Ezdan Real Estate Company Q.S.C.

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2009

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EZDAN REAL ESTATE COMPANY Q.S.C.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Ezdan Real Estate Company Q.S.C. (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2009 and the consolidated statements of comprehensive income, cash flows and changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of Director's Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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 financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2009 and its financial performance and its 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 2 to the financial statements which indicates that as of 31 December 2009 the provision for social and sports activities contribution amounting to QR 9.5 million was calculated by 2.5% of the net profit for the year after excluding the fair value gains on investment properties and projects under development. According to the requirements of Law No. 13 of 2008, all the Qatari Shareholding Companies which are listed in Qatar Exchange are required to pay 2.5% of their annual net profit to Governmental Fund to support the social and sports activities. The management is of the opinion that there are no sufficient instructions about the calculation of the provision due to the non-issuance of the executive regulations to apply the Articles of the Law and accordingly has applied its own interpretation as explained above.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EZDAN REAL ESTATE COMPANY Q.S.C. (continued)

Report on Legal and Other Requirements

Furthermore, in our opinion proper books of account have been kept by the Company, an inventory count has been conducted in accordance with established principles, the contents of the directors' report which relate to the consolidated financial statements are in agreement with the Group's financial records. In addition the consolidated financial statements comply with the Qatar Commercial Companies' Law No. 5 of 2002 and the Company's Articles of Association, except for the impact of the matter referred to in Note 13 to the financial statements which indicates that the group did not transfer 10% of the annual net profit to the legal reserve in accordance with the requirements of Article No. 183 of the Qatar Commercial Companies Law No. 5 of 2002 due to the insufficiency of the balance of retained earnings as at 31 December 2009. We have obtained all the information and explanations we required for the purpose of our audit, and are not aware of any other violations of the above mentioned law or the Articles of Association having occurred during the year which might have had a material effect on the business of the Group or on its financial position.

Finbarr Sexton
of Ernst & Young
Auditor's Registration No. 114

Date: 7 March 2010
Doha

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2009

	Notes	***2009 QR'000***	*2008 QR'000*
Rental income		**457,409**	365,107
Gain on disposal of investment properties		**17,427**	11,276
Other operating income		**9,592**	11,353
Operating expenses	4	**(75,074)**	(48,249)
PROFIT FROM OPERATIONS		**409,354**	339,487
Net fair value gains on investment properties and projects under development	(8a)	**8,304,911**	1,062,794
Profit on bank deposits		**5,212**	2,820
Negative good will from acquisition		**58,403**	-
General and administrative expenses	5	**(50,216)**	(37,389)
Islamic finance cost		**(41,977)**	(10,692)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR BEFORE PROVISION FOR SOCIAL AND SPORTS ACTIVITIES CONTRIBUTION		**8,685,687**	1,357,020
Provision for social and sports activities contribution	2	**(9,519)**	-
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**8,676,168**	1,357,020
BASIC AND DILUTED EARNINGS PER SHARE (QR)	6	**5.28**	0.94

The attached notes 1 to 21 form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2009

	Notes	***2009 QR'000***	*2008 QR'000*
ASSETS			
Non-current assets			
Property, plant and equipment	7	**83,119**	25,123
Investment properties	8	**8,645,361**	4,741,227
Projects under development	9	**20,966,306**	1,955,427
		29,694,786	6,721,777
Current assets			
Inventories		**107,916**	2,438
Accounts receivable and prepayments	10	**136,480**	31,990
Bank balances and cash	11	**121,024**	164,898
		365,420	199,326
TOTAL ASSETS		**30,060,206**	6,921,103
EQUITY AND LIABILITIES			
Equity			
Share capital	12	**26,524,967**	4,569,000
Legal reserve	13	**759,589**	191,842
Retained earnings		**-**	1,726,225
Total equity		**27,284,556**	6,487,067
Non-current liabilities			
Islamic financing facilities	14	**1,791,290**	366,000
Profit payable on Islamic financing facilities		**25,944**	15,829
Employees' end of service benefit	15	**9,173**	2,062
		1,826,407	383,891
Current liabilities			
Islamic financing facilities	14	**251,327**	-
Profit payable on Islamic financing facilities		**32,365**	-
Accounts payable and accruals	16	**665,551**	50,145
		949,243	50,145
Total liabilities		**2,775,650**	434,036
TOTAL EQUITY AND LIABILITIES		**30,060,206**	6,921,103

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Thani Bin Abdullah Al Thani
Chairman

Hesham Al-Sehetry
Managing Director & CEO

The attached notes 1 to 21 form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 31 December 2009

	Notes	*2009* **QR'000**	*2008* *QR'000*
OPERATING ACTIVITIES			
Profit for the year		**8,676,168**	1,357,020
Adjustment for:			
Depreciation	7	**15,347**	5,382
Provision for employees' end of service benefit	15	**7,467**	1,781
Provision for social and sports activities contribution		**9,519**	-
Profit on disposal and net fair value gains on investment properties		**(3,976,902)**	(1,074,071)
Net fair value gains on projects under development		**(4,345,436)**	-
Net provision for doubtful debts	10	**9,258**	4,817
Islamic finance costs		**41,977**	10,692
Profit on bank deposits		**(5,212)**	(2,820)
Operating profit before working capital changes:		**432,186**	302,801
Accounts receivable and prepayments		**(113,748)**	(18,550)
Inventory		**(105,478)**	(1,776)
Profit payable on Islamic financing facilities		**42,480**	15,829
Accounts payable and accruals		**605,887**	(11,143)
Cash from operations		**861,327**	287,161
Islamic finance costs paid		**(41,977)**	(10,692)
Employees' end of service benefits paid	15	**(356)**	(228)
Net cash flows from operating activities		**818,994**	276,241
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	7	**(18,313)**	(23,741)
Property, plant and equipment resulted from the acquisition	7	**(55,030)**	-
Purchase of investment properties	8	**(10,645)**	(197,533)
Proceeds from disposal of investment properties		**45,050**	101,856
Investment properties resulted from the acquisition	8	**(142,992)**	-
Payments for projects under development	9	**(1,057,629)**	(394,279)
projects under development resulted from acquisition		**(13,426,459)**	-
Profit on bank deposits		**5,212**	2,820
Net cash flows used in investing activities		**(14,660,806)**	(510,877)
FINANCING ACTIVITIES			
Issue of bonus shares resulted from acquisition		**12,121,321**	-
Proceeds from Islamic financing facilities	14	**1,676,617**	366,000
Net cash flows from financing activities		**13,797,938**	366,000
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(43,874)**	131,364
Cash and cash equivalents as of 1 January		**164,898**	33,534
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	11	**121,024**	164,898

