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

CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2012

MAZAYA QATAR REAL ESTATE DEVELOPMENT Q.S.C

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2012

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INDEPENDENT AUDITOR'S REPORT

To The Shareholders
Mazaya Qatar Real Estate Development Q.S.C.
Doha - Qatar

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Mazaya Qatar Real Estate Development Q.S.C. (the "Company") and its subsidiaries (referred to as the "Group"), which comprise the consolidated statement of financial position as at December 31, 2012, and the consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the consolidated financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Basis for Qualified Opinion

During 2011, the Group changed its policy of accounting for investment properties from the cost model to the fair value model and recognized a gain of QR. 43 million in the consolidated statement of comprehensive income for the year ended December 31, 2011. The Group did not account for such a change in accounting policy retrospectively as required by International Financial Reporting Standards. We were not able to quantify the effect of such a departure due to the unavailability of fair value estimates as of December 31, 2010 and 2009.

Qualified Opinion

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respect, the consolidated financial position of Mazaya Qatar Real Estate Development Q.S.C., as of December 31, 2012, and its consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 6 of the consolidated financial statements concerning the recoverability of the Wakala investment. During 2009, the Company invested an amount of QR. 65 million as a Wakala Investment with a GCC investment company. Due to financial problems, the investment company did not settle the investment on the maturity date. In 2011, the Company obtained a court ruling in its favor, whereby the outstanding Wakala amount, along with related profit, will be settled during the period from 2013 to 2017. As such, the Company expects no loss on the amount and therefore has not taken any impairment provision.

Other Legal and Regulatory Requirements

We are also of the opinion that proper books of account were maintained by the Company, and the contents of the directors' report are in agreement with the Company's consolidated financial statements. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. To the best of our knowledge and belief and according to the information given to us, no contraventions of the Qatar Commercial Companies Law No. 5 of 2002 and the Company's Articles of Association were committed during the year which would materially affect the Company's activities or its financial position.

For **Deloitte & Touche**

Doha - Qatar
………., 2013

Midhat Salha
License No. 257

MAZAYA QATAR REAL ESTATE DEVELOPMENT Q.S.C

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2012

	Notes	**2012**	2011
		QR.	QR.
Current Assets			
Cash and Islamic bank balances	4	**193,729,882**	332,060,905
Accounts receivable	5	**12,145,833**	2,125,000
Prepayments and other debit balances	7	**48,984,360**	10,536,098
Due from a related party	8	**2,810,933**	5,025,701
Total Current Assets		**257,671,008**	349,747,704
Non-Current Assets			
Available for sale investment	9	**21,000,000**	21,000,000
Wakala investments	6	**65,000,000**	65,000,000
Property and equipment	10	**737,166**	771,750
Projects in progress	11	**127,813,286**	9,335,359
Investment properties	12	**752,208,000**	655,518,698
Total Non-Current Assets		**966,758,452**	751,625,807
Total Assets		**1,224,429,460**	1,101,373,511
Current Liabilities			
Borrowing	15	**60,000,000**	--
Accounts payable	13	**14,337,176**	17,307,090
Accrued expenses and other credit balances	14	**21,618,426**	4,990,137
Total Current Liabilities		**95,955,602**	٢٢،٢٩٧،٢٢٧
Non-current Liabilities			
Employees’ end of service benefits		**1,789,898**	1,170,719
Total Liabilities		**97,745,500**	٢٣،٤٦٧،٩٤٦
Shareholders’ Equity			
Share capital	16	**1,000,000,000**	1,000,000,000
Legal reserve	17	**12,953,064**	7,950,152
Retained earnings		**113,730,896**	69,955,413
Total Shareholders’ Equity		**1,126,683,960**	1,077,905,565
Total Liabilities and Shareholders’ Equity		**1,224,429,460**	1,101,373,511

