

Mazaya Qatar Real Estate Development Q.S.C.

**INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

30 JUNE 2017



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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF MAZAYA QATAR REAL ESTATE DEVELOPMENT Q.S.C.

Introduction

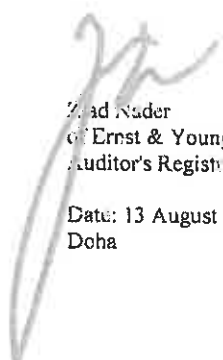
We have reviewed the accompanying interim condensed consolidated financial statements of Mazaya Qatar Real Estate Development Q.S.C. (the "Company") and its subsidiaries (together referred to as the "Group") as at 30 June 2017, which comprise of the interim condensed consolidated statement of financial position as at 30 June 2017 and the related interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and the related explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with IAS 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

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 financial information consists of making inquiries, primarily of persons responsible for 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared in all material respects, in accordance with IAS 34.


Ziad Nader
of Ernst & Young
Auditor's Registration No. 258

Date: 13 August 2017
Doha

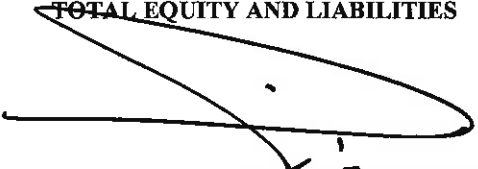


Mazaya Qatar Real Estate Development Q.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Notes	30 June 2017 (Unaudited) QR	31 December 2016 (Audited) QR
ASSETS			
Non-current assets			
Property and equipment		320,176	349,860
Investment properties	3	738,352,002	738,352,002
Project in progress		100,018,360	99,858,360
Available-for-sale financial assets		21,000,000	21,000,000
Wakala investments		30,677,197	30,677,197
Other financial assets	4	1,118,745,932	1,079,900,598
		<u>2,009,113,667</u>	<u>1,970,138,017</u>
Current assets			
Other financial assets	4	199,049,277	199,049,277
Receivables and prepayments	5	4,068,489	5,497,374
Islamic bank balances and cash	6	22,143,909	11,664,462
		<u>225,261,675</u>	<u>216,211,113</u>
TOTAL ASSETS		<u>2,234,375,342</u>	<u>2,186,349,130</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	7	1,157,625,000	1,102,500,000
Legal reserve		63,317,137	63,317,137
Retained earnings		245,244,522	286,916,528
TOTAL EQUITY		<u>1,466,186,659</u>	<u>1,452,733,665</u>
Non-current liabilities			
Islamic finance facilities	8	680,439,866	631,571,635
Employees' end of service benefits		1,877,379	1,638,363
		<u>682,317,245</u>	<u>633,209,998</u>
Current liabilities			
Islamic finance facilities	8	46,961,408	43,670,006
Payables and other liabilities	9	38,910,030	56,735,461
		<u>85,871,438</u>	<u>100,405,467</u>
TOTAL LIABILITIES		<u>768,188,683</u>	<u>733,615,465</u>
TOTAL EQUITY AND LIABILITIES		<u>2,234,375,342</u>	<u>2,186,349,130</u>


 Rashid Fahad Al Naimi
 Chairman

The attached notes from 1 to 16 form an integral part of these interim condensed consolidated financial statements.

Mazaya Qatar Real Estate Development Q.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2017

	Notes	For the six months ended 30 June	
		2017	2016
		(Unaudited)	
		QR	QR
Construction revenue	4 & 10	38,845,334	86,672,529
Construction costs	4	(12,995,156)	(14,411,038)
Gross profit		25,850,178	72,261,491
Rental income		12,993,750	12,993,750
Revenue from property management		1,320,721	1,056,065
Operating expenses		(839,818)	(1,286,923)
Income from operations		39,324,831	85,024,383
Other income		15,091	28,480
General and administrative expenses		(8,277,082)	(8,814,901)
Depreciation		(53,332)	(93,278)
Management fees	10	-	(480,822)
Finance costs	8	(17,556,514)	(14,973,419)
Profit for the period		13,452,994	60,690,443
Other comprehensive income		-	-
Total comprehensive income for the period		13,452,994	60,690,443
Basic and diluted earnings per share <i>(attributable to shareholders of the parent expressed in QR per share)</i>	12	0.116	0.524

The attached notes from 1 to 16 form an integral part of these interim condensed consolidated financial statements.