The attached notes 1 to 21 form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year Ended 31 December 2009

	Share capital QR'000	*Legal reserve QR'000*	*Retained earnings QR'000*	*Total QR'000*
Balance at 1 January 2008	4,569,000	56,140	504,907	5,130,047
Profit and total comprehensive income for the year	-	-	1,357,020	1,357,020
Transfer to legal reserve	-	135,702	(135,702)	-
Balance at 31 December 2008	4,569,000	191,842	1,726,225	6,487,067
Issue of bonus shares	9,834,646	-	(9,834,646)	-
Issue of new shares	12,121,321	-	-	12,121,321
Profit and total comprehensive income for the year	-	-	8,676,163	8,676,163
Transfer to legal reserve	-	567,747	(567,747)	-
Balance at 31 December 2009	**26,524,967**	**759,589**	**-**	**27,284,556**

The attached notes 1 to 21 form part of these consolidated financial statements

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Ezdan Real Estate Company Q.S.C. is a Qatari public shareholding company registered in the State of Qatar under the commercial registration number 15466.

The Company's registered office is at P.O. Box 3222, Doha, State of Qatar.

The Company is mainly involved in owning, developing and trading in real estates.

The consolidated financial statements of Ezdan Real Estate Company Q.S.C. for the year ended 31 December 2009 were authorised for issue in accordance with a resolution of the Board of Directors on 7 March 2010.

On 4 November 2009 the Extraordinary General Assembly of the shareholders approved to acquire the International Housing Group Q.S.C.C through the issue of new shares to the shareholders of the International Housing Group Q.S.C.C. In addition the Extraordinary General Assembly approved to authorize the Board of Directors to take the legal procedures necessary for obtaining the administrative approvals required by the Qatari Commercial Companies Law no. 5 of 2002 to finalize the acquisition process. The process followed and details of the valuation are disclosed in Notes 8 and 12.

The following amounts reflect the assets and liabilities acquired from the International Housing Group Q.S.C.C and combined into Ezdan Real Estate Q.S.C financial statements:

	QR'000
Total Assets	**13,966,649**
Total Liabilities	**1,786,925**

The process of acquiring International Housing Group Q.S.C.C resulted in an increase in the share capital by QR 12,121,320,740 and a negative goodwill of QR 58,403,289 which has been recognized as income in the Statement of Comprehensive Income.

2 PROVISION FOR SOCIAL AND SPORTS ACTIVITIES CONTRIBUTION

The provision for social and sports activities contribution amounting to QR 9,519 thousand was calculated by 2.5% of the net profit for the year after excluding the fair value gains on investment properties projects under development.

According to the requirements of Law No. 13 of 2008, all the Qatari Shareholding Companies which are listed in Qatar Exchange are required to pay 2.5% of the annual net profit to Government Fund to support the social and sports activities. The management is of the opinion that there are no sufficient instructions about the calculation of the provision due to the non-issuance of the executive regulations to apply the Articles of the Law, therefore the provision was calculated based on the method disclosed above.

3 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The consolidated financial statements are prepared under the historical cost convention, modified to include the measurement at fair value of investment properties and projects under development.

The consolidated financial statements have been presented in Qatar Riyals, which is the functional and presentation currency of the Group. All values are rounded to the nearest thousand (QR'000) except where otherwise indicated.

3.2 Statement of Compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and applicable requirements of Qatar Commercial Companies' Law No. 5 of 2002.

3 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Basis of consolidation

Basis of consolidation
The consolidated financial statements comprise the financial statements of Ezdan Real Estate Company Q.S.C. and its subsidiaries, as follows:

	Effective Group Ownership percentage	
	2009	*2008*
Ezdan Trading and Contracting Co. S.O.C	**100%**	**100%**
Ezdan Hotel and Suites Co. S.O.C	**100%**	-
Ezdan Real Estate Investment W.L.L.	**100%**	-

Notes:

1) Ezdan Trading and Contracting Company S.O.C ("subsidiary company") was incorporated in Qatar and has an authorized and paid-up capital of QR 200,000. The Company is involved in general contracting for buildings, road paving, trading in building materials and equipment, electricity works and maintenance.

2) Ezdan Hotel and Suites Company S.O.C ("subsidiary company") was incorporated in Qatar as a single owner company and has an authorized and paid up capital of QR 200,000. The Company is involved in managing hotels, suites, and restaurants.

3) Ezdan Real Estate Investment W.L.L. ("subsidiary company") was incorporated in Qatar as a limited liability company and has an authorised and paid up capital of QR 10,000,000. The Company is involved in buying, selling and managing properties, construction of buildings, roads paving, trading in building materials, electricity work and maintenance.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the parent obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-group balances, income and expenses and unrealized gains and losses resulting from intra-group transactions are eliminated in full.

