetings approved the annual budget for the Group and its subsidiaries, The Committee discussed the internal audit reports of the Group and its subsidiaries. The Internal Auditor presented during the meetings the results of their detailed reports regarding their internal audit on the subsidiaries.It also called for the opening of candidacy for independent members, recommended the implementation of the required policies in the corporate governance system, and discussed the offer submitted by Elegancia Group LLC to be acquired by the Group. , and discussed the quarterly and semi-annual financial statements for the year 2021 and hearing observations of the external auditor and then the condensed consolidated financial statements for the nine-month period ending on September 30, 2021, and some pending issues pertaining to the group and its subsidiaries, and discussing the internal audit report of the subsidiaries.

At the level of the Board of Directors, twenty-one (21) meetings were held. The most important topics discussed were the discussion and approval of all the periodic financial statements at the specified times in accordance with the law and regulations as well as the Audit and Risk Management Committee reports during the fiscal year 2021. The Board approved the restructuring of the Board and the committees. The Board also accepted the resignation of a Board member and appointed a new Board Secretary in replace of the resigned Secretary. The Board approved the amendment of Investment Holding Group's representatives in the Board of Directors of its subsidiaries; Electro Mechanical Engineering Co. (EMEC) and Consolidated Supplies Company W.L.L. (CSC) and Watermaster (Qatar). Furthermore, the Board approved restructuring banking facilities for the Group as well as renewal and amendment of banking facilities for the Group and its subsidiaries, based on the delegation provided to the Board of Directors during a previous General Assembly.

The Group has called for two meetings for the Ordinary General Assembly where the first Ordinary meeting held on 13 April 2021 was adjourned to the second meeting held on 19 April 2021, due to lack of qurom.

In addition to the above, the Group made effective disclosures in a way ensuring justice and transparency, preventing conflicts of interest and exploitation of information not available to the public, and clarifying the rules to be followed when dealing in securities by insiders. The Board meetings, resolutions and recommendations, periodic financial statements, and the place and time of holding the General Assembly meetings were disclosed. A new Secretary has been appointed for the Group's Board of Directors. The basic statements of the listed company were disclosed according to the applicable laws and regulations. The contracts signed by the subsidiaries were also disclosed. In addition, the Group disclosed the list of names and data of the member of the Board of Directors, and the list of informed persons, as well as committees and recommendations, committee members and court lawsuits. Moreover, the Group disclosed all periodic and immediate information and notifications regarding material issues.

During the Financial Year 2021, the Group carried out all disclosure procedures stipulated in the applicable laws and regulations, particularly to QFMA, Qatar Stock Exchange and Qatar Central Securities Depository. The Group's website was updated to keep the shareholders updated of all the news and disclosures issued by the Group.

Second: Disclosure of any violations committed during the year, including violationsand penalties imposed for non-compliance with the implementation of any of the principles or provisions of this Code, their reasons, the remedial measures taken and ways to avoid the same in the future

During the period until the end of the financial year 2021, the Group did not commit any violations, and no penalties were imposed on it due to its commitment to implementing the principles of Governance principles.

Third: Disclosure of information relating to Board Members and Committees and Senior Executive Management in the Group and their responsibilities, powers and work during the year, as well as their remunerations

A. BOD Members:

The Board shall consist of ten (10) members to be elected by the Ordinary General Assembly by secret ballot. As an exception, the Founders appointed the first Board, which shall remain in office for five years in accordance with the Group's Articles of Association. The first Chairman of the Board of Directors of the group, the late Mr. Ghanim Sultan Al-Hudaifi Al-Kuwari, passed away. The Board elected Mr. Khalid Ghanem Al-Hodaifi Al-Kuwari as Chairman. and Board is formed of the following members:

SN.	Data, Brief CV and Qualifications of Board Member
1	**Khalid Ghanim Sultan Al Hodaifi Al Kuwari** **Chairman** BA in Police Science from Durham Military College Businessman
2	**Hamad Ghanim Sultan Al Hodaifi Al Kuwari** **Board Member (Non-Independent, Non-Executive)** Military Science Diploma, Royal Military Academy Sandhurst, London, 2000 An officer in the Qatari Police Amiri Diwan
3	**Sheikh Nasser bin Ali bin Saud Al Thani** **Board Member (Independent, Non-Executive)** Board Member of Ahli Bank
4	**Hamad Abdulla Shareef Al Emadi** **Board Member (Independent, Non-Executive)** Business Management Diploma from Arizona University MBA from Plymouth University CEO of Alijarah Holding Q.P.S.C.
5	**Omar Abdulaziz Al-Marwani** **Board Member (Independent, Non-Executive)** CPA from California Board of Accountancy, USA Board member in a number of major companies, such as Ooredoo & Katara Hospitality Former CFO of Qatar Investment Authority
6	**Samir Hassan Abu Lughod** **Board Member** BA in Accounting - Beirut Arab University and a member of the Jordanian Association of Certified Public Accountants. Chairman of the Audit Committee - ICC / Netherlands since 2016 Independent Member of the Board of Directors of Al Safwa Islamic Bank/ Jordan since 2017. Partner and former Director of Price Waterhouse (PWC) Jordan. Partner and former director of Ernst & Young (EY) Jordan. Partner and former Director of Arthur Anderson (AA) Jordan.
7	**Abdul-Rahman Ghanim Sultan Al Hodaifi Al Kuwari** **Board Member (Non-Independent, Non-Executive)** BA in Police Science from Durham Military College Businessman
8	**Mohammed Ghanim Sultan Al Hodaifi Al Kuwari** **Board Member (Non-Independent, Executive)** BSc in Technological and Information Business Administration, Accounting Department, Higher Technological Institute, Egypt Deputy CEO of Investment Holding Group Q.P.S.C. Businessman

9	**Sultan Ghanim Sultan Al Hodaifi Al Kuwari** **Board Member (Non-Independent, Non-Executive)** Business Administration Diploma, Qatar University, 1996 MA in Diplomatic Studies, University of Westminster, UK, 2001 Emiri Diwan, Head of His Highness Emir Office for Personal Affairs
10	**Abdul-Aziz Ghanim Sultan Al Hodaifi Al Kuwari** **Board Member (Non-Independent, Non-Executive)** BSc in Business Administration, Plymouth University, UK, 2011 International Bank of Qatar - Corporate Relations Manager (20/11/2011 - 31/05/2013) Training courses and experience at the National Bank of Kuwait in New York and the UK Amiri Diwan - Amiri Protocols

The Group is committed to the competence and effectiveness of Board members. It shall ensure that Board members are qualified with sufficient knowledge of administrative matters and relevant experience to perform their duties effectively, and that they devote enough time to do their job with integrity and transparency in order to achieve the Group's interest, goals and objectives. Board members shall meet the applicable requirements, namely: None is under twenty-one years of age; none has been sentenced to a criminal penalty, or an offence against honor or integrity, or any of the crimes referred to in Article 40) of Law No. 8 of 2012 on Qatar Financial Markets Authority, and Articles (334) and (335) of Law No. 11 of 2015 promulgating the Commercial Companies Law; none is banned from practicing any work in the entities subject to the Authority's oversight under Article (35 (paragraph 12)) of Law No. 8 of 2012 referred to; and none has been declared bankrupt, unless they have been rehabilitated. Moreover, a Board member shall be a shareholder owning 100,000 shares of the Group's shares determined by its Article of Association. Such shares shall be deposited with the Depository Authority with restriction of trading, mortgage or seizure until the end of membership period and approval of the Financial Statements of the last fiscal year in which the member performed his duties. Such shares shall also be allocated to guarantee the rights of the Group, shareholders, creditors and third parties for the liability against Board members.

The members of the Board also acknowledged not occupying any position prohibited by law to be combined with the membership of the Board, based on written declarations signed on 18/12/2021,

The Board shall ensure that no one or more members shall control the decision-making process in the Group by approving the Group's authority matrix in the minutes of the Board meeting No. 12 of 13 June 2018. The authority matrix detailed the powers of the Board, Executive Management, general managers, and senior employees in the Group and its subsidiaries in terms of decision making, including plans and budget, corporate governance, periodic reports and control, policies and procedures, salary scales, employee relations and affairs, banking and financial matters, payment and contractual obligation signing powers, stock inventory pricing, contract amendments, financial and legal settlements, disposal of assets and debt clearances, and public relations. It also included a detailed analysis of the control systems and risk policies of the Group and its subsidiaries.

In addition to the above, the Group shall ensure that no Board member may combine any of the prohibited positions at the same time. That is, no Board member, whether in person or in capacity, may serve as a board chairman or a vice-chairman for more than two companies headquartered in the State, nor serve as a board member for more than three shareholding companies headquartered in the State, nor serve as a delegated director in more than one shareholding company headquartered in the State, nor combine two board memberships of two companies exercising a homogeneous activity. The Group shall not allow combining the position of the Board Chairman with any other executive position in the Group.

1. Board Charter:

The Group committed to preparing the Charter of the Board in 2017 and published it on its website www.ihgqatar.com. It shall amend the Charter according to the circumstances.

2. Board Responsibilities:

The Board shall represent all shareholders and exert due diligence and care in managing the Group in an effective and productive manner so as to achieve the interest of the Group, partners, shareholders and stakeholders, and achieve public interest as well as promote investments in the State and enhance community development. The Board shall also bear the responsibility for protecting shareholders from illegal or arbitrary practices and business, or from any acts or decisions that may be harmful to them, cause discrimination among them, or let a group dominate another.

The responsibilities of the Board are clearly defined in the Group's Articles of Associations and in "the Board Charter" referred to above.

Without violating the provisions of the law, the Board shall carry out its functions and duties and bear its responsibility according to the following:

- The Board shall carry out its duties responsibly, in good faith and with due diligence. Its decisions shall be based on sufficient information received from the Executive Management, or from any other reliable source.
- A Board member shall represent all shareholders, and shall be committed to achieving whatever is in the interest of the Group, not the interest of the person he represents or the person that voted in favor of his appointment to the Board.
- The Board shall determine the powers to be delegated to the Executive Management and the procedures for taking any decision and the validity of such delegation. It shall also determine matters reserved for decision by the Board. The Executive Management shall submit to the Board periodic reports on the exercise of delegated powers in order to consider the proposed recommendations and make administrative decisions thereon.
- The Board shall ensure that procedures are laid down for familiarizing the new Board members with the Group's business and, in particular, the financial and legal aspects, and providing them with the necessary training.
- The Board shall ensure that sufficient information about the Group is made available to all Board members in general, and to non-executive members in particular, to enable them to perform their duties and roles efficiently.
- The Board didn't conclude any loan contracts with terms exceeding three years, and did not sold or mortgaged the property of the Group, or discharged the Group's debtors from their obligations, unless it is authorized to do so under the Group's Articles of Association and according to the conditions stipulated therein. In case the Group's Articles of Association contains provisions in this regard, the Board did not act without the approval of the General Assembly, unless such acts fall within the normal scope of the Group's purposes.
- The Board assumed all the powers and authorities necessary to manage the Group and delegated some functions to its committees, particularly the Audit and Risk Management Committee, the Nominations and Remuneration Committee, and the Executive Committee. However, the Board is not bound by the recommendations made in the minutes of the committees.

3. Board Chairman:

The Chairman serves as the head of the Group, represents it before others and before the judiciary, is primarily responsible for ensuring the proper management of the Group in an effective and productive manner, and works to achieve the interest of the Group, partners, shareholders and stakeholders. The Board Charter defines the tasks and responsibilities of the Chairman as follows:

- Ensuring that the Board discusses all the main issues in an efficient and timely manner;
- Approving the agenda of the Board meeting, taking into consideration any matter proposed by any Board member;
- Encouraging all Board members to collectively and effectively participate in the conduct of the Board's affairs to ensure that the Board is undertaking its duties to achieve the best interest of the Group;
- Making available for the Board members all data, information, documents and records of the Group, and the Board and its committees;
- Creating effective communication channels with shareholders and communicating their opinions to the Board;
- Allowing effective participation by non-executive Board members in particular and promoting constructive relations between executive and non-executive Board members; and
- Keeping Board members constantly informed about the implementation of the provisions of the Governance Code, allowing the Chairman to authorize the Audit and Risk Management Committee or others in this regard.

4. Board Members' Obligations:

In inviting Board members to meet, the Board committed to inviting them to meet in person or through teleconference, videoconferencing or similar communication equipment. The Board ensured that everyone was able to listen and talk to each other throughout the meetings, bearing in mind that boards minutes of meeting require the signature of at least half the members to be valid.

5. Invitation for Meetings:

The Board shall meet at the invitation of its Chairman in accordance with the Group's Articles of Associations or at the request of two of its members. The invitation, accompanied with the agenda, shall be sent to each member at least one week prior to the appointed date of the meeting. Any member may request the addition of one or more items to the agenda, and the Chairman shall confirm the addition of such new items to the agenda. During 2021, the Board held twenty-one (21) Board meetings, at intervals not exceeding three months. Those meetings were attended by the majority of members. All members participated in the meetings of the Board in person or by means of modern communication technology, so that all members heard and participated in the proceedings of the Board and the issuance of its decisions.

The decisions of the Board were always passed by a majority vote of those present or their representatives. All meetings were signed by the Chairman and the Secretary, as well as all members present. Some decisions were issued in a written and valid form that is enforceable for all purposes, with at least half of the members signing in accordance with Article 33 of the Group's Articles of Association.

All the minutes of meetings were signed by the Chairman and the Secretary. Accordingly, the Board complied with the provisions of Article 104 of the Companies Law, Article 14 of the Governance Code, and Article 33 of the Group's Articles of Association.

The schedule of Board meetings in 2021 is as follows:

Meeting No.	Date	Agenda	Number of Attendants
40/2021	19-01-21	Discussing the settlement between Electro Mechanical Engi-neering Company W.L.L and Zublin International Qatar W.L. L	10
41/2021	14-02-21	Discussing the Partners Agreement suggested from the Executive Management with the partner in Electro Mechanical Engineering Company W.L. L	10
42/2021	11-03-21	Discussing the annual budget 2021 for Investment Holding Group Q.P.S.C. and its subsidiaries.	10
43/2021	15-03-21	1- Discussing the consolidated balance sheet of the company, the profit and loss statement, the statement of financial flows and the clarifica-tions for the year ending on 31/12/2020 com-pared to the fiscal year ending on 31/12/2019 certified by the company's auditors and the re-port of the Board of Directors on the compa-ny's activity, financial position and future plans Discussing the governance report. 2-Discussing the report of the Audit and Risk Committee on the financial statements on the company's activities and its financial position during the fiscal year ending on 31/12/2020 3- Discussing offers to appoint account auditors and determine their profits. 4- Discussing and recommending to the General Assembly about distributing profits to shareholders 5- determining remuneration of the members of the Board of Directors and 6- Offer to rent offices in the building located in Muaither, owned by the Chairman of the Board of Directors, as the headquarters of the Group. 7- Researching the feasibility of buying treasury shares. 8- Inviting the annual general assembly of the com-pany to convene and renew their agenda.	10
44/2021	07-04-21	Discussing the request presented by Elegancia Group W.L.L to be aquired by the Group.	10
45/2021	14-04-21	Opening of candidacy to elect (4) four independent members of the Board of Directors	10
46/2021	25-04-21	Discussing the Group's financial report for the Interim Condensed Consolidated Financial Statements for the first quarter of the fiscal year 2021 ending on 31 March 2021	10
47/2021	05-05-21	Inviting the general assembly of the company to elect four (4) independent members of the Board of Directors.	9

48/2021	30-05-21	Discussing and appointing a financial advisor to submit a report on whether or not the Acuisition Offer is accepted, based on the Authority's Board of Directors' decision to issue the Merger and Acquisition Regulation No. (2) of 2014.	10
49/2021	10/8/2021	Reviewing and discussing the semi-annual audited financial statements for the period ended 30 June 2021	10
50/2021	09-09-21	Election of Chairman and Vice Chairman of the Board of Directors of Investment Holding Group Q.P.S.C.	10
51/2021	07-10-21	Discussing the report and recommendation of the Audit and Risk Committee regarding what was reached in the acquisition process and the Board's decision in the light of the discussion	9
52/2021	12-10-21	Discussing the Chairman of the Board's conclusions in the negotiations with the Elegancia Group Holding Company regarding the exchange ratios for the acquisition process	9
53/2021	18-10-21	1- Discussing the developments of the Acquisition Transaction. 2- Discussing the quotations received by the Group to waive the rental contract of Trelco's labor camp	8
54/2021	25-10-21	Reviewing and discussing the summarized consolidated financial statements for the nine months ended 30 September 2021	10
55/2021	26-10-21	Defining the powers of the Chairman of the Board of Directors	8
56/2021	01-11-21	Discussing points of disagreement with Elegancia Group regarding the share swap contract	10
57/2021	07-11-21	Discussing points of disagreement with Elegancia Group regarding the share swap contract	10
58/2021	09-11-21	Reviewing and discussing the share swap contract, the offer document, and all documents required to be submitted with the offer document	9
59/2021	09-12-21	Special powers granted for the Chairman	9
60/2021	29-12-21	Banking facilities from Qatar International Islamic Bank	9

6. Board Secretary:

The Secretary provided the needed assistance for the Chairman and all members of the Board in conducting their duties and committed to the conduct of all work of the Board, including:

- Recording the minutes of Board meetings, setting out the names of attending and absent members, indicating all that has taken place during meeting discussions, and recording members' objections to any decision issued by the Board.
- Recording Board decisions in the register prepared for this purpose as per issuance date.
- Recording the meetings held by the Board in a serial numbered register prepared for this purpose and arranged as per the holding date, setting out the names of attending and absent members, meeting discussions, and members' objections, if any.
- Keeping Board meetings' minutes, decisions and reports, as well as all Board records and correspondence in paper and electronic records, as the case may be. Invitations were always sent electronically, and none of the Board members objected. The Secretary confirmed that invitations were delivered to all members.
- Sending to Board members and participants - if any - the meeting invitations accompanied with the agenda at least one week prior to the appointed date of the meeting, and receiving members' requests to add one or more items to the agenda and indicating the submission date thereof.
- Fully coordinating between the Chairman and members, and among members themselves, as well as between the Board, Related Parties and Stakeholders in the Group, including shareholders, management and employees.
- Enabling the Chairman and members to have timely access to all information, documents and data of the Group.
- Keeping Board members' acknowledgments of not combining prohibited positions according to the law and the provisions of this Code. In this regard, the Board's decision No. 12/2018, dated 13 June 2018, was issued to inform the Board of the positions prohibited to be combined by Board members. The Chairman and members of the Board acknowledged that they are fully aware of this requirement and declared that they do not occupy any of the positions prohibited to be combined.

