THE LEBANESE COMPANY FOR THE DEVELOPMENT AND RECONSTRUCTION OF BEIRUT CENTRAL DISTRICT S.A.L.

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT YEAR ENDED DECEMBER 31, 2013

THE LEBANESE COMPANY FOR THE DEVELOPMENT
AND RECONSTRUCTION OF BEIRUT CENTRAL DISTRICT S.A.L.
CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT
YEAR ENDED DECEMBER 31, 2013

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INDEPENDENT AUDITORS' REPORT

To the shareholders
The Lebanese Company for the Development
and Reconstruction of Beirut Central District S.A.L.
Beirut - Lebanon

We have audited the accompanying consolidated financial statements of The Lebanese Company for the Development and Reconstruction of Beirut Central District S.A.L. (the Company) and its Subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2013, and the consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation and fair presentation of 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 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 about 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 auditor's 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 in 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 consolidated financial position of The Lebanese Company for the Development and Reconstruction of Beirut Central District S.A.L. and its Subsidiaries (the Group) as of December 31, 2013, and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Beirut, Lebanon June 11, 2014	Deloitte & Touche	Ernst & Young

THE LEBANESE COMPANY FOR THE DEVELOPMENT AND RECONSTRUCTION OF BEIRUT CENTRAL DISTRICT S.A.L.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		December 31,		
ASSETS	**Notes**	**2013**	**2012 (Restated) ***	**2011 (Restated) ***
		US$	**US$**	**US$**
Cash and bank balances	6	176,715,685	161,569,349	172,671,479
Prepayments and other debit balances	7	52,445,036	55,908,273	45,180,285
Accounts and notes receivable, net	8	435,196,235	545,730,346	544,319,660
Investment in asset-backed securities	9	80,601,126	-	-
Inventory of land and projects in progress	10	1,143,676,320	1,208,248,784	1,132,122,504
Investment properties, net	11	564,680,342	436,638,362	444,629,160
Investment in associates and joint ventures	12	356,086,977	355,694,920	359,757,578
Fixed assets, net	13	64,095,894	72,077,320	70,218,793
Total Assets		2,873,497,615	2,835,867,354	2,768,899,459
LIABILITIES				
Bank overdrafts, short and medium term facilities	14	552,811,406	633,023,411	519,827,451
Accounts payable and other liabilities	15	114,911,477	107,346,391	129,734,154
Dividends payable	16	66,485,375	78,776,194	84,195,863
Deferred revenue and other credit balances	17	55,235,052	58,622,176	50,076,580
Term bank loans	18	133,224,943	49,943,056	50,000,000
Total Liabilities		922,668,253	927,711,228	833,834,048
SHAREHOLDERS' EQUITY				
Issued capital at par value US$10 per share:	19			
100,000,000 class (A) shares		1,000,000,000	1,000,000,000	1,000,000,000
65,000,000 class (B) shares		650,000,000	650,000,000	650,000,000
		1,650,000,000	1,650,000,000	1,650,000,000
Legal reserve	20	154,380,009	150,411,796	148,210,183
Retained earnings		234,569,452	195,601,151	262,214,066
Cumulative foreign currency translation reserve		(377,283)	(470,351)	(295,169)
Deficit on treasury shares' activity	21	(2,446,798)	(2,446,798)	10,166,079
Less: Treasury shares	21	(84,210,286)	(84,210,286)	(134,915,772)
Total equity attributable to the owners of the parent		1,951,915,094	1,908,885,512	1,935,379,387
Non-controlling interest	22	(1,085,732)	(729,386)	(313,976)
Total Equity		1,950,829,362	1,908,156,126	1,935,065,411
Total Liabilities and Shareholders' Equity		2,873,497,615	2,835,867,354	2,768,899,459

* Certain amounts shown here do not correspond to the 2012 financial statements and reflect adjustments made, refer to Note 2.1.

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

THE LEBANESE COMPANY FOR THE DEVELOPMENT AND RECONSTRUCTION OF BEIRUT CENTRAL DISTRICT S.A.L.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Year Ended December 31, 2013 US$	2012 (Restated)* US$
Revenues from land sales		94,890,673	49,580,377
Revenues from rented properties		51,570,889	54,320,884
Revenues from rendered services	23	8,036,551	6,521,762
Revenues from hospitality		4,453,119	6,593,970
Total revenues		158,951,232	117,016,993
Cost of land sales		(18,660,599)	(7,122,763)
Depreciation of and charges on rented properties	24	(21,440,425)	(25,050,631)
Cost of rendered services	25	(6,399,310)	(7,235,784)
Cost of hospitality		(7,199,885)	(10,590,675)
Total cost of revenues		(53,700,219)	(49,999,853)
Gain on sale and disposal of investment properties	11	4,234,383	4,376,528
Net revenues from operations		109,485,396	71,393,668
Share of results of associates and joint ventures	12	294,112	2,556,581
General and administrative expenses	26	(30,911,096)	(36,714,898)
Depreciation of fixed assets	13	(6,567,904)	(8,128,507)
Write-back of provision for receivable, net	9	417,209	-
Provision for contingencies	15	(2,300,000)	(7,986,410)
Provision for impairment of fixed assets	13	(3,000,000)	-
Other expenses	28	(3,803,874)	(233,883)
Other income		827,706	552,155
Taxes, fees and stamps	15(c)	(2,333,352)	(3,815,872)
Interest income	27	18,919,557	30,253,090
Interest expense	29	(31,716,707)	(27,147,580)
Loss on exchange		(962,094)	(1,171,389)
Profit before tax		48,348,953	19,556,955
Income tax expense	15	(5,768,785)	(2,322,812)
Profit for the year		42,580,168	17,234,143
Basic/diluted earnings per share	30	0.2659	0.1085
Attributable to:			
Equity owners of the parent		42,936,514	17,649,553
Non-controlling interest		(356,346)	(415,410)
Profit for the year		42,580,168	17,234,143