Mazaya Qatar Real Estate Development Q.S.C.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the six months ended 30 June 2017

	<i>Share capital QR</i>	<i>Legal reserve QR</i>	<i>Retained earnings QR</i>	<i>Total QR</i>
As at 1 January 2016 (Audited)	1,050,000,000	55,854,580	274,119,159	1,379,973,739
Total comprehensive income for the period	-	-	60,690,443	60,690,443
Issue of bonus shares (Note 7 & 11)	<u>52,500,000</u>	<u>-</u>	<u>(52,500,000)</u>	<u>-</u>
At 30 June 2016 (Unaudited)	<u>1,102,500,000</u>	<u>55,854,580</u>	<u>282,309,602</u>	<u>1,440,664,182</u>
As at 1 January 2017 (Audited)	1,102,500,000	63,317,137	286,916,528	1,452,733,665
Total comprehensive income for the period	-	-	13,452,994	13,452,994
Issue of bonus shares (Note 7 & 11)	<u>55,125,000</u>	<u>-</u>	<u>(55,125,000)</u>	<u>-</u>
At 30 June 2017 (Unaudited)	<u>1,157,625,000</u>	<u>63,317,137</u>	<u>245,244,522</u>	<u>1,466,186,659</u>

The attached notes from 1 to 16 form an integral part of these interim condensed consolidated financial statements.

Mazaya Qatar Real Estate Development Q.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2017

	<i>For the six months ended</i>	
	30 June	
	2017	2016
	<i>(Unaudited)</i>	
<i>Note</i>	QR	QR
OPERATING ACTIVITIES		
Profit for the period	13,452,994	60,690,443
<i>Adjustments for:</i>		
Depreciation	53,332	93,278
Provision for employees' end of service benefits	239,016	228,135
Profit from deposits with Islamic banks	(15,091)	(28,480)
Finance costs	17,556,514	14,973,419
	8	
Operating profit before working capital changes	31,286,765	75,956,795
<i>Working capital changes:</i>		
Receivables, prepayments and other financial assets	(37,416,449)	(82,421,831)
Due to a related party	-	(1,811,049)
Payables and other liabilities	(10,996,483)	(69,143,913)
Cash flows used in operations	(17,126,167)	(77,419,998)
Finance costs paid	(21,952,736)	(10,536,286)
Social and sports activities fund contribution paid	(1,865,639)	(3,350,824)
Net cash flows used in operating activities	(40,944,542)	(91,307,108)
INVESTING ACTIVITIES		
Addition to project in progress	(160,000)	(254,701)
Profit received from deposits with Islamic banks	15,091	28,480
Purchase of property and equipment	(23,647)	(12,947)
Net cash flows used in investing activities	(168,556)	(239,168)
FINANCING ACTIVITIES		
Proceeds from Islamic finance facilities	52,159,633	95,377,550
Dividends paid	(567,088)	(1,002,618)
Net cash flows from financing activities	51,592,545	94,374,932
INCREASE IN ISLAMIC BANK BALANCES AND CASH	10,479,447	2,828,656
Islamic bank balances and cash at 1 January	11,664,462	24,526,490
ISLAMIC BANK BALANCES AND CASH AT 30 JUNE	6	27,355,146
	22,143,909	27,355,146

The attached notes from 1 to 16 form an integral part of these interim condensed consolidated financial statements.

Mazaya Qatar Real Estate Development Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS As at 30 June 2017

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Mazaya Qatar Real Estate Development Q.S.C. (the "Company") is a Qatari Public shareholding company, incorporated in Qatar on 12 February 2008. The Company is registered under commercial registration number 38173. The Company's registered office address is P.O. Box 18132, Doha, State of Qatar.

The Group's principal activity is the establishment of residential compounds and projects for rental purposes, investment and real estate development, purchase of land and its development for resale, construction, project feasibility study, project management, real estate marketing and property management, maintenance activities, brokerage activities, commercial and real estate representation, trading of mechanical electrical and construction equipment, import and export (related to the Group's activities). In addition, the Group is also involved in the management of residential compounds.