7. Board Committees:

The Audit and Risk Management Committee shall amend the proposed internal control system of the Group and conduct periodic reviews as required, including the approval of the annual audit plan and the annual internal audit table of subsidiaries. In addition, the Audit Committee shall undertake the following:

- Setting the procedures of contracting with and nominating External Auditors, and ensuring their independence while performing their work.
- Overseeing the Group's internal controls and following the External Auditor's work and coordinating between them, ensuring their compliance with the implementation of the best International Standards on Auditing and Financial Reporting in accordance with the International Financial Reporting Standards (IFRS/IAS) and (ISA) and their requirements; verifying that the External Auditor's report includes an explicit mention of whether it has obtained all the necessary information and the Group's compliance with international standards (IFRS/IAS), and whether the audit has been conducted based on International Standards on Auditing (ISA) or not.
- Overseeing and reviewing the accuracy and validity of the financial statements and the annual, semi-annual and quarterly reports.
- Studying, reviewing and following up the External Auditor's reports and notes on the Group's financial statements.
- Ensuring the accuracy of and reviewing the numbers, data and financial statements and whatever items submitted by the Group to the General Assembly.
- Coordinating among the Board, Senior Executive Management and the Internal Control of the Group.
- Reviewing the systems of financial and internal control, and risk management.
- Conducting investigations in financial control matters requested by the Board.
- Coordinating between the Internal Audit Unit in the Group and the External Auditor.
- Reviewing the financial and accounting policies and procedures of the Group and expressing opinions and making recommendation on the same to the Board.
- Reviewing the Group's dealings with the Related Parties, and confirming whether such dealings are subject to and comply with the relevant controls.
- Regularly developing and reviewing the Group's policies on risk management, taking into account the Group's business, market changes, investment trends and expansion plans of the Group.
- Supervising the training programs on risk management prepared by the Group, and nominations to them.
- Preparing and submitting periodic reports on the Group's risks and their management to the Board - at a time determined by the Board - including its recommendations, and preparing reports on certain risks at the behest of the Board or the Chairman.
- Implementing the assignments of the Board regarding the Group's Internal Control.
- Conducting discussions with the External Auditor and Senior Executive Management on audit-related risks, particularly the appropriateness of the accounting decisions and estimates, and submitting the same to the Board to be included in the annual report.

8. Committee Meetings:

The Audit and Risk Management Committee held twenty-four (24) meetings at intervals not exceeding two months, a number exceeding the minimum number stipulated in Article 19 of the Governance Code.

The Board prohibited chairing more than one of the Board Committees mentioned in the governance regulations. The chairmanship of the Audit Committee was not combined with the membership of any other committee. The Nominations Committee and the Remuneration Committee were merged into one committee. None of the committees held a meeting except with the attendance of its chairman and at least one member. Minutes were prepared for each meeting, indicating meeting discussions, and signed by the committee's chairman and the members present.

Committees shall submit annual reports to the Board, including their work and recommendations. The Board approved the recommendations of the committees at its first meeting after the convening of these committees. In this regard, the Board shall include the work of the committees in the annual report.

9. Internal Control System:

The Group shall adopt the policy and proposal submitted by the Audit and Risk Management Committee on the Group's internal control system. The said proposal shall include a control mechanism; the duties and functions of the Group's departments and divisions as well as the provisions and procedures of responsibility therein; and awareness and education programs for employees about the importance of self-control and internal controls. It shall also include the Group's risk management plan that identifies, at least, the major risks that the Group may face, particularly those related to new technology; determines the Group's ability to take risks; sets up mechanisms to identify, measure and monitor risks; and implements awareness programs and develops ways to mitigate them. The Internal Control System of the Group shall include establishing one or more efficient and independent units to assess and manage risks, carry out financial audit, and oversee the Group's compliance with the controls of financial transactions, especially those done with any Related Party. The said unit shall be managed by one or more internal auditors enjoying competence and experience in financial audit, performance assessment and risk management. The internal auditors enjoy access to all the Group's departments to follow up their work. A decision was issued by the Board regarding the appointment, functions and remuneration of internal auditors. They shall report to the Board.

The internal auditor shall submit to the Audit and Risk Management Committee a report every 45 days on the Group's internal control work. Based on the recommendation of the Audit and Risk Management Committee, the Board shall determine the data to be included in the report, including at least the following:

- Procedures of control and supervision in respect of financial affairs, investments, and risk management.
- Review of the development of risk factors in the Group and the suitability and effectiveness of the systems adopted by the Group to face the drastic or unexpected changes in the market.
- Comprehensive assessment of the Group's performance regarding its implementation of the Internal Control System in compliance with provisions of this Code.
- The Group's compliance with applicable market listing and disclosure rules and requirements
- The Group's compliance with Internal Control Systems when determining and managing risks.
- The risks faced the Group and their types, causes and the actions taken in relation thereto.
- The proposals for addressing violations and eliminating the causes of risks.

10. External Control:

The Audit and Risk Management Committee shall review and study the offers of External Auditors registered in the Authority's External Auditors List, and then submit to the Board a recommendation with reasons to choose one or more offers to appoint the Group's external auditor. Once the Board has approved the recommendation, it shall be included in the agenda of the Group's General Assembly meeting. The General Assembly shall appoint one or more external auditors for one-year renewable for a similar period or other similar periods up to a maximum of five consecutive years, provided that no external auditor may be reappointed before the passing of two consecutive years.

11. Disclosure and Transparency Requirements:

The Board shall comply with the disclosure requirements, including the financial reports, the number of shares owned by the Chairman, Board members, Senior Executive Management, and major shareholders or controlling shareholders. It shall also comply with the disclosure requirements regarding the information related to the Chairman, Board members and Board committees, as well as their academic and practical experiences as reflected in their CVs, and whether any of them is a member of the board, senior executive management or board committees of another company.

The Group made all immediate and periodic disclosures in accordance with the QFMA's regulations, notably the Offering and Listing of Securities Rulebook issued by QFMA by Decision No. 3 of 2010 as amended in its entirety, particularly Articles 48 et seq. It disclosed the financial statements for the fiscal year ended 2020 as well as the financial statements for the first quarter, first half and third quarter of the fiscal year 2021. The Board disclosed the number of shares held by the Chairman, members of the Board and major shareholders, and the information related to the Chairman and members of the Board according to the law, especially on the Group's website www.ihgqatar.com. The Group also maintained updated copies of the Shareholders' Register at the end of each month since the establishment of the Group.

The shares held by the Chairman and members of the Board, the Senior Executive Management and major shareholders, and their percentage of the Group's capital until 31/12/2021, are as follows:

Name	Title	Number of Shares	Capital Share (%)
Khalid Sultan Al Hodaifi Al Kuwari	Chairman of the Board	8.517.900	1.03%
Hamad Ghanim Sultan Al Hodaifi Al Kuwari	Vice Chairman of the Board	8.092.020	0.97%
Sheikh Nasser bin Ali bin Saud Al Thani	Board Member	10,000	-
Hamad Abdulla Shareef Al Emadi	Board Member	-	-
Omar Abdul-Aziz Al-Marwani	Board Member	-	-
Abdul-Rahman Ghanim Sultan Al Hodaifi Al Kuwari	Board Member	8.517.910	1.03%
Mohammed Ghanim Sultan Al Hodaifi Al Kuwari	Board Member	-	-
Sultan Ghanim Sultan Al Hodaifi Al Kuwari	Board Member	72.219.519	8.70%
Abdul-Aziz Ghanim Sultan Al Hodaifi Al Kuwari	Board Member	8,517,910	1.03%
Samer Mohammed Wahbeh	Group CEO	-	-
Mohammed AHMAD Deeb Abdullah	Group CFO	-	-
Sanaa Daakour	Group's Head of Legal and Secretary	-	-
Mohammad Rizk	Group Head of HR and Admnistration	-	-
Christine Salibi	Investor Relations Officer	-	-

Major shareholders who own more than 5% of the Group's capital as of 31/12/2021 are:

Name	Number of Shares	Capital Share (%)
Sultan Ghanim Sultan Al Hodaifi Al Kuwari	72.219.519	8.70%
Infra Road Trading and Contracting Company W.L.L	55,247,521	6.66%
Heirs of Mr. Ghanim Sultan Al Hodaifi Al Kuwari.	42,511,840	5.12%

The Group is committed to disclosing transactions and dealings with Related Parties as well as the transactions made by Board members, Senior Executive Management and insiders.

The Group is also committed to determining its policy on dealing with rumors by denying or confirming, through the official spokesman of the Group mentioned above. Moreover, the Group is committed to making clear disclosures in writing and in a manner not inconsistent with the Authority's relevant legislation. The Board shall ensure the accuracy and validity of the Group's disclosures and its commitment to all disclosure rules.

12. Stakeholder Rights:

The Group is committed to ensuring equal treatment of all shareholders. Its Articles of Association include the shareholders' rights to cumulative voting, dispose of shares, receive dividends, and attend General Assembly meetings and participate in deliberations and vote on their decisions. The Group is also committed to allowing shareholders to request any information but with no harm to the interests of the Group. In this respect, the Group has a website that enables all shareholders to view its documents and information, including but not limited to:

- List of Board members, showing independent and non-independent members and executive and non-executive members, and determining the term of Board seat for each member separately and indicating whether the member occupies a seat in any of the boards of other companies.
- The Secretary of the Board and the decision to appoint him, along with his academic qualifications or experience certificate in accordance with Article 16 of the Corporate Governance Code and the legal entities listed on the Main Stock Market.
- List of the Group's authorized signatories.
- List of Insiders.
- Shareholding ratio of Board members in capital.
- Capital structure and major shareholders' share in the Group's capital.
- An explanatory statement detailing the Group's structure of ownership in any subsidiary, and determining ownership ratios.
- The Group's organizational structure showing senior executives.
- Articles of Association.
- Commercial Register.
- List of the Group's policies and procedures.
- External Auditor.
- Contact data.
- Articles of Association and Memorandum of Association and the amendments thereof.
- Governance Charter.
- Financial Statements.

13. Shareholders' Rights Related to General Assembly:

The Group's Articles of Associations include regulating the shareholders' rights related to the General Assembly Meeting, including:

- Articles 45 and 58 of the Group's Articles of Association of the Group provide for the right of shareholder(s) owning at least 10% of the Group's capital, and for serious reasons, to invite the General Assembly to convene, and the right of shareholders representing at least 25% of the Group's capital to invite the Extraordinary General Assembly to convene pursuant to the procedures prescribed by the law and regulations in this regard.
- Article 49 of the Articles of Association provides that if a number of shareholders representing at least 10% of the Group's capital require the inclusion of certain matters on the meeting agenda, the Board must include them. Otherwise, the General Assembly may decide to discuss these matters at the meeting.
- Article 52 of the Group's Articles of Association provides for the right to attend meetings of the General Assembly; to have the opportunity to participate actively in these meetings and in deliberations taking place therein; to discuss the matters on the agenda; and to be informed about the date and place of the General Assembly meeting, the issues included in the agenda and the rules governing discussions and asking of questions. Moreover, shareholders are entitled to ask questions to Board members and receive answers from them to the extent that this does not jeopardize the interests of the Group. They are also entitled to appeal to the General Assembly if the answer to their questions is deemed insufficient, and the General Assembly's decision shall be binding in this respect.
- Article 48 of the Group's Articles of Association provides for the right of a shareholder to appoint, by virtue of a written special and fixed proxy, another shareholder who is not a member of the Board to attend the meeting of the General Assembly on his behalf, provided that the number of shares held by the proxy shall not exceed 5% of the Group's capital shares. In addition, minor and interdicted shareholders are entitled to attend the meetings of the General Assembly, and they are represented by their legal representatives. Shareholders are also entitled to vote on the General Assembly's resolutions and to receive all information on the rules and procedures governing the voting process.
- Shareholders have the right to object to any decision that is deemed to be issued for the interest or harm of a certain group of shareholders, or that brings a special benefit to the members of the Board or others without regard to the Group's interests. They are also entitled to demonstrate this in the meeting minutes and to invalidate the decisions to which such shareholders objected in accordance with provisions of the law in this regard.

14. Facilitating Effective Participation in General Assembly & Voting:

The Group enables shareholders to review the minutes and results of the General Assembly meetings by immediately disclosing them to the Qatar Financial Markets Authority, the Qatar Stock Exchange and the Ministry of Industry and Trade. It also places the minutes on the Group's website.

There is no impediment to any shareholder using his right to vote, especially since the voting process is cumulative and it is done through secret ballot.

15. Shareholders' Rights Regarding Dividends Distribution:

The Group is committed to determining the minimum percentage of net profits to be distributed to shareholders. Article 72 of the Memorandum of Association stipulates that the Group shall distribute 5% of the net profits to the shareholders annually. Shareholders have the right to receive the dividends approved by the General Assembly, whether in the form of cash or bonus shares, if they are listed in the Shareholders Register at the Depository Authority at the end of the trading session on the day on which the General Assembly is convened.

16. Shareholders' Rights Regarding to Major Transactions:

In accordance with Article 29 of its Articles of Association, the Group guarantees by virtue of cumulative voting the protection of shareholders' rights in general and minority shareholders in particular. Also, in Article 80 of its Articles of Association, the Group is committed to protecting shareholders' rights in general, as it complies with the laws, especially the Commercial Companies Law and the laws and regulations of Qatar Financial Markets Authority.

The Group's Articles of Association provide protection to shareholders in the event of concluding major transactions or actions that may prejudice the interests of shareholders, such that:

1. Neither the Chairman nor any member of the Board may engage in any business that would compete with the Group's business, or trade for their own account or for the account of others in one of the activities of the Group. Otherwise, the Group may claim compensation or consider the operations undertaken by them as if being carried out for their account.
2. Neither the Chairman of the Board, one of its members nor one of the directors may engage in any work similar to that of the Group's activity, or have a direct or indirect interest in contracts, projects and engagements made to the Group's account.
3. The Group shall not provide any monetary loan of any kind to any member of its Board or guarantee any loan made by one of them with third parties. Any act contrary to the provisions of this Article shall be considered null and void without prejudice to the right of the Group to claim compensation from the violator if necessary.
4. The Chairman and members of the Board or employees of the Group shall be prohibited from exploiting any information acquired by any of them, by virtue of their membership or position, to make a gain for himself, his spouse or children or for any of his relatives up to the fourth degree either directly or indirectly as a result of dealing in the Group's securities. Moreover, none of them shall have a direct or indirect interest with any entity that carries out operations intended to affect the prices of securities issued by the Group. Such prohibition shall remain valid for three years after the expiration of the member's term of office on the Board or the end of his employment in the Group.

5. The Board shall disclose the transactions and dealings concluded by the Group with any related party where the latter has an interest that may conflict with the interests of the Group.
6. Shareholders shall have the right to object to any decision that is deemed to be issued for the interest or harm of a certain group of shareholders, or that brings a special benefit to the members of the Board or others without regard to the Group's interests. They are also entitled to demonstrate this in the meeting minutes and to invalidate the decisions to which such shareholders objected in accordance with provisions of the law in this regard.
7. Each shareholder may individually file a case if the Group does not file the same, in the event that the fault that has occurred may cause damage thereto as a shareholder, provided that the shareholder shall notify the Group of his intention to file the lawsuit. Any provision in the Group's Articles of Association contrary to this shall be considered null and void.

Further, under Article 48 of its Articles of Association, the Group shall prohibit any kind of discrimination among shareholders for any reason and shall treat small and minority shareholders on an equal footing with major shareholders in all cases, especially when the Group intends to enter into major transactions that may harm their interests or prejudice the ownership of the Group's capital. That is, it is not permitted to enter into major transactions that involve owning, selling, leasing, exchanging or otherwise disposing of (except for the establishment of collaterals) the assets of the Group or assets to be acquired by the Group, or those transactions that would change the essential nature of the Group's business, or those whose gross value exceeds 10% of the lesser value of either the market value of the Group or the net asset value of the Group's assets according to the latest announced financial statements, except through the following actions:

1. A decision to this effect shall be taken by the General Assembly.
2. Such transactions shall be preceded by the disclosure of the agreement to be entered into.
3. Approvals shall be obtained from the regulatory authorities on major transactions and the instructions of the official bodies to protect the rights of the minority shall be followed.

17. Stakeholders' Rights (Non-Shareholders):

The Board stated in the Corporate Governance Charter that it adopts an "early warning" policy to encourages the Group's employees to report any suspicious, immoral or illegal behavior that harms the Group's reputation through the mechanism approved for this purpose. Moreover, the Board shall ensure the confidentiality and protection of reports made by employees against any negative reactions by their colleagues or by the employees responsible.

18. The Group's Corporate Social Responsibility:

As a responsible national establishment, the Group believes in the principle of corporate social responsibility towards the community within which it operates. The Group is also committed to continuously promoting the values of development, protecting and preserving human life, health, natural resources and the environment, as well as adding value to the community in which it operates.

B. Board Committees:

1. Audit & Risk Management Committee:

The Committee shall consist of at least three members appointed by the Board with financial and accounting expertise. Committee meetings shall be held in the State of Qatar and can be held in-person or by using any modern means of technology communication. Meetings shall be held at intervals not exceeding two months. The Committee shall send its report to the Board. As defined in its charter, the Audit and Risk Management Committee shall have several powers, particularly those related to financial reporting, internal control system, internal audit system, compliance control system, oversight over external auditors, direction of attention to key issues, and handling of risk management and compliance matters.

The Committee shall submit its reports to the Board, document its minutes in writing by a Secretary, and take its decisions by simple majority. Meetings of the Committee shall be convened by the Chairman or two members of the Committee, and quorum shall be constituted by the presence of two members.

In 2021, the Audit and Risk Management Committee held twenty-four (24) meetings

Members of the Audit and Risk Management Committee are:

Member	Title
Omar Abdul-Aziz Al-Marwani	Chairman of the Audit & Risk Management Committee - Independent Board Member
Sheikh Nasser bin Ali bin Saud Al Thani	Member of the Audit and Risk Management Committee - Independent Board Member
Walid Ahmed Al-Saadi	Member of the Audit and Risk Management Committee - Advisor to the Board
Samir Abu Lughod	Member of the Audit and Risk Management Committee

2. Nominations and Remuneration Committee:

The Committee shall consist of at least three members and shall hold its meetings in the State of Qatar at least twice a year. The Committee shall report to the Board. It shalldevelop the rules and criteria adopted by the General Assembly for the election of the best candidates for membership of the Board,nominate those whom it deems appropriate for the membership of the Board in the event of vacancy of any of its seats develop the succession plan of the management of the Group to ensure quick appointment of replacements nominate those it deems appropriate to fill any of the Executive Management posts, receive candidature applications to the Board and submit the same to the Board along with recommendations, prepare and submit an annual report to the Board containing a comprehensive analysis of the Board's performance; anddetermine the role of the annual bonus policy in the Group, as well as the bases for granting allowances and incentives across the Group.

The Committee shall submit its reports to the Board, keep minutes for its meetings, and take its decisions by simple majority. Meetings of the Committee shall be convened by the Chairman or two members of the Committee at least one week prior to its meeting. Quorum shall be constituted by the presence of two of its members.

The current members of the Committee are:

Member	Title
Sheikh Nasser bin Ali bin Saud Al Thani	Chairman of the Nominations and Remuneration Committee
Khalid Ghanim Sultan Al Hodaifi Al Kuwari	Member of the Nominations and Remuneration Committee
Hamad Abdulla Shareef Al Emadi	Member of the Nominations and Remuneration Committee
Hamad Ghanim Sultan Al Hodaifi Al Kuwari	Member of the Nominations and Remuneration Committee

C. Senior Executive Management in the Group and their responsibilities, powers and work during the year, as well as their remunerations:

The Organizational Structure consists of:

1. **Samer Mohammed Wahbeh:** Group CEO
2. **Mohammed Ghanim Sultan Al Hodaifi Al Kuwari:** Group Deputy CEO
3. **Mohammad Ahmad Abdullah:** Group CFO
4. **Sanaa Daakour**: Group Head of Legal, Secretary of the Board, Audit & Risk Committee and Nominations and Remuneration Committee
5. **Mohammad Rizk:** Group Head of HR and Administration
6. **Christine Salibi:** Investor Relations Officer.