Rashid F. Al Naimi
Chairman

Seraj S. Al Baker
Chief Executive Officer

MAZAYA QATAR REAL ESTATE DEVELOPMENT Q.S.C

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2012

	Notes	**2012**	2011
		QR.	QR.
Rental income		**21,259,996**	12,458,330
Operating expenses		**(3,366,815)**	(55,500)
Income from operations		**17,893,181**	12,402,830
Gain on sale of investment properties	11	**1,244,565**	10,941,035
Change in fair value of investment properties	12	**56,206,016**	43,878,050
Profit from deposits with Islamic banks and financial institutions		**5,574,783**	6,846,400
Other income		**14,936**	--
Dividend income		**--**	800,000
General and administrative expenses	18	**(25,591,363)**	(21,734,659)
Depreciation		**(512,995)**	(503,160)
Management fees	19	**(3,000,000)**	(2,000,000)
Profit before Board of Directors' remuneration		**51,829,123**	50,630,496
Proposed Board of Directors' remuneration		**(1,800,000)**	(1,800,000)
Net profit for the year		**50,029,123**	48,830,496
Other comprehensive income		**--**	--
Total comprehensive income for the year		**50,029,123**	48,830,496
Basic and diluted earnings per share	20	**0.50**	0.49

MAZAYA QATAR REAL ESTATE DEVELOPMENT Q.S.C

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2012

	Capital	**Legal reserve**	**Retained earnings**	**Total**
	QR.	**QR.**	**QR.**	**QR.**
Balance at December 31, 2010	1,000,000,000	3,067,102	27,228,729	1,030,295,831
Total comprehensive income	--	--	48,830,496	48,830,496
Transfer to legal reserve	--	4,883,050	(4,883,050)	--
Contribution to social and sports support fund for 2011*	--	--	(1,220,762)	(1,220,762)
Balance at December 31, 2011	1,000,000,000	7,950,152	69,955,413	1,077,905,565
Total comprehensive income	--	--	50,029,123	50,029,123
Transfer to legal reserve	--	5,002,912	(5,002,912)	--
Contribution to social and sports support fund for 2012*	--	--	(1,250,728)	(1,250,728)
Balance at December 31, 2012	**1,000,000,000**	**12,953,064**	**113,730,896**	**1,126,683,960**

*According to Law No. 13 of 2008, the Company is required to contribute an amount equivalent to 2.5% of its net profit to the Social and Sports Support Fund held with the Public Revenues and Taxes Department at the Ministry of Economy and Finance.

MAZAYA QATAR REAL ESTATE DEVELOPMENT Q.S.C

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2012

	2012	2011
	QR.	QR.
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the year	**50,029,123**	48,830,496
Adjustments for:		
Depreciation of property and equipment	**512,995**	503,160
Provision for doubtful debts	**3,895,833**	--
Provision for employees' end of service benefits	**724,543**	355,751
Gain on sale of investment properties	**(1,244,565)**	(10,941,035)
Change in fair value of investment properties	**(56,206,016)**	(43,878,050)
Profit from deposits with Islamic banks and financial institutions	**(5,574,783)**	(6,846,400)
Loss on disposal on property and equipment	**--**	5,483
	(7,862,870)	(11,970,595)
Working capital changes:		
Accounts receivable	**(13,916,666)**	(1,583,333)
Prepayments and other debit balances	**(37,979,512)**	1,842,873
Due from a related party	**2,214,768**	1,580,571
Accounts payable	**(2,969,914)**	6,086,267
Accruals and other credit balances	**15,377,561**	2,384,197
Cash (used in) /from operations	**(45,136,633)**	(1,660,020)
End of service benefits paid	**(105,364)**	--
Net cash (used in)/from operating activities	**(45,241,997)**	(1,660,020)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	**(478,411)**	(265,678)
Additions to investment properties	**(40,483,286)**	(176,210,691)
Additions to project in progress	**(118,477,927)**	(68,333,987)
Proceeds from disposal of property and equipment	**--**	50,000
Proceeds from disposal of investment properties	**1,244,565**	23,184,379
Proceeds from sale of projects in progress	**--**	8,297,100
Term deposits	**150,000,000**	95,000,000
Cash used in investing activities	**(8,195,059)**	(118,278,877)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowing	**60,000,000**	--
Repayment of borrowings	**--**	(138,000,000)
Profit from deposits with Islamic banks and financial institutions received	**5,106,033**	6,846,400
Cash from /(used in) financing activities	**65,106,033**	(131,153,600)
Net increase/ (decrease) in cash and cash equivalents	**11,668,977**	(251,092,497)
Cash and cash equivalents – Beginning of the year	**82,060,905**	333,153,402
Cash and cash equivalents – End of the year (Note 4)	**93,729,882**	82,060,905

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

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 consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) (referred to as the "Group").