These interim condensed consolidated financial statements of the Group were authorized for issue by the Board of Directors of the Group on 13 August 2017.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2017 have been prepared in accordance with International Financial Reporting Standards, IAS 34 – "Interim Financial Reporting" ("IAS 34").

The interim condensed consolidated financial statements are prepared in Qatar Riyals, which is the Company's functional and presentational currency.

The interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2016. In addition, results for the six months ended 30 June 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

These interim condensed consolidated financial statements include the financial statements of the Company and its material subsidiaries (together referred to as "the Group") as at and for the period ended 30 June 2017, include the following subsidiaries:

Name of entity	Country of incorporation	Share capital QR	Group effective shareholding percentage		
			30 June 2017	30 June 2016	31 December 2016
Qortuba Real Estate Investment Company S.P.C.	State of Qatar	200,000	100%	100%	100%
Granada Real Estate Investment Company W.L.L.	State of Qatar	200,000	100%	100%	100%
Gulf Spring Real Estate Investment and Development Company S.P.C.	State of Qatar	200,000	100%	100%	100%

Notes:

- Granada Real Estate Investment Company W.L.L. is registered in the names of Mazaya Qatar Real Estate Development Q.S.C. and an employee of the Group, who is holding these investments on behalf of the Group. This investment has been treated as fully owned subsidiary of the Group on the basis that the beneficial interest of the investment resides with the Group.
- The commercial registration of Gulf Spring Real Estate Investment and Development Company S.P.C. has been expired since 2 November 2011.

Mazaya Qatar Real Estate Development Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2017

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2016, except for the adoption of new standards and interpretations effective as of 1 January 2017. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments apply for the first time in 2017, they do not have a material impact on the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group. The nature and the impact of each new standard or amendment is described below:

- Amendments to IAS 7 - Disclosure Initiative
- Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrecognised Losses
- Annual Improvements 2012-2014 Cycle
- Amendments to IFRS 12 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12

The adoption of the above did not result in any changes to previously reported net profit or equity of the Group.

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's interim financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

<i>Topics</i>	<i>Effective date</i>
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 2 Classification and Measurement of Share-based Payment Transactions — Amendments to IFRS 2	1 January 2018
IFRS 16 Leases	1 January 2019
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

2.3 Use of estimates

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the interim condensed consolidated financial statements the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were consistent with those that applied to the consolidated financial statements as at and for the year ended 31 December 2016.

Mazaya Qatar Real Estate Development Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2017

3 INVESTMENT PROPERTIES

	<i>30 June 2017 (Unaudited) QR</i>	<i>31 December 2016 (Audited) QR</i>
At cost	652,130,931	652,130,931
Cumulative change in fair value	<u>86,221,071</u>	<u>86,221,071</u>
	<u>738,352,002</u>	<u>738,352,002</u>

The Investment properties includes a property leased out under an operating lease agreement to a related party for an annual rent of QR 24.75 million with an increase in rental value every 5 years. Rental income from the property is pledged against the facilities obtained from Islamic Banks (Note 8).

The fair value of the Group's investment properties at 30 June 2017 has been arrived at on the basis of management assessment and expert knowledge on market condition. The Group has not carried out any independent valuation as of 30 June 2017 since the management believes that the market condition has not changed significantly compared to 31 December 2016, the date on which an independent valuation has been conducted.

The movement in investment properties during the period / year is as follows:

	<i>30 June 2017 (Unaudited) QR</i>	<i>31 December 2016 (Audited) QR</i>
At 1 January	738,352,002	742,791,001
Fair value movement during the period / year	-	<u>(4,438,999)</u>
At 30 June/ 31 December	<u>738,352,002</u>	<u>738,352,002</u>

4 OTHER FINANCIAL ASSETS

The Group had entered into a Service Concession Arrangement with Qatar Foundation for Education, Science and Community Development (the "Qatar Foundation" or "QF"), a related party, to build, operate and transfer (BOT) a residential compound. Under the terms of this agreement Qatar Foundation has contractually guaranteed to rent this compound at specified and determinable amount for a period of 20 years.

During the period, the Group has recognized revenue and cost relating to the arrangement amounting to QR 38,845,334 and QR 12,995,156 respectively, (30 June 2016 : QR 86,672,529 and QR 14,411,038 respectively).