The directors of the Executive Management have performed all the tasks assigned to them to the fullest, and each of them has fulfilled the responsibilities assigned thereto throughout the year.

D. Remunerations

Article 38 of the Group's Articles of Association states that the General Assembly shall be entitled to determine the bonuses of the members of the Board, provided that the percentage of such bonuses shall not exceed 5% of the Group's net profit after deduction of statutory reserves and deductions and distribution of dividends to shareholders by not less than 5% of the paid-up capital.

The bonuses of the Senior Executive Management shall be based on the same criteria adopted for the Group's employees, provided that the evaluation is conducted by the Nominations and Remuneration Committee based on the Executive Management Performance Appraisal System approved by it.

Accordingly, the entitlement to bonus depends mainly on the overall assessment of employee performance, which varies in terms of focus and objectives from time to time in light of the circumstances and challenges faced by the Group—all is based on the recommendation of the Nominations and Remuneration Committee and approval by the Board.

Fourth: Disclosure of the procedures of risk management and internal control of the Group, including the supervision of financial affairs, investments, and any relevant information:

The Group appointed the members of the Audit and Risk Management Committee as indicated previously, and appointed an internal auditor for the Group to prepare internal audit reports on each of the Group's companies during 2020. The Internal Auditor prepared the internal audit reports, and the general managers were invited to discuss the reports in the Audit and Risk Management Committee and the necessary recommendations were taken for each company apart. The Group works on studying its investments in all sectors and cooperates with its subsidiaries to reduce risk level by studying the contracts of supply, import, contracting and other contracts in the Group in terms of legal, financial, administrative and operational aspects. The Group also started to develop computational systems that link all subsidiaries to the Holding Company for effective and productive communication. In addition, it began to link the subsidiaries together to reduce the cost of work undertaken by them, including the unified systems of financial and legal affairs, personnel and supply, as well as to standardize the way of dealing with banks to ensure the most successful distribution of the Group's resources and financial and technical capabilities.

Fifth: Disclosure of Committees' work, including number of meetings and their recommendations:

As explained above.

Sixth: Disclosure of the procedures followed by the Group in identifying, assessing and managing risks; comparative analysis of the Group's risk factors; and discussion of the systems in place to address drastic or unexpected market changes:

The risk management policy aims to identify potential weaknesses and risks, and procedures to avoid them, as well as actions to address and reduce their effects upon occurrence thereof. The risk management policy also studies the status of subsidiaries and identifies the high, medium and low risk points in order to contain them and not allow their adverse effects to exacerbate. This includes the study of external auditors' reservations, profitability ratios, liquidity rates, financial management policy, procurement management policy, and other operational, technological and environmental risks, as well as crises management procedures.

The Group shall assess the operational risks at the Group level. The internal auditor shall also study the risks in cooperation with the Executive Management and the managers of subsidiaries in order to identify the weaknesses and their seriousness, and make the necessary recommendations. These risks shall be addressed and followed up by the Executive Management, committees and the Board, each according to their functions and in coordination with the executive management in each subsidiary apart.

The Board has overall responsibility for the development and supervision of the Group's risk management framework, which includes the Group's main financial liabilities, such as loans, trade payables and other payables. The main purpose of these financial liabilities is to finance the Group's operations and provide guarantees to support its operations.

In this regard, the Group is exposed to the following risks as a result of its utilization of financial instruments:

1 **Credit risk**

2 **Liquidity risk**

3 **Market risk**

4 **Operational risk**

1. Credit Risk:

Credit risk is the risk of a financial loss to the Group as a result of a customer's or counterparty's failure to meet its contractual obligations. These risks arise mainly from the Group's trade and other receivables.

2. Liquidity Risk:

Liquidity risk is the risk that arises from the Group's inability to meet its obligations as they become mature. The Group's approach to liquidity management is to ensure, to the extent possible, that sufficient liquidity is always available to meet liabilities when due under both normal and difficult circumstances without incurring unacceptable losses or damage to the Group's reputation.

The Group uses an activity-based cost method to determine the cost of its products and services, which helps to monitor cash flow requirements and optimally invest cash proceeds. Moreover, the Group typically ensures that it has sufficient cash available on demand to meet expected operating expenses, including servicing the financial liabilities but excluding the potential impact of extremely difficult conditions that are not reasonably foreseeable, such as natural disasters.

3. Market Risk:

Market risk is the risk arising from changes in market prices, such as foreign exchange rates, interest rates and shares' prices that affect the Group's income or the value of its financial instruments.

- **Currency Risk:**

The Group's exposure to currency risk arises from sales, purchases and loans in currencies other than the functional currencies used by the concerned companies of the Group. Most of the Group's transactions are affected in currencies used by the Group's companies or in currencies with a fixed exchange rate with the currency used.

- **Interest Rate Risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to market interest rate risk arises mainly from interest bearing loans and facilities. The Group adopts a policy ensuring that the interest rate risk is reviewed on a regular basis.

4. Operational Risk:

Operational risk is the risk of direct or indirect loss arising from a wide range of causes associated with the Group's operations, employees, technology and infrastructure, or from external events other than credit, market or liquidity, such as those arising from legal and regulatory requirements and generally accepted standards of corporate conduct. Operational risks arise from all operations of the Group.

The objective of the Group is to manage operational risks in order to avoid financial losses and damage to the reputation of the Group, and ensure overall cost effectiveness as well as avoid control restriction measures that limit the spirit of initiative and creativity.

The main responsibility for developing and implementing controls to address operational risks is assigned to the senior management in each business unit. This responsibility is supported by the development of Group-wide operational risk management standards in the following areas:

- Requirements for proper segregation of duties including independent authorization of transactions;
- Requirements for transaction settlement and monitoring;
- Adherence to regulatory and legal requirements;
- Documentation of controls and procedures;
- Requirements for periodic assessment of operational risks faced by the Group and adequacy of controls and procedures to address identified risks;
- Requirements for reporting operational losses and proposed procedures to address them;
- Development of an emergency plan;
- Training and professional development;
- Ethical and business standards, and
- Risk mitigation, including insurance when this is effective.

Compliance with the Group's standards is supported by a periodic review program carried out by the Internal Audit Department. The findings reached by the Internal Audit Department are discussed with the business unit management concerned, and reports are submitted to the Audit Committee, the Board and Senior Management of the Group.

Seventh: Disclosure of the Board's performance assessment, Board members' commitment to achieving the Group's interest, performing Committees' work, and attending the meetings of the Board and its Committees; and disclosure of the Senior Executive Management's performance assessment regarding the implementation of the internal control system and risk management including identification of the number of appeals, complaints, proposals, notifications and the way followed by the Board to address regulatory issues

The Nominations and Remuneration Committee shall be responsible for assessing the performance of the Board and the extent to which Board members are committed to achieving the Group's interests and fulfilling their obligations stipulated in the Corporate Governance Code, the Commercial Companies Law, the Group's Memorandum of Association, and the relevant laws and regulations. The Board held twelve (12) meetings during 2020. Members of the Board attended most meetings, which were held at intervals not exceeding two months.

The Board approved the financial statements for the fiscal year ended 2019, as well as the financial statements for the first quarter, the first half and the third quarter of the financial year 2020. The auditors' reports were reviewed and discussed. In addition, the Board discussed the governance systems extensively. Those decisions were issued after a thorough discussion and consensus, and no reservation was made on any of the Board's decisions.

During 2021, the Group disclosed the recommendations of the Board and the work of the Committees in accordance with the approved regulations. The Audit and Risk Management Committee studied the risks in the subsidiaries through the internal auditor and discussed them with the Executive Management of the Group and with the general managers of the subsidiaries. Steps were taken to reduce risk levels and followed up at successive meetings of the Audit and Risk Management Committee, as well as in the regular meetings of the Executive Management in the Group with the general managers of subsidiaries where the minutes of the meetings were recorded. These steps were followed up closely and periodically.

Eight: Disclosure of failures in the internal control system, wholly or partly, or weaknesses in the implementation thereof; and disclosure of contingencies that have affected or may affect the Group's financial performance, and the procedures followed by the Group in addressing internal control failures (particularly the problems disclosed in the Group's annual reports and financial statements):

Internal control aims to verify the extent of the Group's compliance with the financial and legal procedures and systems. The internal units of the Group carry out internal control operations according to their financial or legal powers. The Group assigned an independent consultant to assess the risks associated with the Group's activities, accounting operations, main business risks, internal audit plan of the Group and its subsidiaries, and comprehensive financial audit; and review the performance of the Group and its subsidiaries in a precise manner. Recommendations shall then be presented to the Board to reduce risks and improve the performance of the Group and its subsidiaries.

Ninth: Disclosure of the Group's compliance with applicable market listing and disclosure rules and requirements:

The Group complied with all the applicable market listing and disclosure rules and requirements. All periodic and immediate reports were disclosed and material information was immediately disclosed. The Group established an Investor Relations Division so as to keep the Group updated with and the laws and regulations adopted in this regard.

Tenth: Disclosure of any conflict or dispute to which the Group is party, including arbitration and lawsuits

The following are the disputes and conflicts in which Investment Holding Group is either a plaintiff or defendant:

1. Investment Holding Group Q.P.S.C.

Plaintiff: Against Qatari Diar and Six Construct/Midmac JV

Defendant: Ahli Bank.

(A) In February 2011, a subsidiary of the Group, Debbas Contracting Qatar WLL, entered into a sub-contract for executing the electromechanical works of Doha Convention Center Project within 22 months (by the joint venture of Debbas Contracting and ETA Star Engineering & Contracting WLL (under liquidation)), with the "Main Contractor" (Six Construct/Midmac JV).

Over several years, the Subcontractor received several instructions from the Engineer (Executing Orders from the Site) outside the scope of the main contract, which contributed to the extension of the project until June 2015. A number of minor works remained and the Subcontractor had to complete them during the maintenance period.

On April 16, 2016, the Subcontractor received the Completion Certificate of the project, dated retroactively to June 11, 2015, and accordingly the Subcontractor submitted the final invoice on May 15, 2016. On January 21, 2017.

The absence of a solution to resolve the dispute in an amicable manner resulted in the Subcontractor filing lawsuit No. 568/2016 in January 2018 against both Qatari Diar (the "Employer") and the Main Contractor, demanding the payment of QR625,861,657 for the remaining contractual fees from the base price of the project and the additional site orders according to the Main Contractor's instructions, as well as extension of time costs, and compensation for loss of opportunity.

(B) In 2011, the Subcontractor received credit facilities from a local bank to finance the project, bringing the total outstanding amount plus interest. The Group and related parties provided the following commercial and personal guarantees to Ahli Bank for the credit facilities of the project:

- Personal guarantee from the Chairman of the Board of Investment Holding Group in the amount of QR43,000,000;
- Commercial guarantee from Debbas Contracting Qatar WLL in the amount of QR276,000,000; and
- Commercial guarantee from ETA Star Engineering & Contracting WLL (under liquidation) in the amount of QR233,000,000.

Moreover, the founders of the Group personally pledged the accrued income as at 31 December 2016 regarding the unapproved change orders amounting to QR77,775,000, in addition to a written pledge from Debbas Holding Lebanon for its share of the Bank's claim.

In October 2018, QNB Al Ahli filed the lawsuit No. 2926/2018 against the Subcontractor, the Group and others, requesting the payment of the total outstanding amount of the loan (QR178,529,133).

In January 2019, the competent section in the court decided to refer the lawsuit No. 568/2018 to the competent court examining the lawsuit No. 2926/2018, so that the two cases would be considered concurrently in parallel. The court appointed a committee of experts to review the lawsuit details. The hearing was recently adjourned to 5 March 2020, for the committee of experts to present its report.

In addition, based on the examination of project documents, reports and evaluations by two independent external experts and the evaluation carried out by the Executive Management, the Group's external legal counsel, based on the information available to it, believes that the Subcontractor's lawsuit against the client, Main Contractor and others has a reasonable success chance and the claims of the adverse parties are more likely to be rebutted. However, the final decision in the case is subject to the opinion of the court considering the case. Accordingly, the Group does not anticipate any material liabilities arising from the above-mentioned claims and which should be disclosed in the consolidated financial statements as at 31 December 2019.

2. Investment Holding Group Q.P.S.C.

Investment Holding Group Q.P.S.C. is the defendant in lawsuit No. 2339/2019 filed by the Commercial Bank infront of the Court of First Instance – forth division.

On 4 January 2017, the Group signed an argreement with the Commercial Bank whereby the Bank provides the service of receiving the applications of the Group's Initial Public Offering for listing in Qatar Financial Markets Authority. The Group fulfilled all its obligations and settled all the payments required by the bank at that time.

On 14 August 2017, Qatar Stock Exchange issued a letter to the Commercial Bank demanding to pay an invoice of QAR 825,000. Then the Bank required the Group to pay the invoice, claiming that it is for marketing services performed by the Qatar Stock Exchange to the Group although there is no agreement between the Group and Bank to provide such services. Afterwhich, the Bank filed the subject lawsuit.

On 17 December 2019, the court issued an order of dismissal and obliged the Commercial Bank (plaintiff) to cover the expenses.

Commercial Bank has appealed the aforementioned decision before the Court of Appeal No. 26/2020 and the lawsuit is still pending

3. Investment Holding Group

Defendant with several companies, Al-Hodaifi Group and Falcon Ready Mix Concrete Company.

From Dukhan Bank (Formely International Bank of Qatar) before the Civil Court of First Instance (Third Circuit) with the number 3110/2020.

The Group signed with QIIB in December 2012 a banking facility agreement and it was agreed upon in accordance with the aforementioned agreement between the bank and the group and a list of subsidiary companies that were specified in a separate annex to grant the group and some subsidiary companies, including Falcon Ready Mix Concrete Company, banking facilities. Falcon Company used an amount of / 12,550,993.51/ Qatari riyals and stopped paying, so it was entitled to the aforementioned amount as of 5/28/2019.

The bank demands the group to pay the amount owed by Falcon company despite its issuance of a letter on 07/25/2017 confirming that it took note of the change in the legal form of the company and the amendment of the list of binding persons from the two established guarantees contracts to become comprehensive to the current subsidiary companies only, in addition to the fact that Falcon was fully owned by its shares From the Al-Hodaifi Group that had previously sold these shares, and the two purchasing companies committed themselves to bear the debt claimed by the bank, and upon breaching them, Al-Hodaifi Group filed a lawsuit that is still in circulation.

4. Investment Holding Group

Complaining against unknown persons who tried to communicate with foreign companies in the name of the group, using false e-mail and the names of the group's board members. The aforementioned complaint was closed because the cybercrime did not reach the perpetrator.

5. Investment Holding Group

Complaining against Ayham Sheikh El Souq, partner and director of Construction Development Contracting and Trading LLC for not mentioning in the budget prepared for the company, the loss suffered as a result of the demolition of the labor camp in order to avoid paying the amount that affects his shares of this loss, amounting to QAR 514.793, and the file was transferred to the court under the number 4235/2020. The court has appointed an expert and he is in the process of completing his task.

Eleventh: Disclosure of operations and transactions entered into by the Group with any "Related Party":

Without prejudice to the provisions of the law in this regard, the Board shall comply with the principles of governance and with the disclosure of the transactions and dealings entered into by the Group with any "Related Party". The auditor shall review all transactions and dealings entered into by the Group with any Related Party and they shall be disclosed in the periodic financial statements.

The Board shall constantly and regularly review and update governance applications, apply the best principles of governance and uphold fair-trading principle among shareholders. The Board shall also update professional conduct rules embodying the Group's values, and constantly and regularly review its policies, charters, and internal procedures which shall be binding upon the Group's Board members, Senior Executive Management, advisors, and employees. The most important of which are the charters of the Board and its committees, the policy of the Group's dealings with Related Parties, and the Insiders' trading rules.

The Group discloses its dealings and transactions with any related party according to the following:

- The signing of one of its subsidiaries, Trelco Ltd., which is fully owned by the Group, a lease contract with the former Chairman of the Group's Board of Directors, the late Mr. Ghanem Sultan Al-Hudaifi Al-Kuwari, whereby Trelco leased the first and second floors and the entire parking lot located in the first basement of the building based on plot No. 55490326 located in Al Furousiya Commercial Street - Muaither South, with the right to sub-lease. The rent offered by the Chairman of the Board was the lowest in the said area.

Twelfth: MANAGEMENT' REPORT OF INTERNAL CONTROL OVER FINANCIAL REPORTING:

In accordance with the requirements of Article 4 of the Governance Code for Companies & Legal Entities Listed on the Main Market (the "Code") Issued by the Qatar Financial Markets Authority ("QFMA") Board pursuant to Decision No. (5) Of 2016, the Board of Directors of Investment Holding Group Q.P.S.C., its consolidated subsidiaries are responsible for establishing and maintaining adequate internal control over financial reporting ("ICOFR").

The management of Investment Holding Group Q.P.S.C., and its consolidated subsidiaries is responsible for establishing and maintaining adequate internal control over financial reporting (ICOFR). Our internal control over financial reporting is a process designed under the supervision of our Group Chief Executive Officer and Group Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the firm's consolidated financial statements for external reporting purposes in accordance with International Financial Reporting Standards (IFRS). ICOFR includes our disclosure controls and procedures designed to prevent misstatements.

To determine whether a material weakness in internal controls over financial reporting exists as at 31 December 2020, we have conducted an evaluation of the suitability of design, implementation and operating effectiveness of internal controls over financial reporting, based on the framework and the criteria established in Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

We have covered all the material business and operating companies in our assessment of internal control over financial reporting of significant process as of December 31, 2021.

Risks in Financial Reporting:

The main risks in financial reporting are that either financial statements do not present a true and fair view due to inadvertent or intentional errors (fraud) or the publication of financial statements is not done on a timely basis. These risks may reduce investor confidence or cause reputational damage and may have adverse consequences. A lack of fair presentation arises when one or more amounts in financial statement or disclosures contain misstatements (or omissions) that are material. Misstatements are deemed material if they could, individually or collectively, influence economic decisions that users make on the basis of the 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 and assessed the suitability of design of the Group's internal controls over financial reporting based on the framework 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 adequacy of a control system. As a result, in establishing ICOFR, the management has adopted the following financial statements objectives:

The COSO Framework includes 17 basic principles, and 5 components:

- Control environment
- Risk assessment
- Control activities
- Information and communication
- Monitoring

Controls covering each of the 17 principles and 5 components have been identified and documented.

As a result, in establishing ICOFR, the 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 financial statements.
- **Valuation / Measurement** – assets, liabilities and transactions are recorded in the financial reports at the appropriate amounts.
- **Rights, Obligations and Ownership** – rights and obligations are appropriately recorded.
- **Presentation and Disclosures –** classification, disclosure and presentation of financial reporting is appropriate.

However, any internal control system, including ICOFR, no matter how well conceived 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. Further, 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 functions and infrastructure functions with an involvement in reviewing the reliability of the books and records that underlie the financial statements. As a result, the operation of ICOFR involves staff based in various functions across the organization.

The processes that were determined as significant are entity level controls, procurement to payment, revenues, receivables, inventory management, payroll, contract revenue recognition, borrowings, investment management, goodwill Impairment, legal contingencies and commitments, financial reporting and periodic closing of the financial records.