3.4 Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those used of the previous financial years except as follows:

The Group has adopted the following new and amended IFRS and IFRIC interpretations effective 1 January 2009:

- IFRS 2 *Share-based Payment: Vesting Conditions and Cancellations*
- IFRS 7 *Financial Instruments: Disclosures*
- IFRS 8 *Operating Segments*
- IAS 1 *Presentation of Financial Statements (Revised)*
- IAS 23 *Borrowing Costs (Revised)*
- IAS 32 *Financial Instruments: Presentation* and IAS 1 *Puttable Financial Instruments and Obligations Arising on Liquidation*
- IFRIC 13 *Customer Loyalty Programmes*
- IFRIC 15 *Agreement for the construction of Real Estate*
- IFRIC 16 *Hedges of a Net Investment in a Foreign Operation*
- Improvements to IFRSs

3 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Changes in accounting policy and disclosures (continued)

When the adoption of the standard or interpretation is deemed to have an impact on the financial statements or performance of the Group, its impact is described below:

IAS 1 Revised Presentation of Financial Statements
The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the Standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present one statement.

IAS 23 Borrowing Costs (Revised)
The Standard has been revised to require capitalisation of borrowing costs on qualifying assets. There is no change in the accounting policy of the Group as previously borrowing costs have been capitalised on qualifying assets based on the alternative treatment allowed by IAS 23 Borrowing Costs.

IFRS 7 Financial Instruments: Disclosures
The amended standard requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy, by class, for all financial instruments recognised at fair value. In addition, a reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in Note 19.

IFRS 8 Operating Segments
IFRS 8 replaced IAS 14 Segment Reporting upon its effective date. The Group concluded that the operating segments determined in accordance with IFRS 8 are the same as the business segments previously identified under IAS 14 (see Note 18).

IFRIC 15 Agreements for the Construction of Real Estate
IFRIC 15 clarifies when revenue and related expenses from a sale of real estate unit should be recognised if an agreement between a developer and buyer is reached before the construction of the real estate is completed. The group has no agreement to sell any real estate before the construction of the real estate completed; therefore there was no effect on applying that interpretation.

3.5 Improvements to IFRS

In May 2008 and April 2009, the IASB issued omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The following amendments to the standards are applicable to the Company:

IFRS 8 *Operating Segment Information:* Clarifies that segment assets and liabilities need only be reported when those assets and liabilities are included in measures that are used by the chief operating decision maker.

IAS 1 Presentation of Financial Statements: Assets and liabilities classified as held for trading in accordance with IAS 39 Financial Instruments: Recognition and Measurement are not automatically classified as current in the statement of financial position. This did not have any impact to the Company as there are no assets and liabilities classified as held for trading as at 31 December 2009.

IAS 16 Property, Plant and Equipment: Replaces the term “net selling price” with “fair value less costs to sell”. This did not have any impact on the Company’s accounting policy as this has already been adopted in the prior years.

3 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Improvements to IFRS (continued)

IAS 23 Borrowing Costs: The definition of borrowing costs is revised to consolidate the two types of items that are considered components of "borrowing costs" into one - the interest expense calculated using the effective interest rate method calculated in accordance with IAS 39. The Group has amended its accounting policy accordingly which did not result in any changes in its financial position.

IAS 36 Impairment of Assets: When discounted cash flows are used to estimate the 'fair value less cost to sell', additional disclosure is required about the discount rate, consistent with disclosures required when the discounted cash flows are used to estimate 'value in use'. This amendment has no immediate impact on the financial statements of the Company because the recoverable amount of its cash generating units is currently estimated using 'value in use'.

3.6 Standard issued but not yet effective

Standard issued but not yet effective up to the date of issuance of the Group's financial statements are listed below.

- *IFRIC 17- Distributions of Non-Cash Assets* to Owners effective for financial periods beginning on or after 1 July 2009
- Improvements to International Financial Reporting Standards (issued in 2009) effective for financial periods beginning on or after 1 January 2010
- *IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items* effective 1 July 2009
- *IFRS 9 Financial Instruments* effective for financial periods beginning on or after 2013
- *IAS 24 Related Party Disclosures (Revised) effective for financial periods beginning on or after 2011*
- *IAS 32 Classification of Rights Issues (Amendments)* effective for financial periods beginning on or after 1 February 2010
- *IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments* effective for financial periods beginning on or after 1 July 2010
- *IFRS 2 Share-based Payment: Group Cash-settled Share-based Payment Transactions* effective 1 January 2010
- *IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)* effective 1 July 2009 including consequential amendments to IFRS 7, IAS 21, IAS 28, IAS 31 and IAS 39
- *IFRIC 9 Remeasurement of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement* effective for periods ending on or after 30 June 2009
- *IFRIC 18 Transfers of Assets from Customers* effective 1 July 2009

The application of the above standards and interpretations is not expected to have a material impact on the financial position or performance of the Group, except IFRS 9, which will result in changes to the accounting policies regarding financial instruments. The management does not intend to early adopt the standard. It has not been practical to reliably assess the effect of such changes at this stage.

3.7 Significant accounting policies

Revenue recognition
Revenue is recognised on the following basis:

Rental income
Rental income from investment properties is accounted for on a time proportion basis.

Profit on bank deposits
Profit on bank deposits is recognised as the profit accrues using the effective profit rate.

3 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Significant accounting policies (continued)

Service income
Revenue from services provided during the year is recognised when these services are provided to the customers and the amount of revenue can be measured reliably.

Sale of properties
A property is regarded as sold when the significant risks and returns have been transferred to the buyer, which is normally on unconditional exchange of contacts. For conditional exchanges, sales are recognised only when all the significant conditions are satisfied.

Borrowing costs
Borrowing costs that are directly attributable to construction of property are capitalised as part of cost of the asset. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use are completed. Other borrowing costs are recognised as expense in the period in which they are incurred.

Cash and cash equivalents
For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and bank balances, short term bank deposits with an original maturity of three months or less.

Property, plant and equipment
Property, plant and equipment are recognised initially at cost including borrowing costs that are eligible for capitalisation and excluding the costs of day-to-day servicing, less accumulated depreciation and any impairment in value. Land is not depreciated.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	20 years
Plant & equipment	2 - 5 years
Furniture, fixtures	5 years
Motor vehicles	5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate 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, being the higher of their fair value less costs to sell and their value in use.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated statement of comprehensive income as the expense is incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the consolidated statement of comprehensive income in the year the asset is derecognised.