The consolidated financial statements of the Group include the financial statements of Mazaya Qatar Real Estate Development Q.S.C. and its controlled subsidiaries listed below:

Company Name	Country of Incorporation and Operation	Capital QR'	Ownership Interest %	Principal Activity
Qortuba Real Estate Investment Company	Qatar	200,000	100%	Real Estate Investment
Granada Real Estate Investment Company	Qatar	200,000	100%	Real Estate Investment
Gulf Spring Real Estate Investment Company	Qatar	200,000	100%	Real Estate Investment
Mazaya Lebanon for Tourism Development and Real Estate S.A.R.L.*	Lebanon	12,106	100%	Real Estate Investment

*Mazaya Lebanon for Tourism and Development and Real Estate is registered in Lebanon in the name of three Directors of the Group with all rights and risks assigned to the Group.

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 mechanical electrical and construction equipment, import and export (related to the Group's activities). In addition, investing Group's cash as a way of managing ongoing liquidity based on Board of Directors instructions and any activities adopted by the assembly general meeting within the rules and regulations of the State of Qatar. The Group is also involved in the management of residential compounds.

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

2.1 Amendments to IFRSs affecting amounts reported in the consolidated financial statements

The following amendments to IFRSs were effective in the current year and have been applied in the preparation of these consolidated financial statements:

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

2.1 Amendments to IFRSs affecting amounts reported in the consolidated financial statements (continued)

(i) Revised Standards

• IFRS 1 (Revised)	*First time adoption of International Financial Reporting Standards* *- Replacement of 'fixed dates' for certain exceptions with 'the date of transition to IFRSs'* *- Additional exemption for entities ceasing to suffer from severe hyperinflation*
• IFRS 7 (Revised)	*Financial Instruments Disclosures - Amendments enhancing disclosures about transfers of financial assets*
• IAS 12 (Revised)	*Income Taxes - Limited scope amendment (recovery of underlying assets)*

The adoption of these revised standards had no significant effect on the consolidated financial statements of the Group for the year ended December 31, 2012, other than certain presentation and disclosure changes.

2.2 New and revised IFRSs in issue but not yet effective

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

(i) Revised Standards:

Effective for annual periods beginning on or after July 1, 2012 (Early adoption allowed)

• IAS 1 (Revised)	*Presentation of Financial Statements - Amendments to revise the way other comprehensive income is presented*

Effective for annual periods beginning on or after January 1, 2013

• IFRS 7 (Revised)	*Financial Instruments Disclosures - Amendments enhancing disclosures about offsetting of financial assets and financial liabilities*
• IAS 19 (Revised)	*Employee Benefits - Amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects*
• IAS 27 (Revised)*	*Consolidated and Separate Financial Statements (Early adoption allowed) - Reissued as IAS 27 Separate Financial Statements*
• IAS 28 (Revised)*	*Investments in Associates (Early adoption allowed) -Reissued as IAS 28 Investments in Associates and Joint Ventures*

Effective for annual periods beginning on or after January 1, 2015

• IFRS 7 (Revised)	*Financial Instruments Disclosures - Amendments requiring disclosures about the initial application of IFRS 9*

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

2.2 New and revised IFRSs in issue but not yet effective (continued)

(ii) New Standards:

Effective for annual periods beginning on or after January 1, 2013 (Early adoption allowed)

- IFRS 10* *Consolidated Financial Statements*
- IFRS 11* *Joint Arrangements*
- IFRS 12* *Disclosure of Interests in Other Entities*
- IFRS 13 *Fair Value Measurement*

Effective for annual periods beginning on or after January 1, 2015 (Early adoption allowed)

- IFRS 9 *Financial Instruments*
  - Classification and measurement of financial assets
  - Accounting for financial liabilities and de-recognition

(iii) New Interpretation:

Effective for annual periods beginning on or after January 1, 2013

- IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*

* In May 2011, a package of five Standards on consolidation, joint arrangements, associates and disclosures was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011). These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

Management anticipates that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the consolidated financial statements of the Group in the period of initial application, other than certain presentation and disclosure changes.