In determining the above processes, the management exercised professional judgement and considered the amount of balances and transactions, that if materially misstated would influence economic decisions that users make on the basis of the financial statements.

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 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 financial statement preparation process,
- are preventative or detective in nature,
- have a direct or indirect impact on the financial statements themselves. Controls which have an indirect effect on the financial statements include entity level controls and IT 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,
- 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 and Operating Effectiveness of Internal Control:

The Group has undertaken a formal evaluation of the adequacy of the design of the system of ICOFR. This evaluation incorporates an assessment of the design of the control environment as well as individual controls, which make up the system of ICOFR taking into account:

- The risk of misstatement of the financial statement line items, considering such factors as materiality and the susceptibility of the particular 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 and extent of evidence that management requires in order to be able to assess whether or not the design of the system of ICOFR is effective. The evidence itself is generated from procedures integrated within the daily responsibilities of staff or from procedures implemented specifically for purposes of the ICOFR evaluation. Information from other sources also form an important component of the evaluation since such evidence either may bring additional control issues to the attention of management or may corroborate findings.

Conclusion:

As a result of the assessment of the design, implementation, and operating effectiveness of Internal Controls over Financial Reporting (ICOFR), management did not identify any significant deficiency/ material weaknesses in the group's design and implementation and operating effectiveness of Internal Controls over Financial Reporting for significant processes and concluded that ICOFR is appropriately designed, implemented and operating effectively as of December 31, 2021.

This report on Internal Control over Financial Reporting was approved by the Board of Directors on March 06, 2022 and was signed on its behalf by the Chairman.

External Auditors:

Russell Bedford and Partnersr – Qatar branch external auditors of the Group, has issued a reasonable assurance report on the management's assessment of suitability of design, implementation and operating effectiveness of internal controls over financial reporting as of 31 December 2021 in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance

Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB').

Thirteenth: Managements' Report on Compliance with QFMA Law and Relevant Legislations Including the Code:

In accordance with the requirements of Article 4 of the Governance Code for Companies & Legal Entities Listed on the Main Market (the "Code") issued by the Qatar Financial Markets Authority ("QFMA") Board pursuant to Decision No. (5) of 2016, the Board of Directors of Investment Holding Group Q.P.S.C. has prepared the Attached Corporate Governance Report 2021.

This report is the outcome of Investment Holding Group Q.P.S.C. continuous commitment towards the implementation of sound governance that embraces best practice guidelines and engrains concrete values into its internal governance policies. Such achievements, we believe, not only fulfil Investment Holding Group Q.P.S.C., compliance with the Governance Code for Companies & Legal Entities Listed on the Main Market (the "Code") issued by the Qatar Financial Markets Authority ("QFMA") Board pursuant to Decision No. (5) of 2016, but also reflects Investment Holding Group Q.P.S.C., responsibilities towards its Shareholders and Stakeholders.

Responsibilities of the Board:

The Board of Directors are committed to implement governance principles set out in the Code, which are: justice and equality among Shareholders and Stakeholders without discrimination regardless of their race, gender and religion. Transparent information and required disclosures are provided to QFMA, Shareholders and Stakeholders within the required timeframe and in accordance with the relevant laws and regulations. The principles also include upholding the values of corporate social responsibility and prevailing the public interest of the Company, Shareholders and Stakeholders over any personal interest. The Company is guided by the aforementioned principles, as it endeavors to exercise its duties conscientiously and with integrity. In parallel, the Company also strives to project these values in its dealings with Shareholders, Stakeholders and eventually society.

Management's assessment on compliance with QFMA's relevant regulations including the Corporate Governance Code as at December 31, 2021:

In accordance with Article 2 of the Code, we have carried out an assessment on its compliance with QFMA's relevant regulations applicable to the Company including the Code.

Conclusion:

As a result of the assessment, the management concluded that, there is a process in place to ensure compliance with the QFMA's laws and relevant regulations including the Code as at December 31, 2021.

External auditors:

Russell Bedford and Partners the external audit firm of the Company, has issued a limited assurance report on the management assessment on compliance with the QFMA's relevant regulations including the Code as of December 31, 2021.

To the Shareholders
.Investment Holding Group Q.P.S.C
Doha – Qatar

Report on compliance with the Qatar Financial Markets Authority's law and regulations and Other Relevant Legislations including the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market.

In accordance with the requirements of Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority (QFMA) Board pursuant to Decision No. (5) of 2016, we have carried out a limited assurance engagement over Board of Directors' assessment of compliance of Investment Holding Group Q.P.S.C. referred as the "Company" with the QFMA's law and relevant legislations, including the Governance Code for Companies and Legal Entities Listed on the Main Market (the "Code") as of December 31, 2021 as noted in the Board of Director's Corporate Governance Report (Corporate Governance Report), excluding provisions listed under Other information section of this report.

Responsibilities of the directors and those charged with governance

The Board of Directors of the Company are responsible for preparing the accompanying Corporate Governance Report that covers at a minimum the requirements of Article 4 of the Code.

The Board of Directors are also responsible for ensuring the Company's compliance with the QFMA's law and relevant legislations and the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the QFMA's Board pursuant to Decision No. (5) of 2016 and preparing the, 'Report on compliance with the QFMA's law and relevant legislations, including the Code', as set out in disclosure one to eleven and thirteen of the Corporate Governance Report excluding disclosure on Corporate Social Responsibility mentioned within thirteen disclosure of the Corporate Governance Report.

Responsibilities of the Assurance Practitioner

Our responsibilities are to issue a limited assurance conclusion on whether anything has come to our attention that causes us to believe that the "Board of Directors' Governance Report on compliance with the QFMA's law and relevant legislations, including the Code" presented disclosures one to eleven and thirteen of the Corporate Governance Report excluding disclosure on Corporate Social Responsibility mentioned within eleventh disclosure of the Corporate Governance Report do not present fairly, in all material respects, the Company's compliance with the QFMA's law and relevant legislations, including the Code, based on our limited assurance procedures.

Reporting on compliance with QFMA's law and relevant legislations, including the Code

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our procedures to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Board of Directors' statement of compliance with the QFMA's law and relevant legislations, including the Code, taken as a whole, is not prepared in all material respects, in accordance with the QFMA's law and relevant legislations, including the Code.

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. We did not perform procedures to identify additional procedures that would have been performed if this were a reasonable assurance engagement.

A limited assurance engagement involves assessing the risks of material misstatement of the Board of Directors' statement of compliance with the QFMA's law and relevant legislations, including the Code, whether due to fraud or error and responding to the assessed risks as necessary in the circumstances. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Accordingly, we do not express a reasonable assurance opinion about whether the Board of Directors' statement of compliance with the QFMA's law and relevant legislations, including the Code, taken as a whole has been prepared, in all material respects, in accordance with the 's law and relevant legislations, including the Code.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of reporting policies of the Company, and agreeing with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Made inquiries of management to obtain an understanding of the processes followed to identify the requirements of the QFMA law and relevant legislations, including the Code (the 'Requirements'); the procedures adopted by management to comply with these Requirements and the methodology adopted by management to assess compliance with these Requirements. This included analyzing the key processes and controls for reporting compliance with the Requirements;
- Considered the disclosures by comparing the contents of the Corporate Governance Report against the requirements of Article 4 of the Code;
- Agreed the relevant contents of the Corporate Governance Report to the underlying records maintained by the legal and compliance department of the Company;
- Performed limited substantive testing on a selective basis, when deemed necessary, to assess compliance with the Requirements, and observed evidences gathered by the Company's management and assessed whether violations of the Requirements, if any, have been disclosed by the Board of Directors, in all material respects.

Our limited assurance procedures do not involve assessing the qualitative aspects or effectiveness of the procedures adopted by management to comply with the Requirements. Therefore, we do not provide any assurance as to whether the procedures adopted by management were functioning effectively to achieve the objectives of the QFMA's law and relevant legislations, including the Code.

Our independence and quality control:

In carrying out our work, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and the ethical requirements that are relevant in Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the (IESBA) Code.

Our firm applies International Standard on Quality Control (ISQC) 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Inherent limitations

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 and from one country to another, which do not form a clear set of criteria to compare with.

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the Governance Report and the methods used for determining such information.

Other information

The Board of Directors are responsible for the other information. The other information comprises the Corporate Governance Report (but does not include the Directors' Report on compliance with QFMA's law and relevant legislations including the Code' presented in disclosures one to eleven and thirteen of the Corporate Governance Report (the "Directors' Statement") which we obtained prior to the date of this assurance report.

Our conclusion on the Board of Director's Corporate Governance Report on compliance with applicable QFMA laws and relevant legislations including the Code does not cover the other information and we do not, and will not express any form of assurance conclusion thereon.

In connection with our assurance engagement on the applicable sections of the Corporate Governance Report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Corporate Governance report or our knowledge obtained in the engagement, or otherwise appears to be materially misstated. If, based on the work we have performed, on the other information that we obtained prior to the date of this 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. When we read, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the QFMA.

If, based on the work we have performed, on the other information that we obtained prior to the date of this 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.

When we read the complete Corporate Governance Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the QFMA.

Emphasis of Matter

We draw attention to the fact that this assurance report relates to Parent Company Investment Holding Group Q.P.S.C. on stand-alone basis only and not the Group as a whole. Our conclusion is not modified in this respect.

Conclusion

Based on our limited assurance procedures described in this report, nothing has come to our attention that causes us to believe that the Board of Directors' report on compliance with QFMA's law and relevant legislations, including the Code, as presented in the Board of Director's Corporate Governance Report, do not present fairly, in all material respects, the Company's compliance with the QFMA's law and relevant legislations, including the Code as at December 31, 2021.

For Russell Bedford & Partners

Certified Public Accountants

Doha – Qatar

March 06, 2022

Hani Mukhaimer

License No. (275)

QFMA License No. (1202013)

INDEPENDENT AUDITOR'S REASONABLE ASSURANCE REPORT

To the Shareholders of
.Investment Holding Group Q.P.S.C
Doha – State of Qatar

Report on the Directors' assessment of the suitability of the design, implementation and operating effectiveness of internal controls over financial reporting of significant processes as of December 31, 2021 of Investment Holding Group Q.P.S.C., hereinafter referred to as the "Company" and its subsidiaries together referred as the "Group" in connection with the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority's (QFMA's) Board pursuant to Decision No. (5) of 2016.

In accordance with the requirements of Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority (QFMA) Board pursuant to Decision No. (5) of 2016, we have carried out a reasonable assurance engagement over the Management's Internal Control Statement on assessment of suitability of the design, implementation and operating effectiveness of the Group's internal controls over financial reporting (Management Internal Control Statement) as of December 31, 2021, based on the framework issued by the Committee of Sponsoring Organisations of the Treadway Commission "COSO framework".

Responsibilities of the directors and those charged with governance

The Board of Directors are responsible for implementing and maintaining effective internal control over financial reporting. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate policies, and making accounting estimates and judgements that are reasonable in the circumstances.

The Group's assessment of its internal control system is presented by the Management to the Board of Directors in the form of the Management's Internal Control Statement contained in disclosure twelve of the Corporate Governance Report, which includes:

- The management's assessment of the suitability of design, implementation and operating effectiveness of internal control framework over financial reporting;
- The description of the process and internal controls over financial reporting for the Significant Process of (entity level controls, procurement to payment, revenues, receivables, inventory management, payroll, contract revenue recognition, borrowings, investment management, goodwill Impairment, legal contingencies and commitments, financial reporting and periodic closing of the financial records);
- The control objectives; including identifying the risks that threaten the achievement of the control objectives;
- Designing and implementing controls to achieve the stated control objectives; and
- Identification of control gaps and failures; how they are remediated; and procedures set to prevent such failures or to close control gaps.

The Group has assessed the design, implementation and operating effectiveness of its internal control system as at December 31, 2021, based on the criteria established in the Internal Control- Integrated Framework 2013 issued by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO framework"). These responsibilities include the design adequate internal financial controls that would ensure the orderly and efficient conduct of its business, including:

- Adherence to the Group's policies;
- The safeguarding of its assets;
- The prevention and detection of frauds and errors;
- The accuracy and completeness of the accounting records;
- The timely preparation of reliable financial information; and
- Compliance with applicable laws and regulations, including the QFMA's law and relevant legislations and the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the QFMA's Board pursuant to Decision No. (5) of 2016.

Responsibilities of the Assurance Practitioner

Express a reasonable assurance opinion on the fairness of the presentation of Management's Internal Control Statement, based on the criteria established in COSO Framework, including its conclusion on the effectiveness of design, implementation and operating effectiveness of the Group's internal controls over financial reporting of "Significant Processes" presented in disclosure twelve of the Corporate Governance Report to achieve the related control objectives stated in that description based on our assurance procedures.

Reporting on internal controls over financial reporting

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our procedures to obtain reasonable assurance on the Management's Internal Control assessment of suitability of the design, implementation and operating effectiveness of the Group's internal controls over financial reporting of significant processes in all material respects, to achieve the related control objectives stated in the description of the relevant processes by management, based on the COSO framework. A process is considered significant if a misstatement due to fraud or error in the stream of transactions or financial statement amount would reasonably be expected to impact the decisions of the users of financial statements.

For the purpose of this engagement, the processes that were determined as significant are: (entity level controls, procurement to payment, revenues, receivables, inventory management, payroll, contract revenue recognition, borrowings, investment management, goodwill Impairment, legal contingencies and commitments, financial reporting and periodic closing of the financial records). An assurance engagement of this type also includes evaluating Board of Directors' assessment of the suitability of the design, implementation and operating effectiveness of the controls in an organization involves performing procedures to obtain evidence about the suitability of design and operating effectiveness of the controls. Our procedures on internal controls over financial reporting included:

- Obtaining an understanding of internal controls over financial reporting for significant processes;
- Assessing the risk that a material weakness exists; and
- Testing and evaluating the design, implementation and operating effectiveness of internal control based on the assessed risk.

In carrying out our engagement, we obtained understanding of the following components of the control system:

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Monitoring

The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the suitability of design and operating effectiveness, whether due to fraud or error. Our procedures also included assessing the risks that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the Corporate Governance Report.

Our procedures included testing the operating effectiveness of those controls that we consider necessary to provide reasonable assurance that the related control objectives stated in disclosure twelve of the Corporate Governance Report were achieved. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion on the Management's Internal Control Statement over their assessment of the suitability of design and operating effectiveness of the Group's internal controls over financial reporting.

Our independence and quality control

In carrying out our work, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and the ethical requirements that are relevant in Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the (IESBA) Code.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Meaning of internal controls over financial reporting

An entity's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. An entity's internal control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the International Financial Reporting Standards, and that receipts and expenditures of the entity are being made only in accordance with authorizations of the management of the entity; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements

Inherent limitations

Because of the inherent limitations of internal financial controls over financial reporting and 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. Therefore, internal controls over financial reporting may not prevent or detect all errors or omissions in processing or reporting transactions and consequently cannot provide absolute assurance that the control objectives will be met. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Furthermore, the controls activities designed, implemented and operated as of December 31, 2021 covered by our assurance report will not have retrospectively remedied any weaknesses or deficiencies that existed in relation to the internal controls over the financial reporting and compliance with applicable laws and regulations prior to the date those controls were placed in operation.

Other information

The Board of Directors are responsible for the other information. The other information comprises the Corporate Governance Report but, does not include Management's Internal Control Statement. Our conclusion on the Management's Internal Control Statement does not cover the other information and we do not, and will not express any form of assurance conclusion thereon.

If, based on the work we have performed, on the other information that we obtained prior to the date of this 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. When we read the complete Corporate Governance Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the QFMA.

Opinion

In our opinion, the Management's Internal Control Statement set out in disclosure twelve of the Corporate Governance Report, is fairly stated, in all material respects, based on the criteria established in the COSO Framework, including its conclusion on the effectiveness of design, implementation and operating effectiveness of the Group's Internal Controls over Financial Reporting as at December 31, 2021.

For Russell Bedford & Partners

Certified Public Accountants

Hani Mukhaimer	**Doha – Qatar**
License No. (275)	**March 06, 2022**
QFMA License No. (1202013)	

FINANCIAL REPORT 2021

Financial Report
2021

CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021

TO THE SHAREHOLDERS
INVESTMENT HOLDING GROUP Q.P.S.C.
DOHA, STATE OF QATAR

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Investment Holding Group Q.P.S.C. (the "Company") and its subsidiaries (together referred herein as "Group") which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effect of the matters described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021, consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Referring to the details mentioned in Note 31.1 of the consolidated financial statements, and taking into consideration the undertaking letter given by the founders of the Company to undertake any losses that might result from non-collection of the amounts due from the main contractor related to a project executed by the Unincorporated Joint Operation up to the end of the year 2016, we are unable to determine provision required, if any, resulting from non-collection of the amounts due from the main contractor of that project (Unincorporated Joint Operation) or from the liability to settle the whole amount of borrowings due to bank resulting from the Unincorporated Joint Operation given that the other partner to the Unincorporated Joint Operation had declared liquidation.

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

Emphasis of a Matter

Without further qualifying our opinion, we draw attention to Note 13 of the accompanying consolidated financial statements which describes the study done by the management of the Group for test of Goodwill impairment as at December 31, 2021, considering the current year performance and market situation.

Other Matter

The accompanying consolidated financial statements of the Group as at and for the year ended December 31, 2020 were audited by another independent auditor whose reported dated March 15, 2021 expressed a qualified opinion on those consolidated financial statements

Key Audit Matters

Key audit matters are matters those, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current year. We identified the following key audit matters which 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. For each matter below, our description of how our audit addressed the matters is provided in that context.

We designed our audit by determining the materiality and assessing the risks of material misstatements in the consolidated financial statements. In particular, we looked at where the management made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the management that represented a risk of material misstatement due to fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as "areas of focus" below. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the consolidated financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

Recognition of revenue

Refer to Note 21 and Note 28 of the consolidated financial statements.

Key audit matters	How our audit addressed our key audit matters.
The major components of the Group's revenue comprise of revenue from specialized contracting amounting to QR. 188,909,343 for the year ended December 31, 2021. ***Revenue was a key audit matter due to the following:*** • Specialized contracting revenue is recognised over time by reference to the Group's progress toward completion of the contracts. Management's judgement is required to estimate the total contracting costs, variations or claims recognized as contract revenue, and provision for liquidated damages that will affect the measure of progress and revenue and profit margins recognized from specialized contracting contracts. • Revenue recognition is inherently subjective and significant management judgement is required in the recognition of revenue could have a material impact on the Group's net profit for the year.	We identified specialized contracting segment with significant revenue streams and performed procedures including the following to address specific risks identified in relation to revenue. ***These procedures included:*** • Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the management's key internal controls over revenue recognition. • Discussing with the Group's management and project managers the performance of the major contracts in progress during the year and comparing the contract revenue recognised for a sample of contracts in progress during the year with certifications from quantity surveyors appointed by the customers or payment applications from the in-house surveyor. • On a sample basis, inspecting of project contract agreements with customers and subcontractors to identify key terms and conditions, including contracting parties, contract period, contract sum, scope of the work and evaluating whether these key terms and conditions had been appropriately reflected in the total estimated revenue and cost to complete under the forecasts of contracts.

