

**MAZAYA QATAR REAL ESTATE
DEVELOPMENT Q.S.C
DOHA - QATAR**

**INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED
JUNE 30, 2010 TOGETHER WITH INDEPENDENT
AUDITOR'S REVIEW REPORT**

MAZAYA QATAR REAL ESTATE DEVELOPMENT Q.S.C

INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2010

Independent auditor's review report --

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INDEPENDENT AUDITOR'S REVIEW REPORT

**To The Board of Directors'
Mazaya Qatar Real Estate Development Q.S.C.
Doha - Qatar**

Introduction

We have reviewed the accompanying interim condensed financial statements of Mazaya Qatar Real Estate Development (Q.S.C), (the "Company") which comprise the interim condensed statement of financial position as of June 30, 2010 and the related interim condensed statement of comprehensive income for the three and six month periods ended June 30, 2010 and the interim condensed statements of changes in shareholders' equity and cash flows for the six month period then ended, and selected explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with International Accounting Standard: IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed financial statements based on our review. The interim statements of comprehensive income for the three months and six months and the interim statements of changes in shareholders' equity and cash flows for the six months period ended June 30, 2009 were not reviewed and are presented for comparison purposes only.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410: "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim condensed financial statements consists of making inquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis of Qualification

The Company did not obtain an independent valuation of the fair value of certain investment properties which have a carrying value of QR. 176,351,093 as of June 30, 2010 and December 31, 2009. We were unable to obtain any evidence in respect of the recoverable value of these properties.

Conclusion

Based on our review, except for any adjustments which might have been necessary as a result of the paragraph above, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with International Accounting Standard No. (34), "Interim Financial Reporting".

Deloitte & Touche

Doha - Qatar
_____, 2010

Midhat Salha
License No. 257

MAZAYA QATAR REAL ESTATE DEVELOPMENT Q.S.C

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

AS OF JUNE 30, 2010

	Notes	June 30, 2010 (Reviewed) QR.	December 31, 2009 (Audited) QR.
ASSETS			
Current Assets			
Cash and bank balances	3	686,592,907	240,976,438
Accounts Receivable		1,125,704	1,824,924
Wakala Investment	4	65,000,000	65,000,000
Prepayments and other debit balances	5	8,568,328	5,758,699
Due from related parties	6	20,145,969	15,391,015
Total Current Assets		781,432,908	328,951,076
Non-Current Assets			
Available for sale investments	7	21,412,139	21,212,139
Property and equipment		1,107,334	1,312,355
Investment properties		233,447,165	176,351,093
Total Non-Current Assets		255,966,638	198,875,587
Total Assets		1,037,399,546	527,826,663
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts payable		10,989,491	10,946,187
Accruals and other credit balances		662,468	794,543
Total Current Liabilities		11,651,959	11,740,730
Non- Current Liabilities			
Employees' end of service benefits		611,230	422,221
Total Liabilities		12,263,189	12,162,951
Shareholders' Equity			
Share capital	8	1,000,000,000	500,000,000
Legal reserve		1,566,371	1,566,371
Retained earnings		23,569,986	14,097,341
Total Shareholders' Equity		1,025,136,357	515,663,712
Total Liabilities and Shareholders' Equity		1,037,399,546	527,826,663

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED FINANCIAL STATEMENTS

MAZAYA QATAR REAL ESTATE DEVELOPMENT Q.S.C

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2010

	Note	Three Month Period Ended June 30,		Six Month Period Ended June 30,	
		2010	2009	2010	2009
		(Reviewed) QR	(Not Reviewed) QR	(Reviewed) QR	(Not Reviewed) QR
Income from deposits with banks and Islamic financial institutions		7,714,876	3,611,286	10,962,665	8,527,379
Consulting income	6	--	--	5,000,000	--
General and administrative expenses	9	(2,437,831)	(2,162,263)	(5,093,505)	(4,776,155)
Depreciation		(277,111)	(118,420)	(396,515)	(220,696)
Losses on Wakala investments		--	(3,217,083)	--	(3,217,083)
Management fees		(500,000)	(1,000,000)	(1,000,000)	(1,997,260)
Net profit (loss) for the period		4,499,934	(2,886,480)	9,472,645	(1,683,815)
Other comprehensive income		--	--	--	--
Total comprehensive income (loss) for the period		4,499,934	(2,886,480)	9,472,645	(1,683,815)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED FINANCIAL STATEMENTS

MAZAYA QATAR REAL ESTATE DEVELOPMENT Q.S.C

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2010

	<u>Capital</u> QR.	<u>Legal Reserve</u> QR.	<u>Retained Earnings</u> QR.	<u>Total</u> QR.
Balance as at January 1, 2009 (Audited)	500,000,000	1,522,279	13,700,507	515,222,786
Total comprehensive loss	--	--	(1,683,815)	(1,683,815)
Balance as of June 30, 2009 (Not Reviewed)	<u>500,000,000</u>	<u>1,522,279</u>	<u>12,016,692</u>	<u>513,538,971</u>
Balance as at January 1, 2010 (Audited)	500,000,000	1,566,371	14,097,341	515,663,712
Capital increase	500,000,000	--	--	500,000,000
Total comprehensive income	--	--	9,472,645	9,472,645
Balance as of June 30, 2010 (Reviewed)	<u>1,000,000,000</u>	<u>1,566,371</u>	<u>23,569,986</u>	<u>1,025,136,357</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED FINANCIAL STATEMENTS