The asset’s residual values, useful lives and method of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

3 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Significant accounting policies (continued)

Investment properties
Land and buildings are considered as investment properties only when they are being held to earn rentals or for capital appreciation or both.

Investment properties are measured initially at cost, including transaction costs and borrowing costs that are directly attributable to construction of the asset. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the financial position date. Gains or losses arising from changes in the fair values of investment properties are included in the consolidated statement of comprehensive income in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the consolidated statement of comprehensive income in the year of retirement or disposal.

Other than transfers from projects under development, transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party or completion of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sell.

If the property occupied by the Group as an owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Projects under development
Projects under development represent properties that are being constructed or developed including land for future use as investment properties or owner occupied properties.

The projects under development will be transferred to investment properties and property, plant and equipment categories when they are ready for their intended use.

Projects under development are measured initially at cost, less any impairment in value. It also includes the indirect expenses on the basis of its regular activity and operation and subsequently measured at fair value which reflect the market conditions at the financial position date. Any gains or losses arising from changes in the fair values are included in the consolidated statement of comprehensive income for the year.

Inventories
Inventories are stated at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition. Inventories are accounted for on a weighted average basis.

Net realisable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal.

Accounts receivable
Accounts receivable are stated at original invoice amount less a provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

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.

3 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Significant accounting policies (continued)

Provisions
Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Employees' end of service benefits
The Group provides end of service benefits to its employees in accordance with Qatar Labour Law. The entitlement to these benefits is usually based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Provision for social and sports activities contribution
Under Qatar Law No. 13 for 2008, all the Qatari shareholding companies which listed in Qatar Exchange are required to pay 2,5% of their annual net profit to governmental fund to support the social and sports activities. That contribution is included as expenses in the consolidated statement of comprehensive income.

Islamic financing activities
Islamic financing activities are recognized initially at fair value of the amounts borrowed, less directly attributable transaction costs. Subsequent to initial recognition, Islamic financing activities are measured at amortized cost using the effective profit method, with any differences between the cost and final settlement values being recognized in the consolidated statement of comprehensive income over the period of borrowings. Instalments due within one year at amortised cost are shown as a current liability.

Derecognition of financial assets and liabilities
Financial assets are derecognised when the rights to receive cash flows from the assets have expired or when the Group has transferred its contractual rights to receive cash flows from the assets.

Financial liabilities are derecognised when they are extinguished, which is when the obligation is discharged or cancelled or expired.

Impairment and uncollectibility of financial assets
An assessment is made at each financial position date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognised in the consolidated statement of comprehensive income. Impairment is determined as follows:

(a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the consolidated statement of comprehensive income;
(b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
(c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the financial position date. All differences are taken to the consolidated statement of comprehensive income.

Fair values
The fair value of investment properties and projects under development is based on valuations carried out by external, independent evaluators.

The fair value of interest bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics.

4 OPERATING EXPENSES

	2009 ***QR'000***	*2008* *QR'000*
Development expenses	**29,268**	118
Staff costs	**10,880**	12,359
Air-conditioning cost	**8,744**	7,789
Maintenance expenses	**5,642**	5,404
Water and electricity	**4,879**	5,225
Equipment rent	**1,390**	-
Consultation fees	**1,215**	1,632
Registration and ownership transfer fees	**847**	-
Mortgage fees	**366**	1,673
Properties valuation fees	**346**	68
Rent commission	**267**	2,480
Other operating expenses	**11,230**	11,501
	75,074	48,249

5 GENERAL AND ADMINISTRATIVE EXPENSES

	2009 ***QR'000***	*2008* *QR'000*
Staff costs	**14,454**	14,956
Provision for doubtful debts (Note 10)	**9,258**	4,842
Depreciation	**7,535**	5,253
Advertising expenses	**6,556**	1,917
Zakat and donation expenses	**4,000**	4,977
Qatar Exchange registration fees	**1,690**	1,455
Insurance expenses	**1,180**	1,447
Other expenses	**5,543**	2,542
	50,216	37,389

6 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year.

	2009	*2008*
Profit for the year (QR'000)	**8,676,168**	1,357,020
Weighted average number of shares outstanding during the year (thousand of share)	**1,642,387**	1,440,365
Basic and diluted earnings per share (QR)	**5.28**	0.94

Notes:

(i) The weighted average number of shares has been calculated as follows:

	2009	*2008*
Qualifying shares at beginning of the year	**456,900**	456,900
Effect of new shares issued on 1 November 2009 (Note 12)	**202,022**	-
Effect of bonus shares issued on 1 November 2009 (Note 12)	**983,465**	983,465
Weighted average number of shares at end of the year	**1,642,387**	1,440,365

(ii) There were no potentially dilutive shares outstanding at any time during the year and hence the diluted earnings per share is equal to the basic earnings per share.

7 PROPERTY, PLANT AND EQUIPMENT

	Buildings QR'000	*Motor vehicles QR'000*	*Furniture and fixtures QR'000*	*Plant and equipment QR'000*	*Total QR'000*
Cost:					
At 1 January 2009	-	3,119	27,384	1,058	31,561
Additions	-	3,771	6,523	8,019	18,313
Transfers a result of the acquisition	12,852	2,880	976	38,322	55,030
At 31 December 2009	12,852	9,770	34,883	47,399	104,904
Depreciation:					
At 1 January	-	709	5,666	63	6,438
Depreciation charge for the year (i)	107	1,674	7,261	6,305	15,347
At 31 December 2009	107	2,383	12,927	6,368	21,785
Net carrying amount:					
At 31 December 2009	**12,745**	**7,387**	**21,956**	**41,031**	**83,119**

Notes:

(i) Depreciation charge for the year amounting to QR 7,812 thousand (2008: QR 129 thousand) has been capitalised as part of projects under development.