Other financial assets are segregated between current and non-current portions as follows:

	<i>30 June 2017 (Unaudited) QR</i>	<i>31 December 2016 (Audited) QR</i>
Non-current portion	1,118,745,932	1,079,900,598
Current portion	<u>199,049,277</u>	<u>199,049,277</u>
	<u>1,317,795,209</u>	<u>1,278,949,875</u>

Mazaya Qatar Real Estate Development Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2017

5 RECEIVABLES AND PREPAYMENTS

	<i>30 June 2017 (Unaudited) QR</i>	<i>31 December 2016 (Audited) QR</i>
Accrued rental income	1,856,250	-
Prepayments	909,604	703,289
Advances to contractors	600,547	4,008,890
Accrued income	402,027	618,871
Refundable deposits	292,048	92,048
Other receivables	<u>1,133,717</u>	<u>1,199,980</u>
	5,194,193	6,623,078
Less: Allowance for impairment	<u>(1,125,704)</u>	<u>(1,125,704)</u>
	<u>4,068,489</u>	<u>5,497,374</u>

At 30 June 2017, the other receivables balance of QR 1,125,704 were impaired (31 December 2016: QR 1,125,704).

During the period, no further allowance for impairment of receivables were recorded (2016: Nil).

6 ISLAMIC BANK BALANCES AND CASH

Bank balances and cash comprises of the following:

	<i>30 June 2017 (Unaudited) QR</i>	<i>31 December 2016 (Audited) QR</i>
Islamic bank balances	22,123,909	11,644,462
Cash in hand	<u>20,000</u>	<u>20,000</u>
	<u>22,143,909</u>	<u>11,664,462</u>

7 SHARE CAPITAL

	<i>30 June 2017 (Unaudited) QR</i>	<i>31 December 2016 (Audited) QR</i>
<i>Authorized and Issued</i>		
115,762,500 ordinary shares of QR 10 each (2016: 110,250,000 shares)	<u>1,157,625,000</u>	<u>1,102,500,000</u>

All shares are of equal class and voting rights. During the period, the Group issued bonus shares equivalent to 5% of the paid up share capital as at 31 December 2016 amounting to QR 55,125,000 equivalent to 5,512,500 shares which was approved by the Annual General Assembly and Extra Ordinary General Assembly held respectively on 12 April 2017 and 17 April 2017. (2016 : the Group issued bonus shares equivalent to 5% of the paid up share capital as at 31 December 2015 amounting to QR 52,500,000 equivalent to 5,250,000 shares)

Mazaya Qatar Real Estate Development Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2017

8 ISLAMIC FINANCE FACILITIES

	Notes	30 June 2017 (Unaudited) QR	31 December 2016 (Audited) QR
Islamic facility 1	(i)	492,248,628	440,088,995
Islamic facility 2	(ii)	235,152,646	235,152,646
		<u>727,401,274</u>	<u>675,241,641</u>
Presented in the condensed consolidated financial position is as follows:			
Current		46,961,408	43,670,006
Non-current		680,439,866	631,571,635
		<u>727,401,274</u>	<u>675,241,641</u>

Notes:

- (i) During 2014, the Group entered into an Islamic facility agreement with an Islamic Bank in order to finance a real estate project of the Group for an amount of QR 450 million. The agreement was amended during the period to increase the facility amount to QR 493 million. The agreement carries profit rate at market rates. The Group had drawn QR 492,248,628 as of 30 June 2017 (31 December 2016: QR 440,088,995). The facility is repayable in 11 variable semi-annual instalments. Expected receipts from the real estate project is pledged against the Islamic facility. During the period, the Group has rolled over the outstanding drawdowns on 3 January 2017 resulting the first repayment to commence on 3 January 2018.
- (ii) During 2014, the Group entered into an Islamic facility agreement with an Islamic Bank in order to finance a real estate project of the Group for an amount of QR 274 million. The Islamic facility commenced in 2014 and is repayable in 8 annual variable instalments from the end of 2014 till the end of 2021 and a final settlement in 2022. The Islamic facility carries profit rate at market rates. The Islamic facility is secured by a pledge on the rental income from the real estate project (Note 3).

Islamic finance cost for the period amounted to QR 17,556,514 (30 June 2016: QR 14,973,419).