MAZAYA QATAR REAL ESTATE DEVELOPMENT Q.S.C

INTERIM CONDENSED STATEMENT OF CASH FLOWS

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2010

	June 30, 2010 (Reviewed) QR.	June 30, 2009 (Not Reviewed) QR.
OPERATING ACTIVITIES		
Profit (loss) for the period	9,472,645	(1,683,815)
Adjustments for:		
Depreciation expense	396,515	220,696
Provision for employees' end of service benefits	189,009	135,990
	10,058,169	(1,327,129)
Accounts receivable	699,220	(463,668)
Prepayments and other debit balances	(2,809,629)	(1,989,384)
Due from related parties	(4,754,954)	(3,341,536)
Accounts payable	43,304	--
Accruals and other credit balances	(132,075)	(927,055)
Net cash generated from / (used in) operating activities	3,104,035	(8,048,772)
INVESTING ACTIVITIES		
Purchases of property and equipment	(191,494)	(192,059)
Available for sale investments	(200,000)	--
Purchases of investment properties	(57,096,072)	--
Wakala Investment	--	173,738,652
Net cash (used in) / generated from investing activities	(57,487,566)	173,546,593
FINANCING ACTIVITIES		
Capital contribution	500,000,000	--
Net cash generated from financing activities	500,000,000	--
Net increase in cash and bank balances	445,616,469	165,497,821
Cash and bank balances – beginning of the period	240,976,438	71,624,206
Cash and bank balances – end of the period	686,592,907	237,122,027

MAZAYA QATAR REAL ESTATE DEVELOPMENT Q.S.C

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2010

1. LEGAL STATUS AND PRINCIPAL ACTIVITIES

Mazaya Qatar Real Estate Development Q.S.C (the “Company”) is a Qatari Public shareholding Company, incorporated in Qatar on February 12, 2008. The company is registered under commercial registration number 38173.

The Company’s principal activity is investments, real estate development, preparation of studies, real estate consultancy, and other related works.

During the period, the Company made an offering of 50 million shares of the authorized capital by an amount of QR 10 per share; the IPO was closed on January 30, 2010 and was fully covered.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

These condensed interim financial statements are prepared in accordance with IAS 34 “Interim Financial Reporting”. The accounting policies used in the preparation of these interim condensed financial statements are consistent with those used in the annual financial statements for the year ended December 31, 2009, except for the adoption of certain revised standards which are effective as of January 1, 2010. Adoption of these standards did not have any material effect on the financial position or performance of the Company other than certain presentation changes. These interim condensed financial statements should be read in conjunction with the 2009 annual financial statements and notes attached thereto.

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards. In addition, the results for the six month ended June 30, 2010 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2010.

3. CASH AND BANK BALANCES

	June 30, 2010 (Reviewed) QR.	December 31, 2009 (Audited) QR.
Cash at Banks	10,000	10,000
Call accounts	19,794,244	15,392,844
Current accounts	288,663	2,573,594
Bank deposits	666,500,000	223,000,000
Total	<u>686,592,907</u>	<u>240,976,438</u>

MAZAYA QATAR REAL ESTATE DEVELOPMENT Q.S.C

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2010

4. WAKALA INVESTMENT

In 2009, the Company entered into a Wakala contract amounting to Qr. 65,000,000 with a Kuwaiti Investment Company through Investment House as an intermediary. Due to financial problems, the Kuwaiti Investment Company did not settle the amount with its accrued profit on the maturity date. The Company has taken all the legal actions to recover the amount and was granted a right of pledge on the Kuwaiti company's assets. As per management's opinion, the Company will recover the net book value of this investment with no additional losses.

5. PREPAYMENTS AND OTHER DEBIT BALANCES

	June 30, 2010 (Reviewed) QR.	December 31, 2009 (Audited) QR.
Accrued revenue from bank deposits	7,484,392	4,921,290
Due from staff	170,780	265,167
Prepaid expenses	913,156	572,242
Total	8,568,328	5,758,699

6. RELATED PARTIES

Related parties represent the shareholders, directors and key management personnel of the Company and companies controlled, jointly controlled or significantly influenced by those parties.

At the reporting date, amounts due from / to related parties are separately presented in the statement of financial position.

	June 30, 2010 (Reviewed) QR.	December 31, 2009 (Audited) QR.
(a)Due from related parties		
Mazaya Lebanon	14,116,569	9,120,419
Mazaya Holding Company	6,029,400	6,270,596
	20,145,969	15,391,015
	June 30, 2010 (Reviewed) QR.	June 30, 2009 (Not Reviewed) QR.
(b)Transactions with related parties		
Consulting income	5,000,000	--
Management fees	(1,000,000)	(1,997,260)

MAZAYA QATAR REAL ESTATE DEVELOPMENT Q.S.C

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2010

7. AVAILABLE FOR SALE INVESTMENTS

	June 30, 2010 (Reviewed) QR.	December 31, 2009 (Audited) QR.
Nishan Investment and Real Estate Development Company	21,000,000	21,000,000
Mazaya Lebanon	12,139	12,139
Qortuba Investment Properties Company	200,000	200,000
Granada Real Estate Investment Company	200,000	--
	<u>21,412,139</u>	<u>21,212,139</u>

8. SHARE CAPITAL

	June 30, 2010 (Reviewed) QR.	December 31, 2009 (Audited) QR.
Authorized share capital: 100 million shares with par value of QR.10 per share	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued and fully paid: 100 million shares (2009: 50 Million) with par value of QR.10 per share	<u>1,000,000,000</u>	<u>500,000,000</u>

9. GENERAL AND ADMINISTRATIVE EXPENSES

	June 30, 2010 (Reviewed) QR.	June 30, 2009 (Not Reviewed) QR.
Staff costs	3,306,265	1,947,867
Office rent	398,336	379,370
Legal and professional charges	95,000	246,113
Donations	--	1,127,747
Others	1,293,904	1,075,058
	<u>5,093,505</u>	<u>4,776,155</u>