7 PROPERTY, PLANT AND EQUIPMENT (continued)

	Motor vehicles QR'000	*Furniture and fixtures QR'000*	*Plant and equipment QR'000*	*Total QR'000*
Cost:				
At 1 January 2008	912	27,786	-	28,698
Additions	2,207	20,476	1,058	23,741
Transfers to investment properties	-	(21,221)	-	(21,221)
Transfers from projects under development	-	343	-	343
At 31 December 2008	3,119	27,384	1,058	31,561
Depreciation:				
At 1 January	361	10,391	-	10,752
Depreciation charge for the year (i)	348	4,972	62	5,382
Transfer to investment properties	-	(9,696)	-	(9,696)
At 31 December 2008	709	5,667	62	6,438
Net carrying amount:				
At 31 December 2008	2,410	21,717	996	25,123

8 INVESTMENT PROPERTIES

	2009	*2008*
	QR'000	*QR'000*
At 1 January	**4,741,227**	5,120,062
Additions	**10,645**	197,533
Transfer from projects under development	**13,270**	-
Transfer from properties, plant & equipments	**-**	11,525
Transfer to projects under development	**(194,625)**	(1,560,110)
Disposals	**(27,623)**	(90,577)
Net gains from changes in the fair value (a)	**3,959,475**	1,062,794
Investment properties transferred as a result of the acquisition	**142,992**	-
	8,645,361	4,741,227

Notes:

a) The Company has carried out a valuation of all investment properties and projects under development owned by the Company and by International Housing Group Q.S.C.C as at 1 January 2009 for the purpose of acquiring International Housing Group Q.S.C.C (a related party). The valuation was prepared by D.T.Z Qatar, a certified valuer, registered with government entities and specialized in the valuation of real estate and similar activities. The valuation was based on the discounted future cash flows as follows:

Investment properties:

- The market value has been estimated by using discounted future cash flows taking into account the lease terms, general trend of rents in the market, condition of buildings and operating and running costs of the properties. The market value of the existing investment properties owned by Ezdan Real Estate Q.S.C. amounted to QR 8,486,700,000 as at 1 January 2009, and the market value of the investment properties existing at that date and owned by International Housing Group Q.S.C.C. amounted the QR 144,570,000.

Projects under development:

- The market value has been estimated using the discounted future cash flows taking into account the rental value of similar properties and the expected period for receiving the proceeds from the projects less the expected necessary costs to be incurred until completion of the construction and development activities.

At 1 January 2009 the market value of the projects under development owned by Ezdan Real Estate Q.S.C amounted to QR 6,126,533,000, and at that date the market value of projects under development owned by International Housing Group Q.S.C.C. amounted to QR 12,588,510,000.

On 26 July 2009 the Company submitted an application to the court of first instance in Qatar requesting the appointment of an expert to review the valuation report prepared by DTZ Qatar. The court appointed an expert to check the accuracy of the valuation in accordance with the provisions of Article 158 of the Qatar Commercial Companies Law No 5 of 2002. The expert submitted the report to the court of first instance on 7 October 2009 confirming the correctness of the valuation prepared by DTZ Qatar, referred to above. The court approved the report on 7 October 2009.

(b) All the investment properties are located in Qatar.

(c) The encumbrances and liens on the investment properties are disclosed in Note 14.

9 PROJECTS UNDER DEVELOPMENT

	2009 **QR'000**	2008 QR'000
Opening balance	**1,955,487**	1,381
Additions (i)	**1,057,629**	394,279
Transfer to property, plant and equipment	**-**	(3423)
Transfer to investment properties	**(13,270)**	-
Transfer from investment properties	**194,625**	1,560,110
Net gain from changes in the fair value (8 a)	**4,345,436**	-
Projects under development transferred as a result of the acquisition	**13,426,459**	-
	20,966,306	1,955,427

Note:

(i) Islamic finance costs amounting to QR 40,113 thousand (2008: QR 7,822 thousand) has been capitalised as part of projects under development.

10 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2009 **QR'000**	2008 QR'000
Trade accounts and notes receivable	**60,105**	10,101
Less : Provision for doubtful debts	**(16,073)**	(6,815)
	44,032	3,286
Advances to suppliers	**79,411**	1,371
Prepayments	**5,549**	5,960
Accrued profit revenues	**3,084**	1,878
Refundable deposits	**1,948**	302
Staff receivable	**534**	60
Amounts due from related parties (*) (Note 17)	**27**	18,502
Other receivables	**1,895**	631
	136,480	31,990

* Amounts due from related parties include the following balances:

	2009 **QR'000**	2008 QR'000
International Housing Group (Q.S.C.C.)	**-**	17,850
Tadawul Holding Group (Q.S.C.C.)	**-**	645
Mackeen Investment and Real Estate Development (Q.S.C.C.)	**7**	7
Sheikh Thani Bin Abdullah Charity	**20**	-
	27	18,502

As at 31 December 2009, trade accounts receivable amounting to QR 16,073 thousand (2008: QR 6,815 thousand) were impaired.

10 ACCOUNTS RECEIVABLE AND PREPAYMENTS (continued)

Movements in the provisions for impairment of trade accounts receivable were as follows:

	2009 ***QR'000***	*2008* *QR'000*
At 1 January	**6,815**	1,998
Charge for the year (Note 5)	**9,258**	4,842
Amounts written off	**-**	(25)
At 31 December	**16,073**	6,815

As at 31 December, the ageing of unimpaired trade receivables is as follows:

			Past due but not impaired		
	Total *QR'000*	*Neither past due nor impaired* *QR'000*	*30 – 90 day* *QR'000*	*90 – 120 day* *QR'000*	*>120 days* *QR'000*
2009	**44,032**	**8,328**	**5,028**	**17,243**	**11,433**
2008	3,286	1,653	953	264	416

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. The Group's practice is not to obtain collateral over receivables and the vast majority are, therefore, unsecured.

11 BANK BALANCES AND CASH

Cash and cash equivalents in the Statement of Cash Flows consist of the following statement of financial position amounts:

	2009 ***QR'000***	*2008* *QR'000*
Bank balances and cash	**105,271**	18,898
Short term deposits	**15,753**	146,000
At 31 December	**121,024**	164,898

The Group earns profit rate ranging from 3.17% to 6.2% per annum on the short term deposits.