Key audit matters	How our audit addressed our key audit matters.
As of December 31, 2021, goodwill amounted to QR. 711,492,489. ***Annual impairment assessment of goodwill was a key audit matter due to the following***: • The internally generated goodwill was recognised after the verification from the issuance of the updated Commercial Registration for the Company with new share capital amounting to QR. 830,000,000 based on the valuation for the Company and its subsidiaries and the related assumptions. • Also taking into consideration the resolution by H.E. the Minister of Economy and Commerce, determining the Company's share capital by the full value according to the valuation including the goodwill resulted from the valuation and the approval of the authorities of the Ministry of Economy and Commerce, Qatar Financial Markets Authority and Qatar Stock Exchange. • Judgement is required in identifying indicators of impairment and required the management to make various assumptions in the underlying cash flow forecasts. • The uncertainty on the impact of COVID-19 introduced significant estimation uncertainty in relation to the management's assumptions and estimation of future cash inflows and outflows when preparing cash flow projections. • Management allocated goodwill to the respective cash-generating units ("CGU") and the recoverable amounts of the identified CGUs have been determined based on value-in-use calculation.	Our audit procedures focused on assessing the reasonableness of key assumptions used by management in conducting the impairment assessment. ***These procedures included:*** • Obtaining an understanding of management's impairment assessment process. • Evaluating the reasonableness of the Group's key assumptions for its cash flow projection such as discount rates, cost inflation and business growth with reference to the internally and externally derived sources including Group budgetary process and reasonableness of historical forecasts. • Obtaining the Company's cash flow projections covering a period of 12 months from the reporting period end date and challenging these key assumptions used in preparing the projections. • Performing sensitivity analysis around key assumptions applied. • Considering the adequacy of the Group disclosures in the consolidated financial statements in respect of impairment testing.

Other Information

The Board of Directors are responsible for the other information. The other information comprises the information included in the annual report for 2021 but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

The Board of Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those 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 management.

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

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 year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulations precludes public disclosures about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

- We are of the opinion that proper books of account have been kept by the Group and the consolidated financial statements are in agreement with these books, physical inventory verification has been duly carried out, and the content of the board of director's report included in the annual report is in agreement with the books and records of the Group.
- We have obtained all the information and explanations which we considered necessary for the audit.
- To the best of our knowledge and belief and according to the information given to us, except for the matters described in the basis for qualified opinion and emphasis of matters sections of our report, we are not aware of any violations of the provisions of the Qatar Commercial Companies Law or the terms of the Company's Articles of Association having occurred during the year which would materially affect the Group's activities or its financial position.

For Russell Bedford and Partners

Certified Public Accountants

Hani Mukhaimer | **Doha, State of Qatar**

License No. (275) - QFMA License No. (1202013) | **March 6, 2022**

INVESTMENT HOLDING GROUP Q.P.S.C.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

	Notes	As at December 31,	
		2021	2020
		QR.	QR.
ASSETS			
Current assets			
Cash and bank balances	5	**39,914,612**	39,936,850
Accounts receivable and other debit balances	6	**305,180,752**	231,402,729
Contract assets	7	**188,376,794**	208,631,763
Due from related parties	8	**15,771,406**	17,428,088
Inventories	9	**55,661,065**	56,576,105
Total current assets		**604,904,629**	553,975,535
Non-current assets			
Retention receivables	10	**37,481,787**	32,968,430
Financial assets at fair value through profit or loss	11	**31,000,000**	31,000,000
Investment properties	12	**2,530,208**	27,904,147
Goodwill	13	**711,492,489**	711,492,489
Right-of-use assets	14	**16,579,724**	2,853,361
Property and equipment	15	**14,236,748**	13,837,481
Total non-current assets		**813,320,956**	820,055,908
TOTAL ASSETS		**1,418,225,585**	1,374,031,443
EQUITY AND LIABILITIES			
Equity			
Share capital	16	**830,000,000**	830,000,000
Legal reserve		**14,684,499**	12,928,305
Revaluation reserve	12	**-**	14,398,000
Other reserve	17	**(138,909,704)**	(138,909,704)
Retained earnings		**152,348,610**	114,040,261
Equity attributable to the shareholders of the Company		**858,123,405**	832,456,862
Non - controlling interests	27	**4,384,967**	9,593,854
Total equity		**862,508,372**	842,050,716

The accompanying notes are integral part of these consolidated financial statements.

INVESTMENT HOLDING GROUP Q.P.S.C.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021 (Continued)

		December 31	
	Notes	2021	2020
		QR.	QR.
Liabilities			
Current liabilities			
Bank overdrafts	5	**9,299,924**	9,396,089
Borrowings	18	**233,616,478**	214,826,749
Lease liabilities	14	**5,651,461**	1,780,648
Due to related parties	8	**6,974,284**	8,937,880
Contract liabilities		**-**	1,164,957
Retention payables		**1,262,223**	3,685,944
Dividend payables		**2,131,634**	3,466,308
Accounts payable and accruals	19	**160,530,347**	142,296,164
Total current liabilities		**419,466,351**	**385,554,739**
Non-current liabilities			
Borrowings	18	**103,271,000**	125,353,071
Lease liabilities	14	**11,408,971**	1,097,725
Retention payables		**1,332,268**	812,016
Employees' end of service benefits	20	**20,238,623**	19,163,176
Total non-current liabilities		**136,250,862**	146,425,988
Total liabilities		**555,717,213**	531,980,727
TOTAL EQUITY AND LIABILITIES		**1,418,225,585**	**1,374,031,443**

The consolidated financial statements were approved and authorized for issuance by the Board of Directors and signed on their behalf on March 6, 2022 by:

Mr. Khalid Ghanim S H Al Kuwari
Chairman of the Board of Directors

Mr. Mohd Ghanim S H Al Kuwari
Board Member

The accompanying notes are integral part of these consolidated financial statements.

INVESTMENT HOLDING GROUP Q.P.S.C.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021

		For the year ended December 31,	
	Notes	2021	2020
		QR.	QR.
Revenue	21	**363,830,223**	321,332,316
Direct costs	22	**(271,031,459)**	(248,624,149)
Gross profit		**92,798,764**	**72,708,167**
Other income	23	**11,992,515**	25,094,621
Dividend income from financial assets		**1,284,978**	3,650,572
Gain arising on change in fair value of investment properties	12	**314,461**	5,545,906
General and administrative expenses	24	**(75,432,256)**	(67,568,492)
Finance costs	25	**(9,842,689)**	(12,284,860)
Net profit for the year		**21,115,773**	**27,145,914**
Other comprehensive income:			
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year		**21,115,773**	27,145,914
Total comprehensive income attributable to:			
Shareholders of the Company		26,324,660	23,364,721
Non - controlling interests	27	(5,208,887)	3,781,193
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**21,115,773**	**27,145,914**
Basic earnings per share	26	**0.032**	**0.028**

The accompanying notes are integral part of these consolidated financial statements.

INVESTMENT HOLDING GROUP Q.P.S.C.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2021

	Attributable to shareholders of the Company							
	Share capital	Legal reserve	Revaluation reserve	Other reserve	Retained earnings	Total	Non-controlling interests	Total equity
December 31, 2021	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.
Balance as at January 1, 2021	**830,000,000**	**12,928,305**	**14,398,000**	**(138,909,704)**	**114,040,261**	**832,456,862**	**9,593,854**	**842,050,716**
Total comprehensive income for the year	-	-	-	-	**26,324,660**	**26,324,660**	**(5,208,887)**	**21,115,773**
Transfer of revaluation reserve	-	-	**14,398,000**	-	**14,398,000**	-	-	-
Transfer to legal reserve	-	**1,756,194**	-	-	**(1,756,194)**	-	-	-
Transfer to social and sports fund activities	-	-	-	-	**(658,117)**	**(658,117)**	-	**(658,117)**
Balance as at December 31, 2021	**830,000,000**	**14,684,499**	**-**	**(138,909,704)**	**152,348,610**	**858,123,405**	**4,384,967**	**862,508,372**

	Attributable to shareholders of the Company							
	Share capital	Legal reserve	Revaluation reserve	Other reserve	Retained earnings	Total	Non-controlling interests	Total equity
December 31, 2020	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.
Balance as at January 1, 2020	830,000,000	11,851,341	14,398,000	(152,508,123)	92,336,622	796,077,840	22,313,139	818,390,979
Total comprehensive income for the year	-	-	-	-	23,364,721	23,364,721	3,781,193	27,145,914
Transfer to legal reserve	-	1,076,964	-	-	(1,076,964)	-	-	-
Transfer to social and sports fund activities	-	-	-	-	(584,118)	(584,118)	-	(584,118)
Transfer of non-controlling interests (Note 17)	-	-	-	13,598,419	-	13,598,419	(16,500,478)	(2,902,059)
Balance as at December 31, 2020	830,000,000	12,928,305	14,398,000	(138,909,704)	114,040,261	832,456,862	9,593,854	842,050,716

INVESTMENT HOLDING GROUP Q.P.S.C.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2021

	Notes	For the year ended December 31, 2021 QR.	2020 QR.
OPERATING ACTIVITIES			
Profit for the year		**21,115,773**	27,145,914
Adjustments for:			
Depreciation of property and equipment	15	**3,376,672**	4,052,607
Amortization of right-of-use assets	24	**3,751,843**	7,816,499
Gain on derecognition of right of use assets		**-**	(26,662)
Gain on disposal of property and equipment and investment properties		**(2,156,489)**	(203,560)
Gain arising on change in fair value of investment properties	12	**(314,461)**	(5,545,906)
Provision for employees' end of service benefits, net of reversals	20	**4,007,212**	2,120,010
Write off of slow moving or obsolete inventories		**848,891**	-
Allowance for slow moving inventories, net of reversals	9	**(1,100,057)**	(3,693,853)
Finance costs		**13,866,020**	17,091,796
Reversal of impairment and discounting of retention receivables		**(1,025,969)**	(185,794)
Reversal of payables and provisions for maintenance		**(3,691,372)**	(17,451,530)
Allowance for impairment of trade receivables, net of reversals	6	**374,605**	(395,883)
Bad debts written off		**12,020**	(590,409)
Allowance for impairment of other debit balances	6	**-**	162,358
		39,064,688	30,295,587
Movements in working capital:			
Accounts receivable and other debit balances		**(46,064,648)**	(33,533,005)
Contract assets		**20,254,969**	28,603,074
Due from related parties		**1,656,682**	4,819,139
Inventories		**1,166,206**	6,601,121
Retention receivables		**(3,487,388)**	4,104,984
Due to related parties		**(1,963,596)**	(27,963,284)
Contract liabilities		**(1,164,957)**	(2,893,926)
Trade payable and other credit balances		**21,270,038**	(21,668,277)
Retention payables		**(1,903,469)**	1,055,986
Cash generated from/(used in) operations		**28,828,525**	(10,578,601)
Finance costs paid		**(13,435,428)**	(16,617,166)
Employees' end of service benefits paid	20	**(2,931,765)**	(4,824,412)
Net cash generated from/(used in) operating activities		**12,461,332**	(32,020,179)

The accompanying notes are integral part of these consolidated financial statements.

INVESTMENT HOLDING GROUP Q.P.S.C.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2021 (Continued)

	Notes	December 31	
		2021	2020
		QR.	QR.
INVESTING ACTIVITIES			
Proceeds from sale of property and equipment		**36,700**	222,057
Purchase of property and equipment	15	**(4,067,750)**	(748,536)
Acquisition of investment properties		**-**	(122,784)
Proceeds from disposal of investment properties		**-**	592,205
Net cash used in investing activities		**(4,031,050)**	(57,058)
FINANCING ACTIVITIES			
Dividends paid		**(1,334,674)**	(362,257)
Payment of lease liabilities	14.2	**(3,729,339)**	(8,388,560)
Net movement in borrowings		**(3,292,342)**	66,791,084
Net cash (used in)/generated from financing activities		**(8,356,355)**	58,040,267
Net increase in cash and cash equivalents during the year		**73,927**	25,963,030
Cash and cash equivalents at the beginning of the year	5	**30,540,761**	4,577,731
Cash and cash equivalents at the end of the year	5	**30,614,688**	30,540,761

The accompanying notes are integral part of these consolidated financial statements.

1. GENERAL INFORMATION

1.1 General Activities

Investment Holding Group Q.P.S.C (the "Company" or "Parent") was established on May 11, 2008 and registered in the State of Qatar under commercial registration no. 39127. On May 11, 2017, the legal status of the Company was converted from Limited Liability Company to Qatari Public Shareholding Company (Q.P.S.C.). The Group is engaged in various types of investments inside the State of Qatar in accordance with sound commercial and economic practices.

The Company's official registered office and place of business is located at Qatar Tower, Majlis Al Taawon St. West Bay, P.O. Box No. 3988, Doha, State of Qatar.

The consolidated financial statements for the year ended December 31, 2021 and 2020 include the assets, liabilities, and results of operations of the Company and its following subsidiaries (collectively referred to as the "Group").

Name of subsidiaries	Percentage of control (%)		Principal activity
	2021	2020	
Consolidated Engineering Systems Company W.L.L. (CESCO)	**100**	100	Engaged in trading in fire alarms, security systems and related contracting activities.
Trelco Limited Company W.L.L. (TLC)	**100**	100	Engaged in various trading activities.
Consolidated Supplies Company W.L.L. (CSC)	**100**	100	Engaged in trading of electrical and construction materials.
Watermaster Qatar W.L.L. (WMQ) *(Note i)*	**100**	100	Engaged in water treatment and contracting activities.
Electro Mechanical Engineering Company W.L.L (EMEC)	**68.5**	68.5	Engaged in installation and maintenance of electro mechanical works.
Construction Development Contracting & Trading Company W.L.L (CDCT) *(Note i)*	**100**	100	Engaged in the contracting activities and trading of building materials.
Debbas Enterprises Qatar W.L.L (DEQ)	**51**	51	Engaged in trading in electrical equipment, switch gear, light and instrument electrical tools, electromechanical equipment, installation and maintenance works.
Trelco Building Materials Company W.L.L. (TBMC)	**85**	85	Engaged in trading of wood, steel and building materials.

Note i:

The Company exercises 100% control on these subsidiaries through its wholly-owned subsidiary, Trelco Limited Company W.L.L. The ownership structure of these subsidiaries is as follows:

	WMQ	CDCT
Investment Holding Group Q.P.S.C.	63.3%	51%
Trelco Limited Company W.L.L.	36.7%	49%
	100%	**100%**

All of the abovementioned subsidiaries are located and operates within the State of Qatar and prepares its financial statements in accordance with IFRSs and applicable provisions of Qatar Commercial Companies Law.

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

New standards, amendments and interpretations effective from January 1, 2021

The following standards, amendments and interpretations which became effective as of January 1, 2021 are relevant to the Group.

- Initial application of Interest Rate Benchmark Reform Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
- Initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16

The application of the above standards or amendments did not have any material impact on the amounts reported in these consolidated financial statements for the current year.

Standards issued but not yet effective

A number of standards and amendments to standards are issued but not yet effective and the Group has not adopted these in the preparation of these consolidated financial statements. Management anticipates that these new standards and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards and amendments may have no material impact on the consolidated financial statements of the Group in the period of initial application. The Group will adopt these new standards on the respective effective dates.

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IFRS 3 – Reference to the Conceptual Framework	January 1, 2022
Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use	January 1, 2022
Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract	January 1, 2022
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current	January 1, 2023
IFRS 1 First-time Adoption of International Financial Reporting Standards	January 1, 2022
IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition on financial liabilities	January 1, 2022
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023
Definition of Accounting Estimates (Amendments to IAS 8)	January 1, 2023
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Available for optional adoption /effective date deferred indefinitely.

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and applicable provisions of Qatar Commercial Companies Law and the Company's Articles of Association.

The Group presents its consolidated statement of financial position in the order of liquidity. An analysis regarding recovery or settlement of assets/liabilities within the twelve months after the end of the reporting date ("current") and more than twelve months after the reporting date ("non-current") is presented in these consolidated financial statements.

Basis of preparation

These consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments that are measured at fair values at the end of each reporting period.

The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

Functional and presentation currency

The consolidated financial statements are presented in Qatari Riyals (QR.) which is the Group's functional currency. All the financial information presented in these consolidated financial statements have been rounded off to nearest Qatari Riyal except when otherwise indicated.

Significant accounting policies

The principal accounting policies which have been applied in the preparation of the consolidated financial statements are set out below:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company made up to December 31 each year. Control is achieved where the Company has:

- power over the investee;
- is exposed or has rights to variable returns from its involvement with the investee; and
- has ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Group has less than a majority of the voting or similar rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct relevant activities of the investee unilaterally.

The Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other voted holders;
- Potential voting rights held by the Company, other vote holders or other parties;

- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder's meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the shareholders of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the shareholders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Non-controlling interests in the net assets of the consolidated subsidiaries is identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Group. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to the transactions between the members of the Group are eliminated on consolidation. The consolidated financial statements provide comparative information in respect of the previous year.

Changes in the Group's ownership interests in certain subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in those subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the shareholders of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets, and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRSs).

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial Instruments: Recognition and Measurement or, when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

Revenue from contracts with customers

The Group is in the business of contracting, specialized contracting, maintenance service, sale of goods, chemicals, security equipment (fire alarm, CCTV), electrical material, building material, installation, and providing project management services. Revenue from these sources is recognized in the consolidated statement of profit or loss and other comprehensive income by the Group as follows:

Type of service	Nature, timing and satisfaction of performance obligations	Revenue recognition
Construction contracts	The Group builds civil construction and electro-mechanical works for customers based on the design 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 recognized over time using an input method usually percentage of completion to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances a customer-controlled asset.
Installation services	The Group provides installation services that are either sold separately or bundled together with the sale of equipment to a customer. The Group allocates the transaction price based on the relative stand-alone selling prices of the equipment and installation services.	The Group recognises revenue from installation services over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group
Revenue from sale of goods	These are arising from sale of electrical materials, building materials, food items and trading goods.	Revenue is recognized when control over the goods is transferred to the buyer.
Sales of security equipment	These are revenue from sale of and installation of security equipment which are completed over time.	Revenue is recognised over time, using an input method to measure progress towards complete satisfaction of the service.
Rendering of services	Revenue is recognized 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 as agreed in the specific contract.	Revenue is recognized 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 recognized in the consolidated statement of profit or loss when they are incurred.
Rental income	These are revenue arising from leasing commercial spaces.	Revenue is recognized monthly based on the period of contract.

Contract balances

Contract assets and contract liabilities

The Group has determined that contract assets and liabilities are to be recognised at the performance obligation level and not at the contract level and both contract assets and liabilities are to be presented separately in the financial statements. The Group classifies its contract assets and liabilities as current and non-current based on the timing and pattern of flow of economic benefits.

Expenses recognition

Expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen and can be measured reliably. An expense is recognized immediately in profit or loss when an expenditure produces no future economic benefits, or when, and to the extent that, future economic benefits do not qualify or cease to qualify for recognition in the consolidated statement of financial position as an asset, such as in the case of asset impairments.

Current vs. non-current classification

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

An asset is current when:

- It is expected to be realised or intended to sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period (or receivable on demand); or
- It is cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period (or payable on demand); or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are initially measured at fair value. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

The Group initially recognizes financial assets on the date when they are originated. Financial liabilities are initially recognized on the trade date.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified by the Group as follows:

- *Financial assets at amortized cost*

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortised cost includes accounts receivable and certain accounts of other debit balances, contract assets, due from related parties and retention receivables.