2.B CHANGE IN ACCOUNTING POLICY

During 2011, the Group changed its policy of accounting for investment properties from the cost model to the fair value model as allowed by IAS 40. The Group has not accounted for the change in accounting policy retrospectively as required by the International Financial Reporting Standards, since the fair values of investment properties as of prior years were not available.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The accompanying consolidated financial statements have been prepared under the historical cost basis except for investment properties that are measured at fair value. The principal accounting policies are set out below.

These consolidated financial statements are presented in Qatari Riyals (QR), which is the Group's functional currency.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation

Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
Inter-company transactions, balances and unrealized gains on transactions with subsidiary companies are eliminated. Unrealized losses are also eliminated unless the transactions provide evidence of impairment of the asset transferred. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

Revenue recognition

Profit on term deposits

Profit on term deposits is accrued on a time basis, with reference to the principal outstanding and at the effective profit rate applicable, which is the rate that exactly, discounts estimated future receipts through the expected life of the financial asset to that asset's net carrying amount.

Rental Income
Rental income is recognized on a straight line basis.

Accounts receivable

Accounts receivable are stated at original invoice amount, less any impairment for doubtful debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided on a straight-line basis over the estimated useful lives of property and equipment as follows:

Computers	2 years
Furniture and Fixtures	5 years
Vehicles	5 years

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Available – for - sale investments
After initial recognition, investments which are classified "available for sale" are remeasured at fair value, with any resultant gain or loss directly recognized as a separate component of other comprehensive income and accumulated in equity under the "fair value reserve" until the investment is sold, collected, or the investment is determined to be impaired at which time the accumulated gain or loss previously reported in other comprehensive income is included in the consolidated statement of comprehensive income for the period.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Available – for - sale investments (continued)

Due to the nature of cash flows arising from the Group's unquoted investments, the fair value of these investments cannot be reliably measured and consequently, these investments are carried at cost, less provision for impairment losses, if any.

If an available-for-sale investment is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in the consolidated statement of comprehensive income, is transferred from equity to the consolidated statement of comprehensive income. Reversal of impairment losses in respect of equity instruments classified as available-for-sale is not recognized in the consolidated statement of comprehensive income.

Cash and Cash Equivalents

For the purpose of the consolidated statement of cash flow, cash and cash equivalents consist of bank balances and cash including deposits with original maturities of 3 months or less.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Foreign Currencies

Transactions in currencies other than the Group's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in consolidated statement of comprehensive income for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in consolidated statement of comprehensive income for the period.

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation including property under construction for such purposes. Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Properties (continued)

An investment property is derecognized 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 profit or loss in the period in which the property is derecognized.

During last year, the Group changed the method of measuring the investment properties from cost to fair value method.

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, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy.

Accounts payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Impairment of Tangible Assets

An assessment is made at each reporting date to determine whether there is objective evidence that a financial asset or group of financial assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss for the difference between the recoverable amount and the carrying amount is recognized in the consolidated statement of income, if any.

Impairment of Financial Assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective profit rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account.

With the exception of available for sale investments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of available for sale investments, any increase in fair value of equities subsequent to an impairment loss is recognized directly in equity.

4. CASH AND CASH EQUIVALENTS

	2012	2011
	QR.	QR.
Cash on hand	**39,950**	25,000
Call accounts	**66,591,872**	4,466,204
Current account	**2,098,060**	2,569,701
Term deposits	**125,000,000**	325,000,000
Total cash and Islamic bank balances	**193,729,882**	332,060,905
Term deposits with original maturity of more than 90 days	**(100,000,000)**	(250,000,000)
Cash and cash equivalents	**93,729,882**	82,060,905

Bank deposits earn an average annual profit rate of 1% to 1.5% (2011: 1% - 1.5%) with maturity ranging from 90 to 180 days.

5. ACCOUNTS RECEIVABLE

	2012	2011
	QR.	QR.
Accounts receivable	**16,041,666**	2,125,000
Provision for doubtful debts	**(3,895,833)**	--
Net	**12,145,833**	2,125,000

The average credit period for rendering services is 60 days. No profit is charge on the overdue receivables.