12 SHARE CAPITAL

	2009 QR'000	2008 QR'000
Authorised, issued and fully paid	**26,524,967**	4,569,000

On 4 November 2009 the Extraordinary General Assembly of Ezdan Real Estate Q.S.C resolved to approve the valuation prepared by DTZ Qatar, after the approval of the court of law as detailed in Notes 8 and 49above. The Extraordinary General Assembly also resolved to issue bonus shares amounting to QR 9,834,646 thousand to the shareholders of Ezdan Real Estate Q.S.C prior to the acquisition of International Housing Group Q.S.C.C, based on the valuation prepared by DTZ, which estimated the value of Ezdan Real Estate Q.S.C at QR 14,403,646,168.

Further, the General Assembly resolved to issue new shares to the shareholders of International Housing Group Q.S.C.C against their interests in the company amounting to QR 12,121,320,740 divided into 1,210,132,074 shares of QR 10 per share, which represents the value agreed upon between the two parties and representing the fair value of the acquired company. The fair value QR 10 per share is based on the valuation carried out by DTZ Qatar. The date of the execution of the acquisition is 31 October 2009.

On 11 November 2009 the legal procedures necessary for the registration of the share capital increase with the Ministry of Business and Trade has been finalized, and as a result Ezdan Real Estate Q.S.C obtained on 8 December 2009 a Commercial Registration with a share capital agreeing to the amount included in these financial statements.

Movements in the Company's share capital during the year were as follows:

	2009 QR'000	2008 QR'000
Balance at 1 January	**4,569,000**	4,569,000
Share capital increase by issue of bonus shares to the shareholders of Ezdan Real Estate (Q.S.C)	**9,834,646**	-
Issue of new shares to the shareholders of IHG (Q.S.C.C)	**12,121,321**	-
Balance at 31 December	**26,524,967**	4,569,000

13 LEGAL RESERVE

As required by Qatar Commercial Companies' Law No, 5 of 2002 and the company's articles of association, 10% of the profit for the year should be transferred to legal reserve. The company may resolve to discontinue such annual transfers when the reserve totals 50% of issued share capital. The reserve is not normally available for distribution except in the circumstances stipulated in the above law.

During the financial year the Group has issued bonus shares from the retained earnings of the previous years in addition to the recognized net profits up to 31 October 2009. The remaining balance of the retained earnings as at the end of the financial year was not sufficient to transfer 10% of the annual profit in accordance with the requirements of the Article No. 183 of the Qatar Commercial Companies Law No. 5 of 2002 to the legal reserve. Accordingly, the group transferred the total remaining profits for the year 2009 to the legal reserve which amounted to QR 567,747 thousand (after deducting the portion related to the issue of bonus shares) as follow:

	2009 QR'000
Retained earnings at 1 January	**1,726,225**
Issue of bonus shares	**(9,834,646)**
Profit and total comprehensive income for the year	**8,676,168**
Remaining profits transferred to legal reserve	**567,747**

14 ISLAMIC FINANCING FACILITIES

	Notes	***2009*** ***QR'000***	*2008* *QR'000*
Facility 1	(i)	**195,000**	195,000
Facility 2	(ii)	**171,000**	171,000
Facility 3	(iii)	**325,000**	-
Facility 4	(iv)	**567,836**	-
Facility 5	(v)	**121,799**	-
Facility 6	(vi)	**134,078**	-
Facility 7	(vii)	**91,240**	-
Facility 8	(viii)	**283,234**	-
Facility 9	(ix)	**150,000**	-
Facility 10	(x)	**3,430**	-
Balance		**2,042,617**	366,000
Classified in the statement of financial position as follows:			
Current portion		**251,327**	-
Non-current portion		**1,791,290**	366,000
		2,042,617	366,000

Notes:

(i) Facility 1 - On 21 July 2008, the Group entered into an Ijarah agreement with an Islamic Bank in Qatar in order to finance the real estate projects of the Group for an amount of QR 195 million. The facility is repayable in 20 quarterly instalments starting on 18 January 2010 and carries profit rate at Qatar Central Bank rate plus certain margin. The facility is secured against an investment property with a book value of QR 269,590 thousand as of 31 December 2009.

(ii) Facility 2 - On 22 May 2008, the Group entered into an Ijarah agreement with an Islamic Bank in Qatar in order to finance the real estate projects of the Group for an amount of QR 171 million. The facility is repayable in 20 quarterly instalments starting on 22 August 2010 and carries profit rate at Qatar Central Bank rate plus certain margin. The facility is secured against two investment properties with a carrying value of QR 315,161 thousand as of 31 December 2009.

(iii) Facility 3 - On 4 March 2009, the Group entered into a Murabaha agreement with an Islamic Bank in Qatar in order to finance the real estate projects of the Group for an amount of QR 325 million. The facility is repayable in 20 quarterly instalments starting on 4 December 2010 and carries profit rate at Qatar Central Bank rate plus certain margin. The facility is secured against investment properties with a carrying value of QR 526,840 thousand as of 31 December 2009.

(iv) Facility 4 - Represents syndicated Murabaha agreement with both an Islamic Bank in Qatar and Al Ahli United Bank (B.S.C) for an amount of USD 165 million (QR 602.25 million) in order to finance the real estate projects of the Group. The facility is repayable in quarterly instalments starting on 9 August 2009 and ending on 31 January 2018. The facility carries a profit rate at LIBOR plus certain margin. The facility is secured against investment properties with a carrying value of QR 1,564,656 thousand as of 31 December 2009.

(v) Facility 5 - Represents Ijarah agreement with an Islamic Bank in Qatar in order to finance the real estate projects of the Group. The facility is repayable in 20 equal quarterly instalments amounting to QR 8,773,644 including the profit of the financing. The first instalment due on 28 February 2009 and the last instalment due on 30 November 2013. The facility carries profit rate at LIBOR plus certain margin. The facility is secured against investment properties with a carrying value of QR 706,216 thousand as of 31 December 2009.