- *Financial assets at fair value through profit or loss*

The Group's investment in unquoted equity instrument cannot be classified as an instrument within a cash flow and business model to hold to collect solely payments of principal and interest nor held to collect solely payments of principal and interest, and sell. Accordingly, as permitted by IFRS 9, the Group has measured the instrument at fair value through profit or loss (FVTPL).

Management of the Group used earnings-based valuation methods for valuing its unlisted equity shares and the fair value gains/ losses from this valuation has been recognized directly in the consolidated statement of profit or loss.

Impairment of financial instruments

The Group recognizes loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Group considers a financial asset to be in default in case of:

1. Default or delinquency by a debtor;
2. Restructuring of an amount due to the Group on terms that the Group would not consider otherwise
3. Indications that a debtor will enter bankruptcy; or
4. Observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

Financial assets measured at amortized cost

The financial assets at amortised cost comprise of trade receivables and cash at bank under IFRS 9 and loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date.
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group has elected to measure loss allowances for certain financial assets at an amount equal to lifetime ECLs.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor; and
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 180 days in average past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default.
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term.
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

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.

Presentation of impairment

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. Financial liabilities that are not designated as FVTPL, are measured subsequently at amortised cost using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial assets and liabilities

The Group derecognizes a financial asset when the contractual rights to the cash flows from the 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 it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Group is recognized as a separate asset or liability.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

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

Cash and bank balances

Cash and bank balances in the consolidated statement of financial position comprise cash at bank and on hand. For the purpose of the consolidated statement of cash flows, cash and bank balances consist of cash and short-term deposits as defined above, net of any outstanding bank overdrafts.

Inventories

Inventories are stated at the lower of cost and net realisable value after taking an allowance for any slow moving or obsolete items. Cost comprises the purchase price, import duties, transportation handling and other direct costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method for construction materials, spares and merchandise.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Investment properties

Investment properties which are properties held to earn rental and/or for capital appreciation, are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains and losses arising from changes in the fair value of investment property are included in consolidated statement of profit or loss and other comprehensive income in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in consolidated statement of profit or loss and other comprehensive income in the period in which the property is derecognised.

Transfers are made to or from investment properties only when there is a change in use. For a transfer from investment properties to owner-occupied properties, the deemed cost for subsequent accounting is the net book value at the date of change in use. If owner-occupied properties become investment properties, the Group accounts for such properties in accordance with the policy stated under properties and equipment up to the date of change in use.

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Intangible assets

The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Property and equipment

Property and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or capitalized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated statement of profit or loss as incurred.

Depreciation is calculated based on the estimated useful lives of the applicable assets on a straight-line basis commencing when the assets are ready for their intended use. The estimated useful lives, residual values and depreciation methods are reviewed at each consolidated statement of financial position date, with the effect of any changes in estimate accounted for on a prospective basis.

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

Furniture and fixtures	5 – 7 years
Buildings and construction	5 – 20 years
Motor vehicles	4 – 5 years
Leasehold improvements	5 – 10 years
Office equipment	3 – 7 years
Tools and equipment	3 – 7 years
Machine	5 – 7 years
Computer	3 years

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit or loss or other comprehensive income.

Capital work in progress

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and other related costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property and equipment, commences when the assets are ready for their intended use.

Impairment of tangible and intangible assets

At each consolidated statement of financial position date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are 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. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit or loss and other comprehensive income unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

Financial statements of joint activities are prepared using the same financial year of the Parent. Where necessary, adjustments are made to the consolidated financial statements to consolidate the accounting policies of joint operations to be in line with those used by the Parent.

Share capital

Share capital represents the total issued shares and capital per commercial registration which is treated as equity. Retained earnings include all accumulated profits/losses of the Group less any dividends and legal reserve.

Legal reserve

As required by the Qatar Commercial Companies Law and the Group's Articles of Association, 10% of the net profit for the year is to be transferred to the legal reserve until the reserve reaches a minimum of 50% of the paid-up share capital. This reserve is not available for distribution except for circumstances specified in Qatar Commercial Companies' Law.

Dividends distribution

Dividends distribution to the Group's shareholders' is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Group's shareholders.

Earnings per share

The Group presents basic earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss for the year attributable to the shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

Provisions

Provisions are recognized when the Group has an obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Employees' end of service benefits

The entitlement to these benefits is based upon the employees' length of service and the completion of a minimum service period. A provision is made for employees' end of service benefits which is payable on completion of employment. The provision is calculated in accordance with Qatari Labour Law based on employees' basic salary and accumulated period of service as at the reporting date. The Group treats this obligation as a non-current liability.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive decision makers. The executive decision makers who are responsible for the allocation of resources and assessing the performance of operating segments, have been identified as the Board of Directors (BOD).

Leases

A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

The Group as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in, in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

The Group as a lessor

The Group's accounting policy under IFRS 16 has not changed from the comparative year. As a lessor the Group classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Fair value measurement

For measurement and disclosure purposes, the Group determines the fair value of an asset or liability at initial measurement or at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting date.

Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from the past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

Contingent liabilities are not recognized but are disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognized as provision.

Events after the reporting date

The consolidated financial statements are adjusted to reflect events that occurred between the reporting date and the date when the consolidated financial statements are authorised for issue, provided they give evidence of conditions that existed at the reporting date. Any post year-end events that are non-adjusting are disclosed on the consolidated financial statements when material.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES

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

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

Critical judgments

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

Revenue recognition

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

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

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

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

Judgement in identifying whether a contract includes a lease

The Group determines whether a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to control the use of an identified asset, is assessed by considering whether the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use and has the right to direct the use the identified asset throughout the period of use.

Going concern

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

Classification of joint arrangement

The Group determined the arrangement as joint operation based on the legal forms and contractual arrangement. Management has considered the facts and circumstances that create rights to the assets and obligations for the liabilities of that joint arrangement. Accordingly, the Group's interest in joint arrangement is classified as joint operations of the Group.

Key sources of estimation uncertainties

The key assumptions concerning the future and other sources of estimation uncertainty at the financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of property and equipment and goodwill

The Group's management tests annually whether there is indication that property and equipment and goodwill have suffered impairment in accordance with accounting policies stated in note 3 of the consolidated financial statements. The recoverable amount of an asset is determined based on the higher of fair value or value-in-use method. This method uses estimated cash flow projections over the estimated useful life of the asset discounted using market rates.

Estimated useful lives of property and equipment

The costs of items of property and equipment are depreciated on a systematic basis over the estimated useful lives of the assets. Management has determined the estimated useful lives of each asset and/ or category of assets based on the following factors:

- Expected usage of the assets
- Expected physical wear and tear, which depends on operational and environmental factors; and
- Legal or similar limits on the use of the assets.

Management has not made estimates of residual values for any items of property and equipment at the end of their useful lives as these have been deemed to be insignificant.

Impairment of inventories

Inventories are stated at the lower of cost and net realisable value. Adjustments to reduce the cost of inventory to its realisable value are made for estimated obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, product pricing, physical deterioration and quality issues. Based on the above factors, the Group has arrived at certain percentages for allowance for slow moving and obsolete inventories. Revisions to these adjustments would be required if these factors differ from the estimates.

Provision for expected credit losses of trade receivables, other receivables, and retention receivables

The Group uses a provision matrix to calculate ECLs for trade receivables, other receivables and retention receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Determining the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its Incremental Borrowing Rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Other provisions and liabilities

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

5. CASH AND BANK BALANCES

	December 31	
	2021	2020
	QR.	QR.
Cash on hand	**152,487**	467,358
Cash in banks	**37,622,295**	31,058,716
Cash margins *(Note 5.1)*	**2,139,830**	8,410,776
Total cash and bank balances	**39,914,612**	39,936,850
Less: Bank overdrafts *(Note 5.2)*	**(9,299,924)**	(9,396,089)
Cash and cash equivalents	**30,614,688**	30,540,761

5.1 Cash margins

Cash margins are held with local commercial banks for the purpose of dividend payments and against payments for letter of credits to suppliers.

5.2 Bank overdrafts

This represents bank facility obtained from local banks used for working capital requirements. Bank overdrafts are secured by corporate guarantees and usually bears interest rate of minimum 5.5%.

Cash in banks are assessed to have low credit risk of default since these banks are highly regulated by Qatar Central Bank. Accordingly, management estimates the loss allowance on cash in banks at the end of the reporting period at an amount equal to 12 months ECL. None of the cash in banks at the end of the reporting period are past due, and considering the historical default experience and the current credit ratings of the bank, the Group's management has assessed there are no impairment indications, accordingly, allowance for impairment on these balances were not recognized.

6. ACCOUNTS RECEIVABLE AND OTHER DEBIT BALANCES

	December 31	
	2021	2020
	QR.	QR.
Trade receivables - net *(Note 6.1)*	**152,182,448**	121,970,941
Retention receivables- net *(Note 10.1)*	**37,548,979**	36,319,454
Advances to suppliers/subcontractors	**16,308,779**	9,841,213
Prepaid expenses	**8,378,535**	2,502,007
Refundable deposits	**2,995,740**	416,136
Other debit balances - net *(Note 6.3)*	**87,766,271**	60,352,978
	305,180,752	231,402,729

6.1 Trade receivables	December 31	
	2021	2020
	QR.	QR.
Trade receivables – gross	**162,182,843**	131,596,731
Less: Allowance for impairment of trade receivables *(Note 6.2)*	**(10,000,395)**	(9,625,790)
Trade receivables (net)	**152,182,448**	121,970,941

6.2 Movement in the allowance for impairment of trade receivables	December 31	
	2021	2020
	QR.	QR.
Balance as at the beginning of the year	**9,625,790**	10,021,673
Formed during the year *(Note 24)*	**1,170,292**	510,372
Reversals/Write offs during the year	**(795,687)**	(906,255)
Balance as at the end of the year	**10,000,395**	9,625,790

6.3 Other debit balances	December 31	
	2021	2020
	QR.	QR.
Other debit balances – gross	**89,505,649**	62,254,714
Less: Allowance for impairment of other debit balances *(Note 6.4)*	**(1,739,378)**	(1,901,736)
Other debit balances (net)	**87,766,271**	60,352,978

6.4 Movement in allowance for impairment of other debit balances	December 31	
	2021	2020
	QR.	QR.
Balance as at the beginning of the year	**1,901,736**	1,739,378
Formed during the year *(Note 24)*	**-**	162,358
Written off during the year	**(162,358)**	-
Balance as at the end of the year	**1,739,378**	1,901,736

7. CONTRACT ASSETS

Amounts relating to contract assets amounting to QR 188,376,794 as of December 31, 2021 (2020: QR. 208,631,763) are balances due from customers under contract works in line with a series of performance related milestones. The Group initially recognizes contract assets for any work performed. Any amounts recognized as a contract asset are reclassified to trade receivables at the point at which they are certified by customers.

8. RELATED PARTIES

Related parties, as defined in International Accounting Standard 24: Related Party Disclosures, include associate companies, major shareholders, directors and other key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties.

8.1 Related Parties Transactions	For the year ended December 31	
	2021	2020
	QR.	QR.
Sales	**2,253,846**	2,415,366
Purchases	**2,739,861**	2,352,707
Others	**444,813**	887,796

8.2 Due from related parties	December 31	
	2021	2020
	QR.	QR.
Al Hodaifi Group W.L.L. and its subsidiaries	**14,520,877**	15,573,194
Others	**1,250,529**	1,854,894
	15,771,406	17,428,088

Included in the balance of due from Al Hodaifi Group W.L.L. and its subsidiaries are certain amounts due from the founders of the Group, those balances were confirmed by the founders and the Group's management believes that those balances are recoverable. The following table shows the net movements and reclassifications of those balances since initial public offering (IPO) until the reporting date:

	Amount
	QR.
Beginning balance	33,805,743
Net movements during the years (2017-2021)	(18,033,669)
Reclassifications during the year	(1,251,197)
Net balance as of December 31, 2021	**14,520,877**

8.3 Due to related parties	December 31	
	2021	2020
	QR.	QR.
Al Hodaifi Group W.L.L. and its subsidiaries	**1,765,151**	3,671,910
Others	**5,209,133**	5,265,970
	6,974,284	8,937,880

8.4 Compensation of key management personnel	For the year ended December 31	
	2021	2020
	QR.	QR.
Short term benefits	12,435,300	11,642,567
Long-term benefits	491,053	305,016

9. INVENTORIES

	December 31	
	2021	2020
	QR.	QR.
Trading inventories (Note 22.1)	**48,554,372**	48,132,725
Raw materials	**5,199,757**	9,589,863
	53,754,129	57,722,588
Less: Allowance for slow-moving items (Note 9.1)	**(3,700,704)**	(7,596,937)
	50,053,425	50,125,651
Goods in transit (Note 22.1)	**5,607,640**	6,450,454
	55,661,065	56,576,105

9.1 Movement in the allowance for slow-moving items	December 31	
	2021	2020
	QR.	QR.
Balance at the beginning of the year	**7,596,937**	11,290,790
Formed during the year (Notes 22, 24)	**-**	742,910
Reversals/Disposals during the year	**(3,896,233)**	(4,436,763)
Balance at the end of the year	**3,700,704**	7,596,937

10. RETENTION RECEIVABLES

	December 31	
	2021	2020
	QR.	QR.
Retention receivables, net of discounting	**76,904,236**	71,308,359
Allowance for impairment of retention receivables (Note 10.2)	**(1,873,470)**	(2,020,475)
	75,030,766	69,287,884

Management applies an average discount rate of 4.25% - 5% to calculate the present value of the expected collection of retentions receivable which are classified as non-current.

10.1 Classification of retention receivables	December 31	
	2021	2020
	QR.	QR.
Current portion (Note 6)	**37,548,979**	36,319,454
Non-current	**37,481,787**	32,968,430
	75,030,766	69,287,884

10.2 Movement in allowance for impairment of retention receivables	December 31	
	2021	2020
	QR.	QR.
Balance at the beginning of the year	**2,020,475**	2,133,915
Reversals during the year	**(147,005)**	(113,440)
Balance at the end of the year	**1,873,470**	2,020,475

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss represent investment in unquoted equity shares in the State of Qatar.

	December 31	
	2021	2020
	QR.	QR.
Balance at the end of the year	**31,000,000**	31,000,000

Management believes that there is no significant change in the fair value of these shares. Accordingly, no changes in fair values were recognized in the consolidated statement of profit or loss during the year.

12. INVESTMENT PROPERTIES

	December 31	
	2021	2020
	QR.	QR.
Balance at the beginning of the year	**27,904,147**	22,816,776
Additions and transfers during the year	**-**	133,670
Gain arising on change in fair value of investment properties	**314,461**	5,545,906
Disposals during the year	**(25,688,400)**	(592,205)
Balance at the end of the year	**2,530,208**	27,904,147

Investment properties as at December 31, 2021 include land held for capital appreciation and several apartments situated outside Qatar. These properties were acquired during 2019 as part of settlement agreements from one partner owning some shares in one of the Group's subsidiaries. The properties were subsequently registered in the name of one of the main founders of the Group. However, the founder's rights toward these properties are held on consignment and bound by the terms and conditions of the mediation agreement signed on 2019.

Fair value of the investment properties is determined primarily based on valuations carried out by professionally qualified third-party valuation companies that are members of a professional valuer's association and have the appropriate qualifications and experience in valuing these types of investment properties. The valuation was mainly determined using the market comparable approach and discounted cash flow method in accordance with valuation standards, adopting the IFRS basis of fair value and using the established principles and valuation techniques.

Revaluation reserve

Revaluation reserve amounting to QR. 14,398,000 presented in the consolidated statement of financial position as at December 31, 2020, represents the difference between the carrying value of the transferred properties and the fair value applicable to the portion considered as investment properties at the date of change in use in the previous years. During the year ended December 31, 2021 the Group disposed those properties and transferred the balance of revaluation reserve to retained earnings.

13. GOODWILL

	December 31	
	2021	2020
	QR.	QR.
Balance at the end of the year	**711,492,489**	711,492,489

The share capital of the Company was determined at QR. 830 million to reflect the Group's value as per the independent valuation not as per book value of partners' equity as at December 31, 2016. Due to legal considerations represented by determining the Group's share capital at QR. 830 Million, based on the approvals of H.E the Minister of Economy and Commerce, Ministry of Economy and Commerce, Qatar Market Authority and Qatar Stock Exchange. The same approach was followed in the prospectus for the initial public offering. Shareholders approved the same in their Constituent General Assembly. As a result, it became inevitable for the management to recognize internally generated goodwill in its books of accounts amounting to QR. 711,492,489.

On an annual basis, the Group performs an internal valuation to assess and identify the projection of any indication of impairment of goodwill. The valuation was mainly based on the future financial data of the relevant subsidiaries and considering the business environment in which these subsidiaries operate. Based on this assessment, management believes there were no indications of impairment on carrying value of goodwill, hence is not impaired. Value-in-use calculation is determined by using future cash flow projections and key assumptions with average growth rate of 3% (2020: 3%) and average discount rate of 9.71% (2020: 9.71%).