At year end, the aging of accounts receivable is as follows:

(i) Ageing of neither past due nor impaired

	2012	2011
	QR.	QR.
Less than 60 days	**8,250,000**	2,125,000

(ii) Ageing of past due but not impaired

	2012	2011
	QR.	QR.
More than 60 days but less than 6 months	**3,895,833**	--

(iii) Ageing of past due but impaired

	2012	2011
	QR.	QR.
More than 60 days but less than 6 months	**3,895,833**	--

5. ACCOUNTS RECEIVABLE (CONTINUED)

(iv) Movement in the provision for doubtful debts:

	2012	2011
	QR.	QR.
Balance at the beginning of the year	**--**	--
Additional provision during the year	**3,895,833**	--
Balance at the end of the year	**3,895,833**	--

6. WAKALA INVESTMENTS

During 2009, the Company entered into a Wakala contract amounting to QR. 65,000,000 with a GCC Investment Company through an intermediary party. Due to financial problems, the GCC Investment Company did not settle the amount with its accrued profit on the maturity date.

In 2011, the Company obtained a court ruling in its favor, whereby the outstanding Wakala amount, along with related profit, will be settled during the period from June 2013 to June 2017.

7. PREPAYMENTS AND OTHER DEBIT BALANCES

	2012	2011
	QR.	QR.
Due from staff	**855,456**	482,908
Prepaid expenses	**1,967,140**	1,772,940
Advances paid on projects	**45,693,014**	7,280,250
Accrued income on bank deposits	**468,750**	1,000,000
Total	**48,984,360**	10,536,098

8. RELATED PARTIES

Related parties represent the directors and key management personnel and companies in which they are principle owners. Transactions with related parties are approved by the management of the Group.

At the reporting date, amounts due from a party are separately reflected on the face of the consolidated statements of financial position.

	2012	2011
(a) Due from a related party	**QR.**	QR.
Al - Mazaya Holding Company	**2,810,933**	5,025,701

8. RELATED PARTIES (CONTINUED)

(b) Transactions with related parties

	2012	2011
	QR.	QR.
Management fees	**(3,000,000)**	(2,000,000)

(c) Compensation of key management personnel

The remuneration of directors and members of key management during the year are as follows:

	2012	2011
	QR.	QR.
Board of Directors' remuneration	**(1,800,000)**	(1,800,000)
Management short term benefits	**3,747,952**	3,217,505
Management long term benefits	**1,017,508**	770,944

9. AVAILABLE FOR SALE INVESTMENTS

	2012	2011
	QR.	QR.
Nishan Investment and Real Estate Development Company	**21,000,000**	٢١،٠٠٠،٠٠٠

This is represents unquoted available for sale investment at cost since its fair value cannot be reliably estimated. Management believes that the amount is not impaired.

10. PROPERTY AND EQUIPMENT

	Furniture and Fixtures	**Computer Equipment**	**Motor Vehicles**	**Total**
	QR.	**QR.**	**QR.**	**QR.**
Cost				
January 1, 2011	1,042,332	930,578	299,365	2,272,275
Additions during the year	92,595	173,083	--	265,678
Disposal	--	(3,359)	(144,365)	(147,724)
December 31, 2011	1,134,927	1,100,302	155,000	2,390,229
Additions during the year	128,876	349,535	--	478,411
December 31, 2012	**1,263,803**	**1,449,837**	**155,000**	**2,868,640**
Accumulated Depreciation:				
January 1, 2011	412,192	697,218	98,150	1,207,560
Charge for the year	214,719	243,123	45,318	503,160
Disposal	--	(3,129)	(89,112)	(92,241)
At December 31, 2011	626,911	937,212	54,356	1,618,479
Charge for the year	254,247	227,663	31,085	512,995
At December 31, 2012	**881,158**	**1,164,875**	**85,441**	**2,131,474**
Net Book Value:				
At December 31, 2012	**382,645**	**284,962**	**69,559**	**737,166**
At December 31, 2011	508,016	163,090	100,644	771,750

11. PROJECTS IN PROGRESS

	2012	2011
	QR.	QR.
Balance at the beginning of the year,	**9,335,359**	68,182,254
Additions	**118,477,927**	68,333,987
Disposals*	**--**	(6,423,872)
Transferred to investment properties (note 12)	**--**	(118,733,824)
Other transfers	**--**	(2,023,186)
Balance at the end of the year,	**127,813,286**	9,335,359

The ending balance of projects in progress amounting to QR. 127,813,286 represents the cumulative cost as of December 31, 2012 related to two projects being developed by the Group in Qatar. One of the projects is developed under a Build, Operate and Transfer agreement with Qatar Foundation.