15 ISLAMIC FINANCING FACILITIES (continued)

(vi) Facility 6 - Represents Ijarah agreement with an Islamic Bank in Qatar in order to finance the real estate projects of the Group. The facility is repayable in 4 equal quarterly instalments amounting to QR 2,886,302 in addition to 40 equal quarterly instalments amounting to QR 5,401,913. The first instalment was paid on 31 July 2008 and the last instalment due on 30 April 2018. The facility carries profit rate at Qatar Central Bank rate plus certain margin. The facility is secured against investment properties with a carrying value of QR 378,039 thousand as of 31 December 2009.

(vii) Facility 7 - Represents Ijarah agreement with an Islamic Bank in Qatar in order to finance the real estate projects of the Group. The facility is repayable in 4 equal quarterly instalments amounting to QR 1,924,201 in addition to 40 equal quarterly instalments amounting to QR 3,601,505. The first instalment was paid on 19 October 2008 and the last instalment due on 19 July 2018. The facility carries profit rate at Qatar Central Bank rate plus certain margin. The facility is secured against investment properties with a carrying value of QR 411,434 thousand as of 31 December 2009.

(viii) Facility 8 - Represents Murabaha agreement with an Islamic Bank in Qatar in order to finance the real estate projects of the Group. The facility is repayable in monthly instalments amounting to QR 5,202,271. The first instalment was paid on 31 July 2006 and the last instalment due on 31 July 2014. The facility carries profit rate at Qatar Central Bank rate plus certain margin. The facility is not secured.

(ix) Facility 9 - Represents Murabaha agreement with an Islamic Bank in Qatar in order to finance the real estate projects of the Group for an amount of QR 150 million. The facility is repayable in 20 quarterly instalments. The first instalment will be paid on 21 March 2011. The facility carries profit rate at Qatar Central Bank rate plus certain margin. The facility is secured against investment properties with a carrying value of QR 1,002,620 thousand as of 31 December 2009.

(x)

15 EMPLOYEES' END OF SERVICE BENEFIT

The movement in the liability for the end of service benefits recognised in the statement of financial position are as follows:

	2009 ***QR'000***	*2008* *QR'000*
Provision as at 1 January	**2,062**	509
Provided during the year	**7,467**	1,781
End of service benefit paid to employees	**(356)**	(228)
	9,173	2,062

16 ACCOUNTS PAYABLE AND ACCRUALS

	2009	*2008*
	QR'000	*QR'000*
Amounts due to related parties (*) (Note 17)	**466,659**	-
Notes payable	**61,201**	-
Retention payables	**36,239**	396
Trade accounts payable	**29,476**	5,293
Refundable deposits from tenants	**27,985**	28,870
Rents received in advance	**17,143**	9,863
Accrued expenses	**16,426**	5,151
Provision for social and sports activities contribution	**9,519**	-
Other payables	**903**	571
	665,551	50,144

* Amounts due to related parties include the following balances:

	2009	*2008*
	QR'000	*QR'000*
Tadawul Holding Group (Q.S.C.C.)	**399,241**	-
Sheikh Thani Bin Abdullah (Chairman)	**67,418**	-
	466,659	-

17 RELATED PARTY DISCLOSURES

Related party transactions and balances

Related parties represent companies affiliated to the shareholders, major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties.

The following table provides the total amount of transactions, which have been entered into with related parties for the relevant financial year (for the amounts due from/due to related parties refer to Notes 10 and 16).

(a) Consolidated statement of financial position items

	2009	*2008*
	QR'000	*QR'000*
Assets		
Amounts due from related parties	**27**	18,502
Accrued profits	**198**	1,878
	225	20,380
Transactions during the year		
Payments for projects under development	**-**	550,113
Purchase of investment properties	**-**	25,432
	-	575,545
Liabilities		
Amounts due to related parties	**466,659**	-

17 RELATED PARTY DISCLOSURES (continued)

(b) Consolidated statement of comprehensive income items

	2009	*2008*
	QR'000	*QR'000*
Revenue		
Profit on short term deposits	**1,035**	2,820
Rental income	**75**	1,593
Other income	**-**	14
	1,110	4,427
Expenses		
Insurance expenses	**1,012**	1,047

Terms and conditions of transactions with related parties
Outstanding balances at the year-end are unsecured, interest free and the settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the years ended 31 December 2009 and 2008, the Group has not recorded any impairment of receivables relating to amounts owed by the related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Compensation of key management personnel of the Group
The remuneration of key management during the year was:

	2009	*2008*
	QR'000	*QR'000*
Board of Directors remuneration	**-**	559
Short term benefits	**2,407**	3,050
Employees' end of service benefit	**59**	232
	2,466	3,841

18 SEGMENTAL INFORMATION

For management purposes, the Group is divided into three operating segments which are based on business activities, as follows:

- Investment properties : The segment includes developing, owning, trading and renting of real estates.
- Hotel & Suites : The segment includes managing hotels, suites, and restaurants.
- Trading & Contracting : The segment includes contracting for buildings, road paving, trading in building materials.

Management monitors the operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

The following table presents revenue and profit information regarding the Group's operating segments for the years ended 31 December 2009 and 2008.

18 SEGMENTAL INFORMATION (continued)

	Investment Properties QR'000	*Hotel & Suites QR'000*	*Trading & Contracting QR'000*	*Total QR'000*
For the year ended 31 December 2009				
Segment revenues	**8,629,348**	**223,606**	**349,201**	**9,202,155**
Segment expenses	**(128,619)**	**(48,167)**	**(349,201)**	**(525,987)**
Segment profit	**8,500,729**	**175,439**	**-**	**8,676,168**

	Investment Properties QR'000	*Hotel & Suites QR'000*	*Trading & Contracting QR'000*	*Total QR'000*
For the year ended 31 December 2008				
Segment revenues	1,284,902	168,448	14,007	1,467,357
Segment expenses	(41,105)	(55,225)	(14,007)	(110,337)
Segment profit	1,243,797	113,223	-	1,357,020

The following table presents assets and liabilities information regarding the Group's operating segments for the years ended 31 December 2009 and 2008.