14. LEASES (GROUP AS A LESSEE)

14.1 Right-of use assets	December 31	
	2021	**2020**
Cost	**QR**	**QR**
Balance as at the beginning of the year	**8,941,231**	17,276,021
Additions during the year	**17,418,446**	2,550,364
Disposals during the year	**(3,868,204)**	(10,885,154)
Balance as at the end of the year	**22,491,473**	8,941,231
Accumulated amortization		
Balance as at the beginning of the year	**6,087,870**	4,157,358
Charged during the year (Note 24)	**3,751,843**	7,816,499
Related to disposals	**(3,868,204)**	(5,885,987)
Adjustments during the year	**(59,760)**	-
Balance as at the end of the year	**5,911,749**	6,087,870
Net book value as at the end of the year	**16,579,724**	2,853,361

14.2 Lease liabilities	December 31	
	2021	**2020**
	QR.	**QR.**
Balance as at the beginning of the year	**2,878,373**	13,267,768
Additions during the year	**17,418,447**	2,550,364
Interest on lease liabilities (Note 25)	**430,592**	474,630
Payments made during the year	**(3,729,339)**	(8,388,560)
Adjustments/(Derecognized) during the year	**62,359**	(5,025,829)
Balance as at the end of the year	**17,060,432**	2,878,373

14.3 Presentation of lease liabilities:	December 31	
	2021	**2020**
	QR.	**QR.**
Current	**5,651,461**	1,780,648
Non-Current	**11,408,971**	1,097,725
	17,060,432	2,878,373

15. PROPERTY AND EQUIPMENT

December 31, 2021	Building and Construction	Leasehold Improvements	Office Equipment	Furniture and Fixtures	Motor Vehicles	Tools and Equipment	Machine	Computers	Capital Work in Progress	Total
	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.
Cost:										
As at December 31, 2020	12,797,280	10,479,047	10,597,633	4,645,218	14,767,646	9,951,962	657,533	1,602,548	-	65,498,867
Additions during the year	15,000	1,329,496	403,072	1,022,523	254,909	596,302	-	122,064	324,384	4,067,750
Disposals during the year	(4,478,597)	(723,071)	(2,117,301)	(1,077,372)	(510,950)	-	(28,500)	(4,400)	-	(8,940,191)
As at December 31, 2021	8,333,683	11,085,472	8,883,404	4,590,369	14,511,605	10,548,264	629,033	1,720,212	324,384	60,626,426
Accumulated depreciation:										
As at December 31, 2020	7,129,273	6,338,609	9,678,602	4,235,392	13,000,521	9,093,626	655,926	1,529,437	-	51,661,386
Charge for the year	405,581	1,084,451	371,323	257,263	816,896	382,221	157	58,780	-	3,376,672
Related to disposals	(4,189,483)	(723,071)	(2,117,173)	(1,074,807)	(510,948)	-	(28,498)	(4,400)	-	(8,648,380)
As at December 31, 2021	3,345,371	6,699,989	7,932,752	3,417,848	13,306,469	9,475,847	627,585	1,583,817	-	46,389,678
Net book value:										
As at December 31, 2021	4,988,312	4,385,483	950,652	1,172,521	1,205,136	1,072,417	1,448	136,395	324,384	14,236,748
As at December 31, 2020	5,668,007	4,140,438	919,031	409,826	1,767,125	858,336	1,607	73,111	-	13,837,481

15. PROPERTY AND EQUIPMENT (Continued)

December 31, 2020	Building and Construction	Leasehold improvements	Office Equipment	Furniture and Fixtures	Motor Vehicles	Tools and equipment	Machines	Computers	Capital Work in Progress	Total
Cost:	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.
As at December 31, 2019	12,782,966	10,479,047	10,339,789	4,618,465	16,833,946	9,958,060	655,933	1,580,609	-	67,248,815
Additions during the year	25,200	-	257,844	26,753	415,200	-	1,600	21,939	-	748,536
Disposals during the year	-	-	-	-	(2,481,500)	(6,098)	-	-	-	(2,487,598)
Reclassifications (Note 14.1)	(10,886)	-	-	-	-	-	-	-	-	(10,886)
As at December 31, 2020	12,797,280	10,479,047	10,597,633	4,645,218	14,767,646	9,951,962	657,533	1,602,548	-	65,498,867
Accumulated depreciation:										
As at December 31, 2019	6,724,612	5,288,109	9,082,763	3,987,802	14,222,915	8,666,722	629,342	1,475,615	-	50,077,880
Charge for the year	404,661	1,050,500	595,839	247,590	1,244,707	428,904	26,584	53,822	-	4,052,607
Related to disposals	-	-	-	-	(2,467,101)	(2,000)	-	-	-	(2,469,101)
As at December 31, 2020	7,129,273	6,338,609	9,678,602	4,235,392	13,000,521	9,093,626	655,926	1,529,437	-	51,661,386
Net book value:										
As at December 31, 2020	5,668,007	4,140,438	919,031	409,826	1,767,125	858,336	1,607	73,111	-	13,837,481
As at December 31, 2019	6,058,354	5,190,938	1,257,026	630,663	2,611,031	1,291,338	26,591	104,994	-	17,170,935

15. PROPERTY AND EQUIPMENT (Continued)

Depreciation of property and equipment presented in the consolidated statement of profit or loss and the other comprehensive income are as follows:

	December 31	
	2021	2020
	QR.	QR.
Direct costs (Note 22)	**851,514**	1,030,444
General and administrative expenses (Note 24)	**2,525,158**	3,022,163
	3,376,672	4,052,607

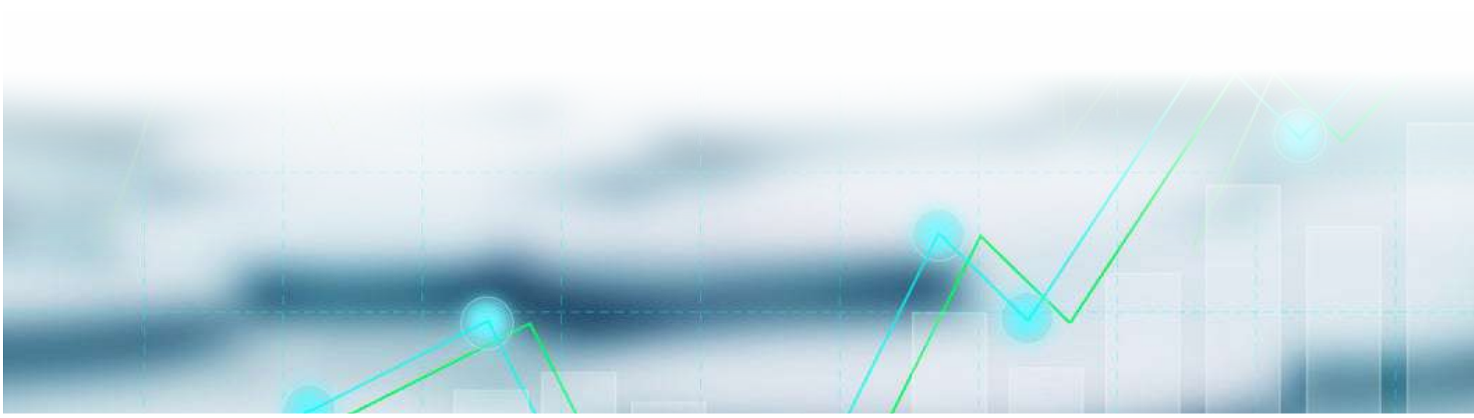
16. SHARE CAPITAL

	December 31	
	2021	2020
	QR.	QR.
Authorized and issued, 830,000,000 ordinary shares of QR. 1 each	**830,000,000**	830,000,000

17. OTHER RESERVE

	December 31	
	2021	2020
	QR.	QR.
Balance as at the beginning of the year	**138,909,704**	152,508,123
Effect of transfer of non-controlling interests	**-**	(13,598,419)
Balance as at the end of the year	**138,909,704**	138,909,704

During the year 2020, ownership of non-controlling interests in Watermaster Qatar W.L.L. and Construction Development Contracting and Trading W.L.L. was transferred to one of the Group's wholly owned subsidiary Trelco Limited Company W.L.L.. The book values of non-controlling interests have been transferred to other reserve.



18. BORROWINGS

	December 31	
	2021	2020
	QR.	QR.
Project finance (Note a)	**19,823,119**	19,861,058
Import loans (Note b)	**79,133,968**	75,179,897
Demand loans (Note c)	**18,569,942**	18,569,942
Term loans (Note d)	**73,345,363**	73,531,120
Musawama loans (Note e)	**75,000,001**	91,666,667
Murabaha loans (Note f)	**65,589,411**	58,834,483
Tawarruq loans	**5,425,674**	2,536,653
	336,887,478	340,179,820

18.1 Presentation of borrowings	December 31	
	2021	2020
	QR.	QR.
Current	**233,616,478**	214,826,749
Non-Current	**103,271,000**	125,353,071
	336,887,478	340,179,820

a) Project finance

The Group obtained facilities with a local bank to finance its existing project from the progress payments to be paid by customers for that project. The facilities are secured by corporate and personal guarantees by the owners of the subsidiary and assignment of contract payments from the customer to route all contract proceeds with the bank. These facilities bear interest rate of minimum 4.5%.

b) Import loans

Import loans represent loans obtained from a local bank to finance the purchase of materials for the project and issuing letters of credit to sub-contractors. These loans bear an average interest rate of 5.5%. The loans are secured by corporate and personal guarantees.

c) Demand loan

Demand loan represents loans obtained from a local bank to finance working capital requirements. This loan bear an interest rate of 4.5% per annum. The loan is backed by certified project receivables and undertaking by the JV partners that no fund will be drawn from the project by way of dividends or profit sharing until the project is complete.

d) Term loans

Term loans consists of a number of commercial and term loans used for various purposes. These loans are secured by personal guarantees of the owners and corporate guarantee. Term loans have different maturity dates and bears interest rate of 5.5% per annum.

e) Musawama loan

The Group obtained a musawama facility from an islamic bank used to finance a specific transaction related to acquisition of one of its subsidiaries. The facility will be paid in semi-annual installments with a fixed profit rate of 5.5%.

f) Murabaha loans

Murabaha loans represent loans obtained from a local islamic bank for the purchase of materials and issuing letters of credit to suppliers. These loans bear an average profit rate of 4.5% to 6.5% annually and have maturities ranging from 270 to 360 days.

Borrowing costs incurred during the year ended December 31, 2021 were recognized and classified in the consolidated statement of profit or loss and other comprehensive income as follows:

	For the year ended December 31	
	2021	2020
	QR.	QR.
Direct cost (Note 22)	**4,023,331**	4,806,936
Finance costs (Note 25)	**9,412,097**	11,810,230
	13,435,428	16,617,166

19. ACCOUNTS PAYABLE AND ACCRUALS

	December 31	
	2021	2020
	QR.	QR.
Trade and notes payable	**87,022,722**	74,037,814
Advances from customers	**22,797,892**	27,622,874
Social and sport funds contribution *(Note 19.1)*	**658,117**	584,118
Accruals and other credit balances	**50,051,616**	40,051,358
	160,530,347	142,296,164

19.1 Social and Sport Fund Contribution

Pursuant to the requirements of Law No.13 of 2008, the Group recognizes provision for the support of sports, social, cultural and charitable activities equal to 2.5% of the consolidated net profit attributable to the shareholders of the Company. The Group transferred from its retained earnings and accrued as at December 31, 2021 an amount of QR. 658,117 (2020: QR. 584,118).

20. EMPLOYEES' END OF SERVICE BENEFITS

	December 31	
	2021	2020
	QR.	QR.
Balance at the beginning of the year	**19,163,176**	21,867,578
Formed and reversals during the year	**4,007,212**	2,120,010
Payments made during the year	**(2,931,765)**	(4,824,412)
Balance at the end of the year	**20,238,623**	19,163,176

21. REVENUE

The Group's revenue for the years ended December 31, 2021 and 2020 based on disaggregated data presented in the consolidated profit of loss and other comprehensive income are as follows:

	For the year ended December 31	
	2021	2020
Disaggregation of revenue – over time	QR.	QR.
Contracting revenue	**190,219,548**	187,061,040
Maintenance revenue	**56,445,773**	52,816,608
	246,665,321	239,877,648
Disaggregation of revenue – at a point in time		
Trading revenue	**116,756,998**	80,960,131
Refilling and servicing revenue	**407,904**	494,537
	117,164,902	81,454,668
Total revenue from contracts with customers	**363,830,223**	321,332,316

22. DIRECT COSTS

	For the year ended December 31	
	2021	2020
	QR.	QR.
Materials used	**101,234,918**	91,090,375
Cost of goods sold *(Note 22.1)*	**70,521,237**	55,283,667
Salaries and related costs	**66,252,211**	62,815,132
Subcontractor costs	**17,833,176**	23,659,481
Freight and other charges	**4,137,082**	2,813,452
Finance costs *(Note 18)*	**4,023,331**	4,806,936
Depreciation of property and equipment *(Note 15)*	**851,514**	1,030,444
Site costs	**478,756**	1,608,902
Allowance for slow moving items *(Note 9)*	**-**	692,910
Miscellaneous	**5,699,234**	4,822,850
	271,031,459	248,624,149

22.1 Cost of goods sold	For the year ended December 31	
	2021	2020
	QR.	QR.
Opening balance of trading inventories and goods in transit *(Note 9)*	**54,583,179**	63,826,325
Purchases during the year	**71,179,310**	53,821,225
Impairment of trading inventories	**-**	(6,941,341)
Goods available for sale	**125,762,489**	110,706,209
Closing balance of trading inventories and goods in transit *(Note 9)*	**(54,162,012)**	(54,583,179)
Reversal of allowance for slow moving items	**(1,079,240)**	(839,363)
	70,521,237	55,283,667

23. OTHER INCOME

	For the year ended December 31	
	2021	2020
	QR.	QR.
Gain on disposal of property and equipment and investment properties	**2,156,488**	203,560
Reversal of unrequired provisions for warranties, maintenance and anticipated losses	**1,971,366**	5,770,627
Reversal of unclaimed payables and accruals	**1,720,006**	11,680,903
Rental income	**1,411,972**	2,607,698
Reversal of allowances for impairment	**1,176,019**	501,640
Interest income	**255,118**	690,297
Others	**3,301,546**	3,639,896
	11,992,515	25,094,621

24. GENERAL AND ADMINISTRATIVE EXPENSES

	For the year ended December 31	
	2021	2020
	QR.	QR.
Salaries and related benefits	**34,125,792**	29,513,140
General and office expenses	**15,519,669**	12,504,532
Amortization of right of use assets (Note 14)	**3,751,843**	7,816,499
Rent	**3,292,486**	2,846,602
Depreciation of property and equipment (Note 15)	**2,525,158**	3,022,163
Professional and legal fees	**2,129,685**	2,452,549
Management fees	**1,512,310**	-
Repairs and maintenance expense	**1,310,692**	882,436
Insurance	**1,265,116**	1,579,740
Impairment of trade receivables (Note 6.2)	**1,170,292**	510,372
Electricity and water	**1,042,621**	113,879
Immigration and visa	**912,228**	58,377
Conference, exhibition & advertisement	**888,252**	333,908
Bank charges	**721,298**	622,969
Vehicle expenses	**637,168**	214,105
Postage and communication	**528,160**	507,413
Impairment of other debit balances (Note 6.4)	**-**	162,358
Impairment of slow-moving items (Note 9)	**-**	50,000
Others	**4,099,486**	4,377,450
	75,432,256	67,568,492

25. FINANCE COSTS

	For the year ended December 31	
	2021	2020
	QR.	QR.
Related to borrowings (Note 18)	**9,412,097**	11,810,230
Related to lease liabilities (Note 14)	**430,592**	474,630
	9,842,689	12,284,860

26. BASIC EARNINGS PER SHARE

	For the year ended December 31	
	2021	2020
Profit attributable to the shareholders of the Company (QR.)	**26,324,660**	23,364,721
Weighted average numbers of ordinary shares	**830,000,000**	830,000,000
Basic earnings per share (QR.)	**0.032**	0.028

27. NON-CONTROLLING INTERESTS

Summarized below are the financial information in respect of the Group's subsidiaries that have non-controlling interests. This information is based on amounts before inter-company eliminations.

27.1 Proportion of equity interest held by non-controlling interests:		December 31	
Subsidiary name	Country of incorporation & operation	2021	2020
Electro Mechanical Engineering Company W.L.L. (EMEC)	Qatar	**31.5%**	31.5%
Debbas Enterprises Qatar W.L.L. (DEQ)	Qatar	**49%**	49%
Trelco Building Materials Company W.L.L. (TBMC)	Qatar	**15%**	15%

27.2 Accumulated balances of non-controlling interests:	December 31	
	2021	2020
	QR.	QR.
Electro Mechanical Engineering Company W.L.L. (EMEC)	**(5,842,715)**	3,015,000
Debbas Enterprises Qatar W.L.L. (DEQ)	**11,489,610**	8,057,650
Trelco Building Materials Company W.L.L. (TBMC)	**(1,261,928)**	(1,478,796)
	4,384,967	9,593,854

27. NON-CONTROLLING INTERESTS (Continued)

27.3 Profit/(Loss) allocated to non-controlling interests:	For the year ended December 31	
	2021	2020
	QR.	QR.
Construction Development Contracting and Trading Co. W.L.L.	-	(820,146)
Electro Mechanical Engineering Company W.L.L.	**(8,857,715)**	252,588
Debbas Enterprises Qatar W.L.L.	**3,431,960**	4,277,894
Trelco Building Materials Company W.L.L.	**216,868**	70,857
	(5,208,887)	3,781,193

27.4 Summarized statement of financial position and profit or loss	For the year ended December 31, 2021		
	EMEC	DEQ	TBMC
	QR.	QR.	QR.
Current assets	**76,132,835**	**168,480,675**	**34,767,670**
Non-current assets	**6,453,282**	**9,442,809**	**13,229**
Current liabilities	**80,431,664**	**148,510,895**	**43,830,501**
Non-current liabilities	**20,156,868**	**4,635,025**	**410,123**
Revenue	**9,397,651**	**61,469,070**	**19,127,309**
Net (loss)/profit for the year	**(28,119,729)**	**7,004,000**	**1,445,784**

Summarized statement of financial position and profit or loss	For the year ended December 31, 2020		
	EMEC	DEQ	TBMC
	QR.	QR.	QR.
Current assets	103,385,612	173,898,016	36,488,247
Non-current assets	10,162,286	6,122,168	29,669
Current liabilities	(84,588,771)	(158,293,739)	(41,656,146)
Non-current liabilities	(18,841,808)	(3,952,879)	(915,111)
Revenue	52,574,961	69,449,735	17,831,054
Net profit for the year	801,867	8,730,396	472,376

27. NON-CONTROLLING INTERESTS (Continued)

27.5 Summarized statement of cash flows	For the year ended December 31, 2021		
	EMEC	DEQ	TBMC
	QR.	QR.	QR.
Net cash generated by/(used in) operating activities	**7,510,130**	**(972,998)**	**733,889**
Net cash used in investing activities	**(27,789)**	**(1,649,496)**	**-**
Net cash (used in)/generated from financing activities	**(9,272,200)**	**6,230,517**	**-**
Net (decrease)/increase in cash and cash equivalents	**(1,789,859)**	**3,608,023**	**733,889**

Summarized statement of cash flows	For the year ended December 31, 2020		
	EMEC	DEQ	TBMC
	QR.	QR.	QR.
Net cash generated by/(used in) operating activities	(12,003,722)	3,795,712	28,926,520
Net cash used in investing activities	(10,100)	-	(1,700)
Net cash (used in)/generated from financing activities	23,355,263	(2,459,777)	(207,900)
Net increase in cash and cash equivalents	11,341,441	1,335,935	28,716,920

28. SEGMENT INFORMATION

Information reported for the purpose of resource allocation and assessment of segment performance focuses on the types of services being provided. The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services and are managed separately because they require separate business strategies. For each of the strategic business units, the Group reviews internal management reports on a regular basis. The following summary describes the operations in each of the Group's reportable segments:

1. *Contracting:* This includes construction activities.
2. *Specialized contracting:* This includes mechanical, electrical and plumbing in addition to security systems.
3. *Trading:* This includes trading in food, chemical, electrical, security and safety systems and building materials.
4. *Water treatment & related maintenance:* This includes contracting for wellness and pools, water features and water treatment and after sales maintenance and services.
5. *Others:* This represents the balances pertaining to the Company.

28. SEGMENT INFORMATION (Continued)

The trading and specialized trading segments include different subsidiaries operating within the State of Qatar which are also considered as operating segments by the Group. For the purpose of the consolidated financial statements, these individual operating segments are aggregated into a single operating unit taking into account the following criteria:

- The nature of the services/products offered are similar.
- The methods used to distribute the goods/provide the services are similar.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit, as included in the internal management reports that are reviewed by the Management. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Geographical segments

The Group has not diversified its activities outside of the State of Qatar; therefore, majority of the Group assets are located within Qatar. Accordingly, there are no distinctly identifiable geographical segments in the Group for the years ended 31 December 2021 and 2020.

Segment profit represents the profit before tax earned by each segment without allocation of administrative costs, director's salaries, and gain on disposal of interest in investments, other gains and losses as well as finance costs. This is the measure reported to the Board of Directors for the purpose of resource allocation and assessment of segment performance.