9 PAYABLES AND OTHER LIABILITIES

	30 June 2017 (Unaudited) QR	31 December 2016 (Audited) QR
Accrued expenses	13,416,015	18,883,258
Dividends payable	9,943,986	10,511,073
Accounts payable	7,974,946	3,330,545
Social and sports activities fund contribution	7,054,051	8,919,690
Retention payable	521,032	3,953,395
Deferred rental income	-	11,137,500
	<u>38,910,030</u>	<u>56,735,461</u>

Mazaya Qatar Real Estate Development Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS As at 30 June 2017

10 RELATED PARTY DISCLOSURES

Related parties represent entities where the Group is one of their founders, major shareholders in the Company, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Related party transactions

Transactions with related parties during the period were as follows:

	<i>For the six months ended 30 June</i>	
	<i>2017</i>	<i>2016</i>
	<i>(Unaudited)</i>	
	<i>QR</i>	<i>QR</i>
Management fees		480,822
Construction revenue	38,845,334	86,672,529
Rental income	12,993,750	12,993,750

Compensation of directors and other key management personnel

The remuneration of directors and other members of key management during the period was as follows:

	<i>For the six months ended 30 June</i>	
	<i>2017</i>	<i>2016</i>
	<i>(Unaudited)</i>	
	<i>QR</i>	<i>QR</i>
Key management staff benefits	2,891,138	2,646,720

11 DIVIDENDS

At the Annual General Assembly meeting held on 12 April 2017, the shareholders approved a bonus share distribution equivalent to 5% of the paid up capital amounting to QR 55,125,000 for the year ended 31 December 2016 (for the year ended 31 December 2015: bonus share distribution equivalent to 5% of the paid up capital amounting to QR 52,500,000).

12 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to shareholders of the parent by the weighted average number of ordinary shares outstanding during the period as follows:

	<i>For the six months ended 30 June</i>	
	<i>2017</i>	<i>2016</i>
	<i>(Unaudited)</i>	
	<i>QR</i>	<i>QR</i>
Profit attributable to shareholders of the parent	13,452,994	60,690,443
Weighted average number of shares outstanding during the period	115,762,500	115,762,500
Basic and diluted earnings per share (QR)	0.116	0.524

Mazaya Qatar Real Estate Development Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2017

12 BASIC AND DILUTED EARNINGS PER SHARE (CONTINUED)

During 2017, the Group issued bonus shares for the year 2016. Accordingly, the previously reported earnings per share as at 30 June 2016 have been restated for the effect of this transaction.

The weighted average number of shares for the period ended 30 June 2017 and 2016 has been calculated as follows:

	<i>30 June 2017 (Unaudited) QR</i>	<i>30 June 2016 (Unaudited) QR</i>
Weighted average number of shares at 1 January	110,250,000	110,250,000
Effect of bonus shares issued	5,512,500	5,512,500
Weighted average number of shares at 30 June	<u>115,762,500</u>	<u>115,762,500</u>

There were no potentially diluted shares outstanding at any time during the period and therefore the diluted earnings per share is equal to the basic earnings per share.

13 COMMITMENTS

Capital commitment:

	<i>30 June 2017 (Unaudited) QR</i>	<i>31 December 2016 (Audited) QR</i>
Contractual commitments to contractors and suppliers for projects in progress	<u>37,180,834</u>	<u>56,894,185</u>
Commitments for operating leases	<u>1,848,084</u>	<u>2,244,102</u>

Commitments for operating leases are further analysed as follows:

	<i>30 June 2017 (Unaudited) QR</i>	<i>31 December 2016 (Audited) QR</i>
Less than one year	<u>792,036</u>	<u>792,036</u>

Mazaya Qatar Real Estate Development Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2017

14 FINANCIAL INSTRUMENTS AND FAIR VALUES

Fair values

Set out below is a comparison of the carrying amounts and fair values of the Group's financial instruments as at 30 June 2017 and 31 December 2016:

	<i>Carrying amounts</i>		<i>Fair values</i>	
	<i>30 June 2017 (Unaudited) QR</i>	<i>31 December 2016 (Audited) QR</i>	<i>30 June 2017 (Unaudited) QR</i>	<i>31 December 2016 (Audited) QR</i>
Financial assets				
Other financial asset	1,317,795,209	1,278,949,875	1,317,795,209	1,278,949,875
Wakala investment	30,677,197	30,677,197	30,677,197	30,677,197
Islamic bank balances	22,123,909	11,644,462	22,123,909	11,644,462
Accrued rental income	1,856,250	-	1,856,250	-
Accrued income	402,027	618,871	402,027	618,871
Refundable deposits	292,048	92,048	292,048	92,048
Other receivables	8,013	74,276	8,013	74,276
	1,373,154,653	1,322,056,729	1,373,154,653	1,322,056,729
Financial liabilities				
Islamic finance facilities	727,401,274	675,241,641	727,401,274	675,241,641
Accrued expenses	13,416,015	18,883,258	13,416,015	18,883,258
Dividend payables	9,943,986	10,511,073	9,943,986	10,511,073
Social and sports activities fund contribution	7,054,051	8,919,690	7,054,051	8,919,690
Retention payables	521,032	3,953,395	521,032	3,953,395
Accounts payable	7,974,946	3,330,545	7,974,946	3,330,545
	766,311,304	720,839,602	766,311,304	720,839,602

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Bank balances, receivables and payables and other liabilities and Islamic financing facilities approximate their carrying amounts largely due to the short-term maturities/repricing of these instruments.

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

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

Fair value measurement

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

	<i>Fair value measurement using</i>			
	<i>Total</i>	<i>Quoted prices in active markets Level 1</i>	<i>Significant observable inputs Level 2</i>	<i>Significant unobservable inputs Level 3</i>
<i>30 June 2017</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>	<i>QR</i>
<i>Assets carried at fair value</i>				
Investment properties	738,352,002	-	265,959,002	472,393,000

Mazaya Qatar Real Estate Development Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2017

14 FINANCIAL INSTRUMENTS AND FAIR VALUES (CONTINUED)

Fair value measurement (continued)

		Fair value measurement using		
		Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
31 December 2016	Total QR	QR	QR	QR
<i>Assets carried at fair value</i>				
Investment properties	738,352,002	-	265,959,002	472,393,000

The fair value of the Group's investment properties at 30 June 2017 has been arrived at on the basis of management assessment and expert knowledge on market condition. The management has carried out internal assessment based on the same approach as followed by the independent valuer of the Group.

Fair value of investment properties except for the Tala residencies and Gloria hotel are valued using the market comparable approach, due to a high volume of transactions involving comparable properties in the areas during the year. Under the market comparable approach, a property's fair value is estimated based on comparable transactions. The market comparable approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. The unit of comparison applied by the Group is the price per square metre (sqm).

The fair value of the below investment properties is determined using a discounted cash flow (DCF) method. Under the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The key unobservable inputs for the two properties described below are as follows;

Property	Key unobservable inputs	30 June 2017	31 December 2016
Tala residencies	Monthly rental income	QR 99 sq.m	QR 99 sq.m
	Rent increment	10% in every 5 years	10% in every 5 years
	All risk yield – current	8.75%	8.75%
	All risk yield – exit	9.5%	9.5%
Gloria hotel	Average daily rate	QR 394	QR 375
	Average increase	5% p.a.	5% p.a.
	Occupancy rate increase	2% p.a.	2% p.a.
	All risk yield - current	11.50%	11.50%
	All risk yield - exit	9%	9%

Unquoted available for sale equity investments amounting to QR 21,000,000 (31 December 2016: QR 21,000,000) are recorded at cost since the fair value cannot be reliably measured. The Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. As at 30 June 2017, the management has assessed that there is no indication of impairment for the unquoted available for sale financial assets.

During the period ending 30 June 2017, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements. There were no movements within Level 3 fair value measurements.

Mazaya Qatar Real Estate Development Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS As at 30 June 2017

15 SEGMENT INFORMATION

The Group has only one business segment, that is investment and development operations of real estate properties. Geographically, the Group operates mainly in the State of Qatar and Dubai. Dubai operations are not considered a reportable segment.

16 COMPARATIVE FIGURES

Certain comparative figures in the financial statements for the period ended 30 June 2016 and year ended 31 December 2016 were reclassified to match with the current period's classification. However, such reclassifications did not have any effect on the previously reported profit or equity.