



KPMG
Zone 25 C Ring Road
Street 230, Building 246
P.O Box 4473, Doha
State of Qatar
Telephone: +974 4457 6444
Fax: +974 4436 7411
Website: home.kpmg/qa

14 November 2023

**The Board of Directors
Mazaya Real Estate Development Q.P.S.C.
Doha, State of Qatar**

Subject: Equity Pro forma financial information after capital reduction as at 30 June 2023

Dear Sirs,

The extraordinary meeting of the shareholders of Mazaya Real Estate Development Q.P.S.C. (the “Company”) held on 17 May 2023 resolved to reduce its paid-up share capital from QAR 1,157,625,000 to QAR 1,000,000,000 through the cancellation of 157,625,000 shares equivalent to QAR 157,625,000, or 13.61% of the total capital. The assembly also resolved the use of QAR 39,599,645 from the legal reserve to cover the remaining accumulated losses. The cancellation of the shares in the amount of QAR 157,625,000 together with the use legal reserve in the amount of QAR 39,599,645 would absorb the accumulated losses of the Company outstanding as at 31 December 2022 in the amount of QAR 197,224,645.

On 8 February 2023, we have been appointed as the auditors of the Company for the year ending 31 December 2023. As such, we have completed our review of the condensed consolidated interim financial statements of the Company and its subsidiaries (together “The Group”) as at and for the six-month period ended 30 June 2023, on which we have issued a modified review conclusion. The condensed consolidated interim financial statements as at 30 June 2023 didn’t reflect the impact of the capital above reduction resolved by the extraordinary general assembly as the Company didn’t obtain all the regulatory approvals as of the date of the issuance of the financial statements.



In line with this, we were provided with the Equity Pro Forma Financial Information of the Company and its subsidiaries (the “Equity Pro forma Financial Information of the Group”) had the capital reduction been reflected in the Group’s condensed consolidated interim financial statements as at 30 June 2023.

The Group’s Equity Pro forma Financial Information as at 30 June 2023, assuming the capital reduction as proposed is approved and effective as at 30 June 2023 has been calculated by the Group as follows:

Table 1: Equity Pro forma Financial Information of the Group after capital reduction as at 30 June 2023

Financial statement caption	Amount as at 30 June 2023 before capital reduction (1) (QR)	Effect of capital reduction (QR)	Amount as at 30 June 2023 after capital reduction (QR)
Share capital	1,157,625,000	(157,625,000)	1,000,000,000
Legal reserve	62,106,682	(39,599,645)	22,507,037
Accumulated losses	(182,339,281)	182,339,281	-
Retained earnings	-	14,885,364	14,885,364
Total equity	1,037,392,401	-	1,037,392,401
Number of shares of the Company	1,157,625,000	(157,625,000)	1,000,000,000
Par value per share	1	1	1
Book value per share	0.896	0.141	1.037
Earnings per share	0.013	0.002	0.015

(1) These balances are as per the condensed consolidated interim financial statements as at and for the six-month period ended 30 June 2023.

This letter does not constitute either an audit review made in accordance with the International Standards on Auditing or the International Standard on Review Engagements, and hence we do not express any audit or review assurance on the financial information reported in the letter.



The letter was issued at the request of the Company to be submitted to Qatar Stock Exchange and should not be used for any other purpose or to be distributed to any other parties, with out our prior written consent.

It is issued to you without any risk or financial obligation, whether expressed or implied and we accept no responsibility or liability to you or any other party in connection with this letter and do not intend to create any obligation, on KPMG or on the undersigned for any purpose.

Yours faithfully,

Gopal Balasubramaniam
Partner
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