28. SEGMENT INFORMATION (Continued)

	Contracting	Specialized Contracting	Trading	Water treatment and related maintenance	Parent	Total segments	Adjustments and eliminations	Consolidated
	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.
December 31, 2021								
Revenue	**34,567,556**	**188,909,343**	**46,178,927**	**95,816,923**	**-**	**365,472,749**	**(1,642,527)**	**363,830,222**
Finance costs	**(203,322)**	**(682,602)**	**(1,762,969)**	**(534,179)**	**(6,659,617)**	**(9,842,689)**	**-**	**(9,842,689)**
Depreciation and amortization	**(1,262,275)**	**(1,368,174)**	**(1,561,747)**	**(2,548,431)**	**(387,888)**	**(7,128,515)**	**-**	**(7,128,515)**
Profit/(loss) for the year	**1,521,698**	**20,261,521**	**12,546,798**	**10,652,938**	**17,561,940**	**62,544,895**	**(41,429,122)**	**21,115,773**
Total assets	**27,963,541**	**385,238,439**	**190,699,903**	**125,025,384**	**1,128,084,877**	**1,857,012,144**	**(438,786,559)**	**1,418,225,585**
Total liabilities	**30,918,611**	**277,920,528**	**73,151,992**	**71,544,455**	**201,992,288**	**655,527,874**	**(99,810,661)**	**555,717,213**

	Contracting	Specialized Contracting	Trading	Water treatment and related maintenance	Parent	Total segments	Adjustments and eliminations	Consolidated
	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.
December 31, 2020								
Revenue	10,522,009	209,027,318	38,777,520	65,165,494	-	323,492,341	(2,160,025)	321,332,316
Finance costs	(283,957)	(3,864,258)	(1,038,535)	(906,405)	(6,191,705)	(12,284,860)	-	(12,284,860)
Depreciation and amortization	(1,472,080)	(1,440,161)	(341,841)	(7,635,861)	(979,163)	(11,869,106)	-	(11,869,106)
Profit/(loss) for the year	(6,092,660)	38,266,154	9,543,761	6,354,958	10,769,635	58,841,848	(31,695,934)	27,145,914
Total assets	25,766,188	404,515,366	181,497,837	92,656,381	1,128,176,569	1,832,612,341	(458,580,898)	1,374,031,443
Total liabilities	30,434,986	291,446,463	62,703,266	49,828,392	200,722,527	635,135,634	(103,154,907)	531,980,727

29. INTEREST IN JOINT OPERATIONS

The Group had entered into an unincorporated joint arrangement through its subsidiary Debbas Enterprises Qatar Q.L.L. with ETA Star Engineering and Contracting W.L.L. on February 2011 (ETA Star Engineering and Contracting W.L.L. & Debbas Enterprises Qatar W.L.L. Joint Operation "Joint Operation) for the execution of a project awarded by Six Construct Midmac JV to carry out mechanical, electrical and plumbing work of Doha Convention Center in the State of Qatar. However, one of the shareholders, ETA Star Engineering and Contracting W.L.L. is under liquidation..

	2021	2020
Debbas Enterprise- Qatar W. L. L.	50%	50%
ETA Star Engineering and Contracting W.L.L.	50%	50%

Following is the extract from the financial statements of the Joint Operation, which represents 100% of the assets, liabilities and results of operations for the years ended December 31, 2021 and 2020:

Extracts from the financial statements of Joint Operations are as follows	December 31	
	2021	**2020**
	QR.	**QR.**
Total assets	**215,358,715**	215,554,625
Total liabilities	**220,504,133**	224,325,752
Net profit for the year	**3,625,710**	2,571,417
Contingent liabilities	**43,000,000**	43,000,000

Following is the Group's share of assets, liabilities, net profit and contingent liabilities in the Joint Operation for the years ended December 31:

	December 31	
	2021	**2020**
	QR.	**QR.**
Total assets	**107,679,357**	107,777,313
Total liabilities	**110,252,066**	112,162,876
Share in net profit	**1,812,855**	1,285,709
Contingent liabilities	**21,500,000**	21,500,000

30. CONTINGENCIES AND COMMITMENTS

	December 31	
	2021	2020
	QR.	QR.
Letter of guarantees	**48,520,513**	66,950,957
Performance bonds	**46,797,520**	60,742,336
Letters of credit	**18,004,598**	9,380,038
Advance payment guarantees	**14,500,479**	7,469,125
Tender bonds	**12,584,000**	2,065,943

31. LEGAL CASES

31.1 Debbas Enterprises – Qatar – W.L.L

a) One of the Group's subsidiaries, Debbas Enterprises Qatar W.L.L has entered into a Joint Venture (EDJV) (ETA Star Engineering and Contracting W.L.L. (Under liquidation)/ Debbas Enterprises Qatar W.L.L.) in February 2011 to carry out the electromechanical works of Doha Exhibition and Convention Center for the main contractor Midmac Contracting/Six Construct JV (SMJV), with a total contract value of QR. 430,000,000 to be executed within 22 months.

Over several years, EDJV received and completed many site orders outside the main scope of work valued at QR. 163,820,000 (Group's share QR. 81,910,000), which contributed in extending the Project till June 2015, with some remaining minor works to be executed within the maintenance period. The gross amounts due from SMJV as of 31 December 2019 are QR. 194,717,264 (Group's share QR. 97,358,632), and the retention receivable is amounted to QR. 19,788,405 (Group's share QR. 9,894,202).

On 16 April 2016, EDJV received a Taking-Over-Certificate back dated to 11 June 2015, based on which EDJV submitted its final invoice on 15 May 2016. On 21 January 2017 SMJV replied with its assessment of the final account with net due payables of QR. 23,419,531.

Failing to solve the dispute amicably, EDJV filed lawsuit No. 568/2018 on January 2018 against SMJV and Qatari Diar "the Client" requesting them to pay an amount of QR. 625,861,657 being the remaining costs of the original contract, the additional works carried out based on the site instructions, extensions of time, and compensation for the opportunity costs.

b) EDJV has obtained credit facility from a local bank in 2011 to finance this project and the total outstanding balance including accrued interest as of 31 December 2020 amounted to QR 152,696,565 (2019: QR. 148,463,224), of which the Group's share is QR. 76,048,233 (2019: QR. 74,231,611). The Group and other related parties have provided corporate and personal guarantees to Ahli Bank against the credit facilities as following:

- Personal guarantee from IHG's chairman amounting to QR. 43,000,000.
- Corporate guarantee from Debbas Enterprises – Qatar, W.L.L amounting to QR. 276,000,000.
- Corporate guarantee from ETA Star Engineering and Trading – W.L.L (Under liquidation) amounting to QR. 233,000,000.

Additionally, the founders' committee of IHG has given an undertaking letter to personally guarantee to pay the recognized cumulative revenue to 31 December 2016 form the unapproved variation orders amounting to QR. 77,775,000 and a written commitment from Debbas Holding – S.A.L against their portion of the bank debt.

c) The court appointed a committee of experts and they are reviewing the file and obtaining from each party to the dispute the supporting documents confirming its defense. On October 2018, Ahli bank filed lawsuit No. 2926/ 2018 against EDJV, the Group, and others requesting to pay an amount of QR. 178,529,133 plus accrued interest to cover the outstanding loan balance, noting that the other party in the joint venture ETA Star Engineering and Contracting is under liquidation.

d) Referring to the above cases, on January 2019, the court hearing, lawsuit no. 568/2018 transferred the case to the court hearing, lawsuit 2926/2018 in order for the two lawsuits to move in parallel due to their interdependency.

e) On March 21, 2019, the Court of First Instance decided to combine the two cases, case numbers 568/18 and 2926/16. Subsequently, on April 30, 2019, the Court decided to delegate the case to a panel of experts. Several meetings and exchanges were conducted between the experts and each of the parties (plaintiffs and defendant) in addition to a visit conducted at the site. The court adjourned the sessions on numerous occasions to allow some time to experts to consolidate and submit their findings which were further delayed and affected by COVID-19 situations.

f) Based on the results of the investigations performed by appointed independent experts of EDJV and as approved by the Court on May 2017, to provide an impartial assessment of the merit and quantum of each claim before taking the decision to invoke the dispute resolution clause and subsequently instigate the legal proceedings, the independent experts concluded that EDJV was entitled to a total amount of QR. 209,023,312 whereas, the experts could not quantitatively provide an assessment to previous claims amounting to QR 207,635,459 and QR. 66,502,015 due to insufficient substantiation and for falling outside the scope of engineering expertise. The number of claims for extension of time, loss and expenses were prepared using a widely known and approved approach across the construction industry and under the supervision of independent specialized claims consultant company.

Based on the foregoing, the Joint Operation strongly believes that (i) SMJV will be dismissed by the Court as SMJV were ready to make a settlement pay of QAR 23 million to EDJV to close the final account and negotiate further beyond this amount to narrow the gap between the two assessments; (ii) the amount ruled by the Court to be paid by SMJV/Qatari Diar will largely exceed Ahlibank's liabilities. Hence, the Group do not expect any material contingencies to arise from the above lawsuits which would require disclosures or additional provisions in the consolidated financial statements as of 31 December 2021 and 2020.

31.2 Other litigations

One of the local banks filed a lawsuit against the Group and other parties to claim an amount of QR. 12.5 million based on a facility agreement and corporate guarantees signed by IHG and the other parties with the bank during December 2012. As of reporting date, the lawsuit is still ongoing with the uncertainty of its outcome.

32. FINANCIAL RISK MANAGEMENT

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

- Credit risk
- Liquidity risk
- Market risk and
- Interest rate risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements. Management has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analysed the risks faced by the Group and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

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. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. The carrying amount of financial assets represents the maximum credit exposure.

The tables below detail the credit quality of the Group's financial assets:

	December 31	
	2021	2020
	QR.	QR.
Trade receivables and other debit balances	**242,944,459**	182,740,055
Due from related parties	**15,771,406**	17,428,088
Contract assets	**188,376,794**	208,631,763
Retention receivables	**75,030,766**	69,287,884
Cash in banks	**39,762,125**	39,469,492
	561,885,550	517,557,282

Trade receivables and contract assets

The Group limits its exposure to credit risk from trade receivables by:

- evaluating the creditworthiness of each counter-party prior to entering into contracts;
- establishing sale limits for each customer, which are reviewed regularly;
- establishing maximum payment periods for each customer, which are reviewed regularly; and
- Periodically reviewing the collectability of its trade receivables for identification of any impaired amounts.

Measurement of ECLs

The table below provides information about exposure to credit risk and ECL for trade and other debit balances as at 31 December 2021 and 2020.

	December 31	
	2021	2020
Aging of trade receivables	QR.	QR.
0- 30 days	**43,712,156**	50,203,034
30 - 60 days	**20,106,912**	8,385,338
61 - 90 days	**9,043,302**	4,899,190
91 - 180 days	**33,207,673**	14,346,682
181 - 365 days	**26,964,817**	13,291,639
More than 365 days	**29,147,983**	40,470,848
Total gross trade receivables	**162,182,843**	131,596,731
Less: allowance for impairment of trade receivables	**(10,000,395)**	(9,625,790)
Net trade receivables	**152,182,448**	121,970,941

	December 31	
	2021	2020
	QR.	QR.
Other debit balances	**89,505,649**	62,254,714
Less: allowance for impairment of other receivables	**(1,739,378)**	(1,901,736)
	87,766,271	60,352,978

The movements in the allowance for expected credit losses is disclosed in Note 6.

Cash in banks

The Group's cash at bank is held with banks that are independently rated by credit rating agencies

	December 31	
	2021	2020
	QR.	QR.
Cash in banks	**39,762,125**	39,469,492

The Group's bank deposits are held with credit worthy and reputable banks with high credit ratings. As a result, management believes that credit risk in respect of these balances is immaterial.

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. Management'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.

The table below summarizes the contractual undiscounted maturities of the Group's financial liabilities at the reporting date.

	Contractual cash flows		
	Gross carrying Amounts	Within One Year	1-5 Years
	QR.	QR.	QR.
31 December 2021			
Non-derivative financial liabilities			
Bank overdrafts and borrowings	**346,187,401**	**242,916,401**	**103,271,000**
Lease liabilities	**17,060,432**	**5,651,461**	**11,408,971**
Due to related parties	**6,974,284**	**6,974,284**	**-**
Retention payables	**2,594,491**	**1,262,223**	**1,332,268**
Dividends payable	**2,131,634**	**2,131,634**	**-**
Trade and other payables	**137,732,455**	**137,732,455**	**-**
	512,680,697	**396,668,458**	**116,012,239**

	Contractual cash flows		
	Gross carrying Amounts	Within One Year	1-5 Years
	QR.	QR.	QR.
31 December 2020			
Non-derivative financial liabilities			
Bank overdrafts and borrowings	349,575,909	224,222,838	125,353,071
Lease liabilities	2,878,373	1,780,648	1,097,725
Due to related parties	8,937,880	8,937,880	-
Retention payables	4,497,960	3,685,944	812,016
Dividends payable	3,466,308	3,466,308	-
Trade and other payables	114,673,290	114,673,290	-
	484,029,720	356,766,908	127,262,812

Market risk

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

Interest rate risk

Interest rate risk arises when the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate sensitivity analysis

The Group is exposed to interest rate risk mainly on bank borrowing and overdrafts. A 1% increase or decrease is used when reporting interest rate risk to key management personnel and represents management's assessment of the reasonably possible change in interest rates. If the interest rates had been 1% higher/lower and all other variables were held constant, the Group's net income would be impacted as follows:

	December 31	
	2021	2020
	QR.	QR.
Bank overdrafts (Note 5)	**9,299,924**	9,396,089
Project finance (Note 18)	**19,823,119**	19,861,058
Import loans (Note 18)	**79,133,968**	75,179,897
Demand loans (Note 18)	**18,569,942**	18,569,942
Term loans (Note 18)	**73,345,363**	73,531,120
Musawama loans (Note 18)	**75,000,001**	91,666,667
Total bank exposure subject to interest rate risk	**275,172,317**	288,204,773
1% increase / decrease effect on net income	**2,751,723**	2,882,048

33. IMPACT OF COVID-19

In March 2020, COVID-19 was declared a pandemic by WHO (World Health Organization) and is causing disruptions to business and economic activities across the globe. The local government system in Qatar has announced various measures to support businesses to mitigate possible adverse impact due to the pandemic. The Group continues to monitor the situation and the Group's management have taken measures to continue the operations with minimal disruptions and also have risk management plans in place to manage potential disruptions in the future.

Due to the prevailing uncertain situation, the Group management have revisited its judgements, estimates and risk management objectives and have considered the potential impacts of the current volatility in determining the reported amounts of the Group's financial and non-financial assets as at December 31, 2021 and 2020.

Going concern

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

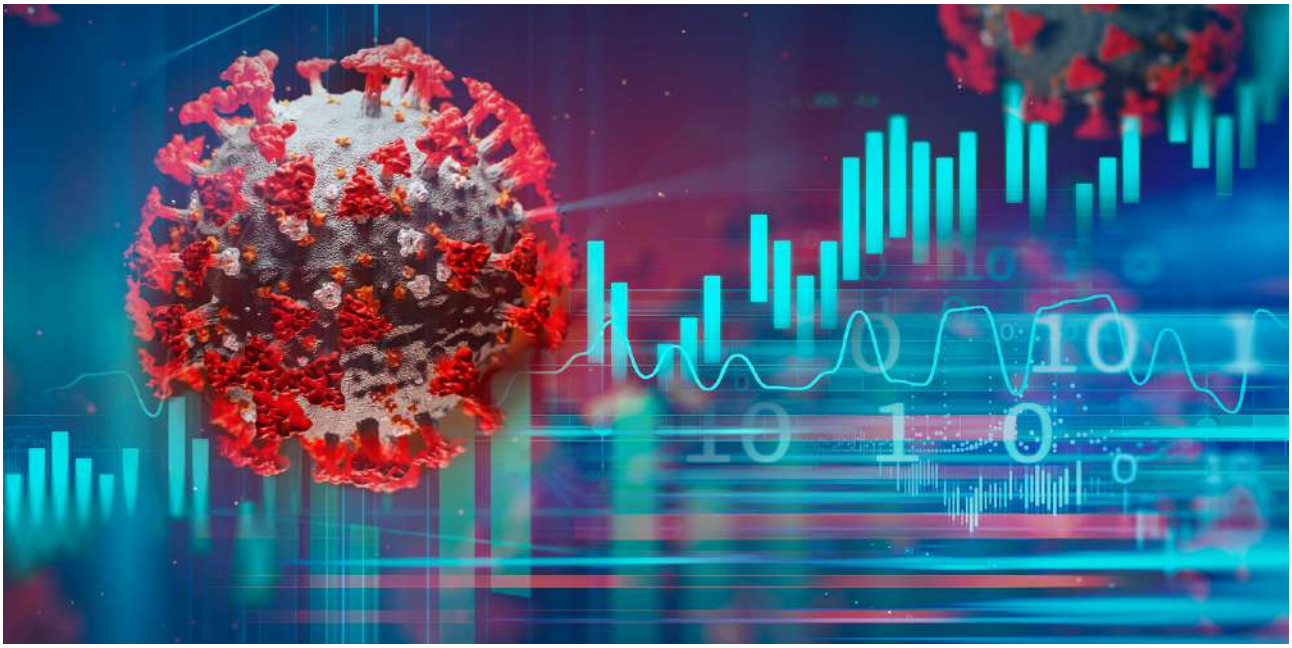
The Group continues to monitor the situation closely and the Group's management have taken measures to manage potential business disruptions from COVID -19 that may have on the Group's operations and financial performance in 2021 and in the future.

Expected credit losses ("ECL") and impairment of financial assets

The uncertainties caused by COVID-19 have required the Goup to reassess the inputs and assumptions used for the determination of expected credit losses ("ECLs") as at December 31, 2021. The Group has updated the relevant forward-looking information with respect to the weightage of the relevant macroeconomic scenarios of the market; increase in credit risk; and assessing the indicators of impairment for the exposures in potentially affected sectors.

Commitments and contingent liabilities

The management of the Group has assessed the impact of any operational disruptions, including any contractual challenges and changes in business or commercial relationships among the Group entities, customers and suppliers, to determine if there is any potential increase in contingent liabilities and commitments.



34. REVERSE ACQUISITION TRANSACTION

On April 7, 2021, IHG announced a potential investment opportunity to acquire Elegancia Group Holding W.L.L. ("EG") (Formerly known as Elegancia Group Administrative Consultancy W.L.L.) and its subsidiaries through a reverse acquisition transaction (the "Transaction")

As a result, IHG will issue new shares to the existing owners of EG. The former shareholders of EG will own the majority of new shares to be issued and control the majority of votes in the Group by exchanging their shares for the new shares of IHG. Accordingly, IHG will be legal acquirer and EG will be the accounting acquirer for accounting purposes.

On October 12, 2021, IHG's board of directors approved the Transaction based on exchange ratios agreed by both parties.

All required documentations related to the Transaction have been submitted to Qatar Financial Markets Authorities (QFMA). Legal formalities related to the Transaction are still in process.

35. COMPARATIVE FIGURES

Certain amounts in the comparative figures of the consolidated financial statements and notes to the consolidated financial statements have been reclassified to conform to the current year's presentation. Management believes that reclassification resulted to a better presentation of accounts and did not have any significant impact on prior year's net income.

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INVESTMENT

INVESTMENT HOLDING GROUP Q.P.S.C.

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HOLDING GROUP Q.P.S.C.