* During 2011, a portion of a land was taken over by the Ministry of Municipality and Urban Planning. The compensation of QR. 8,297,100 resulted in a profit of QR. 1,873,228 in 2011. During 2012, an additional compensation was obtained from the Ministry of Municipality and Urban Planning which resulted in a profit of QR. 1,244,565.

12. INVESTMENT PROPERTIES

	2012	2011
	QR	QR
At Cost	**652,123,934**	611,640,648
Cumulative change in fair value	**100,084,066**	43,878,050
Total	**752,208,000**	655,518,698

The Investment properties include:

(i) A property leased out under an operating lease agreement to a third party for an annual income computed at QR. 13 million plus 50% of the hotel’s gross operating profit.
(ii) A property leased out under an operating lease agreement to a third party for an annual income computed at QR. 24.7 million starting September 1, 2012.

The movement during the year is as follows:

	2012	2011
	QR.	QR.
Balance at the beginning of the year,	**655,518,698**	330,812,705
Additions	**40,483,286**	176,210,691
Disposals	**--**	(14,116,572)
Transferred from projects in progress (note 11)	**--**	118,733,824
Change in fair value	**56,206,016**	43,878,050
Balance at the end of the year,	**752,208,000**	655,518,698

12. INVESTMENT PROPERTIES (CONTINUED)

The fair value of the Group's investment properties as of December 31, 2012 has been arrived at on the basis of a valuation carried out by an independent appraiser. The valuation was calculated based on reference to market evidence of transaction prices for similar properties and/or discounted cash flow coupled with market and other evidence.

13. ACCOUNTS PAYABLE

	2012	2011
	QR	QR.
Accounts payable	**197,042**	56,418
Deferred consideration*	**--**	10,921,590
Retention payable	**14,140,134**	6,329,082
Total	**14,337,176**	17,307,090

* This amount represents the remaining amount for the purchase of one of the Group's land. During the year, the Company had paid the full amount.

14. ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	2012	2011
	QR	QR.
Accrued expenses *	**17,050,877**	439,225
Provision for staff leave and bonus	**1,516,821**	1,530,150
Proposed Board of Directors' remuneration	**1,800,000**	1,800,000
Social and sports fund contribution	**1,250,728**	1,220,762
Total	**21,618,426**	4,990,137

*Majority of the accrued expenses represents estimated work in progress cost executed during 2012 but not yet billed.

15. BORROWINGS

a- During the year, the Group entered into a Murabaha financing agreement with a local bank amounting to QR. 60million and maturing in March 2013 to finance certain projects. The total Murabaha profit charged by the bank is QR. 0.806million.

b- The Group has also entered into a syndicated Murabaha financing agreement to finance portion of one of its projects amounting to USD 106.7 million.

Certain conditions with respect of this Murabaha are still in progress and therefore no amounts have been received by the Group as of December 31, 2012.

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16. SHARE CAPITAL

	2012	2011
	QR.	QR.
Authorized, issued and fully paid		
100 million shares with a par value of QR10 per share	**1,000,000,000**	1,000,000,000

17. LEGAL RESERVE

As required by the Articles of Association of the Company, 10% of the net profit for the year has been transferred to a legal reserve. The Company may resolve to discontinue such annual transfers when the reserve totals 50% of the share capital. The reserve is not available for distribution, except in circumstances stipulated in the Qatar Commercial Companies' Law No. 5 of 2002.