	Investment Properties QR'000	*Hotels & Suites QR'000*	*Trading & Contracting QR'000*	*Total QR'000*
Segment assets				
As of 31 December 2009	**28,660,692**	**66,043**	**1,333,471**	**30,060,206**
As of 31 December 2008	6,867,544	30,976	22,583	6,921,103
Segment liabilities				
As of 31 December 2009	**2,634,105**	**30,819**	**110,726**	**2,775,650**
As of 31 December 2008	403,293	29,279	1,464	434,036

19 RISK MANAGEMENT

Objective and policies

The Group's principal financial liabilities comprise Islamic financing facilities and trade accounts payable. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade accounts receivable, amounts due from related parties and bank balances and short-term deposits, which arise directly from its operations.

The main risks arising from the Group's financial instruments are market risk, profit rate risk, currency risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

Market risk

Market risk is the risk that changes in market prices, such as profit rates and foreign currency exchange rates will affect the Group's profit, equity or value of its holding of financial instruments. The objective of market risk management is to manage and control the market risk exposure within acceptable parameters, while optimizing return.

19 RISK MANAGEMENT (continued)

Profit rate risk
The Group's financial assets and liabilities that are subject to interest rate risk comprise bank deposits, and Islamic financing facilities.

The following table demonstrates the sensitivity of the consolidated statement of comprehensive income to reasonably possible changes in profit rates by 25 basis points, with all other variables held constant. The sensitivity of the consolidated statement of comprehensive income is the effect of the assumed changes in profit rates for one year, based on the floating rate financial assets and financial liabilities held at 31 December 2009. The effect of decreases in interest rates is expected to be equal and opposite to the effect of the increases shown.

	Changes in basis points	*Effect on profit QR'000*
2009		
Floating interest rate instruments	**+25 b.p**	**(127,414)**
2008		
Floating interest rate instruments	+25 b.p	(20,448)

Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group's foreign currency creditors are payable mainly in US Dollars. As Qatari Riyal is pegged to the US Dollar, balances in US Dollars are not considered to represent significant currency risk.

Credit risk
The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. The Group's maximum exposure with regard to trade accounts receivable, net of provision at the reporting date was QR 44,032 thousand (2008 : QR 3,268 thousand).

The Group seeks to limit the credit risks relating to its bank deposits by dealing with banks with good standings.

With respect to credit risk arising from the other financial assets of the Group, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments are as follows:

	2009 QR'000	*2008 QR'000*
Bank balances	**121,024**	164,898
Amounts due from related parties	**27**	18,502
Other receivables	**1,895**	631
	122,946	184,031

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation and is to maintain a balance between continuity of funding and flexibility through the use of bank facilities.

19 RISK MANAGEMENT (continued)

Liquidity risk (continued)
The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of financial assets (e.g. accounts receivable) and projected cash flows from operations. The Group's terms of sales require amounts to be paid in advance, except for corporate customers which are required to settle within 30-90 days from the date of sale.

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 December 2009, based on contractual payment dates and current market interest rates.

Year ended 31 December 2009	***Less than 3 months QR'000***	***3 to 12 months QR'000***	***1 to 5 years QR'000***	***> 5 years QR'000***	***Total QR'000***
Trade accounts and notes payables	**35,829**	**54,848**	**-**	**-**	**90,677**
Deposits refundable to tenants	**1,833**	**5,706**	**20,446**	**-**	**27,985**
Accrued expenses	**5,582**	**10,844**	**-**	**-**	**16,426**
Provision for social and sports activities contribution	**9,519**	**-**	**-**	**-**	**9,519**
Amounts due to related parties	**-**	**-**	**466,659**	**-**	**466,659**
	52,763	**71,398**	**487,105**	**-**	**611,266**

Year ended 31 December 2008	*Less than 3 months QR'000*	*3 to 12 months QR'000*	*1 to 5 years QR'000*	*> 5 years QR'000*	*Total QR'000*
Trade accounts and notes payables	3,236	2,057	-	-	5,293
Deposits refundable to tenants	-	-	28,870	-	28,870
Accrued expenses	4,360	791	-	-	5,151
	7,596	2,848	28,870	-	39,314

Capital management
The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as total shareholders' equity excluding the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholders value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic and business conditions and shareholders' expectation. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. During the year ended 31 December 2009, the Company increased its share capital by issuing bonus shares, as well as issuing new shares in order to acquire International Housing Group (Q.S.C.C.). No changes were made in the objectives, policies or processes during the year end 31 December 2008. Capital comprises shareholders' equity and is measured at QR 27,284,556 thousand as at 31 December 2009 (2008: QR 6,487,067 thousand).

20 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of bank balances and cash, short term deposits and receivables. Financial liabilities consist of Islamic financing facilities and payables.

The fair values of financial instruments are not materially different from their carrying values.

21 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

Fair value of investment properties
Investment properties and projects under development are stated at fair value. The Group used an external, independent evaluator to determine the fair value of the investment properties and projects under development. The fair values are based on market values, being the estimated amounts for which a property could be exchanged on a date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably and without compulsion. The investment properties and projects under development carried at fair value are disclosed in Notes 8 and 9 respectively.

Impairment of accounts receivable
An estimate of the collectible amount of trade accounts receivable 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.

At the consolidated statement of financial position date, gross trade accounts receivable were QR 60,105 thousand (2008 : QR 10,101 thousand) and the related provision for doubtful debts amounted to QR 16,073 thousand (2008 : QR 6,815 thousand). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the consolidated statement of comprehensive income.

Useful lives of property, plant and equipment
The Group's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset, physical wear and tear, technical or commercial obsolescence.