

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

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

MAZAYA QATAR REAL ESTATE DEVELOPMENT Q.S.C

INTERIM CONDENSED FINANCIAL STATEMENTS

For the nine month period ended September 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 September 30, 2010 and the related interim condensed statement of comprehensive income for the three and nine month periods ended September 30, 2010 and the interim condensed statements of changes in shareholders' equity and cash flows for the nine 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 nine months and the interim statements of changes in shareholders' equity and cash flows for the nine months period ended September 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 Qualified Conclusion

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 September 30, 2010 and December 31, 2009. We were unable to obtain any evidence in respect of the recoverable value of these properties.

INDEPENDENT AUDITOR'S REVIEW REPORT (CONTINUED)

Qualified 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".

For 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 September 30, 2010

	Notes	September 30, 2010 (Reviewed) QR.	December 31, 2009 (Audited) QR.
ASSETS			
Current Assets			
Cash and bank balances	3	687,794,216	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	9,611,011	5,758,699
Due from related parties	6	20,584,772	15,391,015
Total Current Assets		784,115,703	328,951,076
Non-Current Assets			
Available for sale investments	7	21,412,139	21,212,139
Property and equipment		1,007,764	1,312,355
Investment properties		235,293,265	176,351,093
Total Non-Current Assets		257,713,168	198,875,587
Total Assets		1,041,828,871	527,826,663
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts payable		11,503,851	10,946,187
Accruals and other credit balances		768,560	794,543
Total Current Liabilities		12,272,411	11,740,730
Non- Current Liabilities			
Employees' end of service benefits		598,000	422,221
Total Liabilities		12,870,411	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		27,392,089	14,097,341
Total Shareholders' Equity		1,028,958,460	515,663,712
Total Liabilities and Shareholders' Equity		1,041,828,871	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 nine month period ended September 30, 2010

	<u>Note</u>	Three Month Period Ended		Nine Month Period Ended	
		September 30,		September 30,	
		2010	2009	2010	2009
		(Reviewed)	(Not Reviewed)	(Reviewed)	(Not Reviewed)
		QR	QR	QR	QR
Income from deposits with banks and Islamic financial institutions		6,871,220	3,832,454	17,833,885	12,359,833
Consulting income	6	--	--	5,000,000	--
General and administrative expenses	9	(2,412,033)	(2,104,710)	(7,505,538)	(6,880,865)
Depreciation		(137,084)	(119,057)	(533,599)	(339,753)
Losses on Wakala investments		--	--	--	(3,217,083)
Loss on sale of available for sale investments		--	(27,809)	--	(27,809)
Management fees		(500,000)	--	(1,500,000)	(1,997,260)
Net profit (loss) for the period		3,822,103	1,580,878	13,294,748	(102,937)
Other comprehensive income		--	--	--	--
Total comprehensive income (loss) for the period		3,822,103	1,580,878	13,294,748	(102,937)

MAZAYA QATAR REAL ESTATE DEVELOPMENT Q.S.C**INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

For the nine month period ended September 30, 2010

	Capital	Legal Reserve	Retained Earnings	Total
	QR.	QR.	QR.	QR.
Balance as at January 1, 2009 (Not Audited)	500,000,000	1,522,279	13,700,507	515,222,786
Total comprehensive loss	--	--	(102,937)	(102,937)
Balance as of September 30, 2009 (Not Reviewed)	<u>500,000,000</u>	<u>1,522,279</u>	<u>13,597,570</u>	<u>515,119,849</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	--	--	13,294,748	13,294,748
Balance as of September 30, 2010 (Reviewed)	<u>1,000,000,000</u>	<u>1,566,371</u>	<u>27,392,089</u>	<u>1,028,958,460</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 nine month period ended September 30, 2010

	September 30, 2010 (Reviewed) QR.	September 30, 2009 (Not Reviewed) QR.
OPERATING ACTIVITIES		
Profit (loss) for the period	13,294,748	(102,937)
Adjustments for:		
Depreciation expense	533,599	339,753
Provision for employees' end of service benefits	277,141	219,523
Loss on available for sale investments	--	27,809
	14,105,488	484,148
Accounts receivable	699,220	(372,052)
Prepayments and other debit balances	(3,852,312)	(2,661,350)
Due from related parties	(5,193,757)	(4,347,562)
Accounts payable	557,664	89,544
Accruals and other credit balances	(25,983)	(975,279)
Cash generated from / (used in) operating activities	6,290,320	(7,782,551)
End of service paid	(101,362)	--
Net cash generated from / (used in) operating activities	6,188,958	(7,782,551)
INVESTING ACTIVITIES		
Purchases of property and equipment	(229,008)	(192,059)
Available for sale investments	(200,000)	12,659,691
Additions to investment properties	(58,942,172)	--
Net cash (used in) / generated from investing activities	(59,371,180)	12,467,632
FINANCING ACTIVITIES		
Capital contribution	500,000,000	--
Net cash generated from financing activities	500,000,000	--
Net increase in cash and bank balances	446,817,778	4,685,081
Cash and bank balances – beginning of the period	240,976,438	245,362,858
Cash and bank balances – end of the period	687,794,216	250,047,939

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

MAZAYA QATAR REAL ESTATE DEVELOPMENT Q.S.C

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the nine month period ended September 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 nine month period ended September 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

	September 30, 2010 (Reviewed)	December 31, 2009 (Audited)
	QR.	QR.
Cash on hand	10,000	10,000
Call accounts	19,540,866	15,392,844
Current accounts	1,743,350	2,573,594
Bank deposits	666,500,000	223,000,000
	687,794,216	240,976,438

MAZAYA QATAR REAL ESTATE DEVELOPMENT Q.S.C

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the nine month period ended September 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

	September 30, 2010 (Reviewed)	December 31, 2009 (Audited)
	QR.	QR.
Accrued revenue from bank deposits	8,378,417	4,921,290
Due from staff	237,996	265,167
Prepaid expenses	994,598	572,242
	9,611,011	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 related parties are separately presented in the statement of financial position.

	September 30, 2010 (Reviewed)	December 31, 2009 (Audited)
	QR.	QR.
(a) Due from related parties		
Mazaya Lebanon	14,116,569	9,120,419
Mazaya Holding Company	6,468,203	6,270,596
	20,584,772	15,391,015
(b) Transactions with related parties		
	September 30, 2010 (Reviewed)	September 30, 2009 (Not Reviewed)
	QR.	QR.
Consulting income	5,000,000	--
Interest income	281,208	--
Management fees	(1,500,000)	(1,997,260)

MAZAYA QATAR REAL ESTATE DEVELOPMENT Q.S.C**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

For the nine month period ended September 30, 2010

7. AVAILABLE FOR SALE INVESTMENTS

	September 30, 2010 (Reviewed)	December 31, 2009 (Audited)
	QR.	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

	September 30, 2010 (Reviewed)	December 31, 2009 (Audited)
	QR.	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

	September 30, 2010 (Reviewed)	September 30, 2009 (Not Reviewed)
	QR.	QR.
Staff costs	5,044,188	3,204,558
Office rent	604,034	575,273
Legal and professional charges	175,547	1,049,901
Others	1,681,769	2,051,133
	<u>7,505,538</u>	<u>6,880,865</u>