18. GENERAL AND ADMINISTRATIVE EXPENSES

	2012	2011
	QR	QR.
Staff cost	**14,173,446**	12,553,477
Administrative expenses	**3,610,640**	6,166,161
Doubtful debt expense	**3,895,833**	--
Rent expenses	**1,281,456**	953,576
Legal and professional charges	**939,570**	236,141
Marketing expenses	**1,678,654**	1,808,743
Bank commission and charges	**11,764**	11,308
Others	**--**	5,253
Total	**25,591,363**	21,734,659

19. MANAGEMENT FEES

	2012	2011
	QR	QR.
Management fees	**3,000,000**	٢،٠٠٠،٠٠٠

The Company entered into an agreement with "AL Mazaya Holding" whereas the latter will provide managerial services for the Company for management fees of 0.8% of the paid up capital as long as the total does not exceed QR 4,000,000 per annum (2011: 2,000,000). It was agreed between the parties to charge QR. 3 million for the year 2012 only.

20. EARNINGS PER SHARE

Earnings per share are calculated by dividing the net profit for the year by the weighted average number of ordinary shares outstanding during the year as follows:

	2012	2011
	QR.	QR.
Net profit for the year	**50,029,123**	48,830,496
Weighted average number of shares	**100,000,000**	100,000,000
Basic and diluted earnings per share	**0.50**	0.49

21. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Following are the key assumption concerning the future, and other key sources of estimation uncertainty at the consolidated statement of 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.

Impairment of investments
The Group treats available-for-sale equity investments as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires considerable judgement. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. In addition, the Group evaluates other factors, including normal volatility in share price for quoted equities and the future cash flows and the discount factors for unquoted equities.

Impairment of other financial assets
An estimate of the collectible amount of financial assets is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates. For Wakala investment, the Company obtained a court ruling in its favor, whereby the outstanding Wakala amount, along with related profit, will be settled during the period from 2013 to 2017. Management believes that no provision for impairment is required. Management continuously assess the recoverability of this investment and the ability of the counterparty to fulfil its obligation under the court ruling.

Fair value of investment properties
In estimating the fair value of investment properties for the purpose of applying the fair value model under IAS 40, management obtains one or more valuation reports from independent valuation professionals, which reports are prepared by reference to market evidence of transaction prices for similar properties and/or discounted cash flow coupled with market and other evidence. Management continuously reviews various estimates and assumptions used in arriving at fair value estimates.

22. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized on the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial Assets

The Group's principal financial assets are bank balances, investments and accounts receivable. These financial assets are stated at their nominal values which approximate the fair value.

Financial liabilities

Significant financial liabilities include bank borrowings, accounts and retention payable. All financial liabilities are stated at their nominal values which approximate the fair values.

23. FINANCIAL RISK MANAGEMENT

The activities of the Group expose it to routine financial risks, including the effects of defaults by customers, movement in profit rates and liquidity. The Group management seeks to minimize potential adverse effects on the financial performance of the Group by taking appropriate steps to address specific risk management areas, such as credit risk, currency risk, and liquidity management.

Profit rate risk

The Group is exposed to profit rate risk on its profit bearing assets and liabilities i.e. bank deposits and amounts due to banks. Management believes that the profit rate risk on its borrowings is minimal in the current business environment as the profit rate is fixed.

Credit risk

The Group's principal financial assets are bank balances and cash.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. Credit evaluations are performed on all customers requiring credit and are approved by the Group's management.

Liquidity risk

The Group limits its liquidity risk by ensuring bank facilities are available. The Group's terms of billings require amounts to be settled within its terms of the contract. Trade payables are normally settled within the terms of sale of the supplier. The Group financial liabilities are due within one year.

23. FINANCIAL RISK MANAGEMENT (CONTINUED)

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group does not hedge its currency exposure. Management is of the opinion that the Group’s exposure to currency risk is minimal.

24. COMMITMENT AND CONTINGENT LIABILITIES

Capital commitment:
Capital commitment as of December 31, 2012 amounts to QR. 446,186,107 (2011: QR. 13,709,176) with respect to projects in progress.

Contingent liabilities:
There is a legal case against the Company amounting to QR. 3.4million. The case is still under the court discussion. The legal consultant believes that the Company is in a good position to win. Also management believes that no provision is required.

25. APPROVAL OF FINANCIAL STATEMENTS

These consolidated financial statements were approved by management and authorized for issue on February 5, 2013.

26. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year’s presentation.