* Certain amounts shown here do not correspond to the 2012 financial statements and reflect adjustments made, refer to Note 2.1

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

THE LEBANESE COMPANY FOR THE DEVELOPMENT AND RECONSTRUCTION OF BEIRUT CENTRAL DISTRICT S.A.L.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year Ended December 31, 2013 US$	2012 (Restated)* US$
Profit for the year		42,580,168	17,234,143
Other comprehensive income:			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Foreign currency translation reserve	12	93,068	(175,182)
Income tax effect		-	-
Other comprehensive income/(loss) for the year		93,068	(175,182)
Total comprehensive income		42,673,236	17,058,961
Attributable to:			
Equity owners of the parent		43,029,582	17,474,371
Non-controlling interest		(356,346)	(415,410)
		42,673,236	17,058,961

* Certain amounts shown here do not correspond to the 2012 financial statements and reflect adjustments made, refer to Note 2.1

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

THE LEBANESE COMPANY FOR THE DEVELOPMENT AND RECONSTRUCTION OF BEIRUT CENTRAL DISTRICT S.A.L.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Total Equity Attributable to Owners of the Parent								
	Share Capital US$	Legal Reserve US$	Retained Earnings US$	Cumulative Foreign Currency Translation Reserve US$	(Deficit) Surplus on Treasury Shares' Activity US$	Treasury Shares US$	Total US$	Non-Controlling Interest US$	Total US$
Balance at December 31, 2011 before restatement	1,650,000,000	148,210,183	263,104,931	(295,169)	10,166,079	(134,915,772)	1,936,270,252	(313,976)	1,935,956,276
Impact of IFRS 11 implementation	-	-	(890,865)	-	-	-	(890,865)	-	(890,865)
Balance at December 31, 2011 (Restated)*	1,650,000,000	148,210,183	262,214,066	(295,169)	10,166,079	(134,915,772)	1,935,379,387	(313,976)	1,935,065,411
Allocation to legal reserve from 2012 profit	-	2,201,613	(2,201,613)	-	-	-	-	-	-
Total comprehensive income	-	-	17,649,553	(175,182)	-	-	17,474,371	(415,410)	17,058,961
Dividends - Note 16 and 21	-	-	(82,060,855)	-	(12,612,877)	50,705,486	(43,968,246)	-	(43,968,246)
Balance at December 31, 2012	1,650,000,000	150,411,796	195,601,151	(470,351)	(2,446,798)	(84,210,286)	1,908,885,512	(729,386)	1,908,156,126
Allocation to legal reserve from 2013 profit	-	3,968,213	(3,968,213)	-	-	-	-	-	-
Total comprehensive income	-	-	42,936,514	93,068	-	-	43,029,582	(356,346)	42,673,236
Balance at December 31, 2013	1,650,000,000	154,380,009	234,569,452	(377,283)	(2,446,798)	(84,210,286)	1,951,915,094	(1,085,732)	1,950,829,362

* Certain amounts shown here do not correspond to the 2012 financial statements and reflect adjustments made, refer to Note 2.1.

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

THE LEBANESE COMPANY FOR THE DEVELOPMENT AND RECONSTRUCTION OF BEIRUT CENTRAL DISTRICT S.A.L.
CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Year Ended December 31, 2013 US$	2012 (Restated)* US$
Cash flows used in operating activities:			
Profit for the year before income tax		48,348,953	19,556,955
Adjustments to reconcile profit to net cash used in operating activities:			
Depreciation	31(a)	15,663,839	17,289,286
Gain on sale of investment properties	11	(4,234,383)	(4,376,528)
Loss on sale of fixed assets	28	441,154	526
Provision for end-of-service net indemnity	15(d)	830,036	2,343,146
Provision for contingencies	15(e)	2,300,000	7,986,410
Provision for impairment of fixed assets	13	3,000,000	-
Additional tax assessment	15(c)	-	2,500,000
Write-back of provision for receivables		(417,209)	-
Share of result of associates and joint ventures	12	(294,112)	(2,556,581)
Write-off of hospitality projects' costs	28	1,026,435	-
Interest income	27	(18,919,557)	(30,253,090)
Interest expense	31(b)	34,636,870	30,165,687
Changes in working capital:			
Prepayments and other debit balances		16,772,106	9,132,596
Accounts and notes receivable		110,951,320	(1,410,686)
Inventory of land and projects in progress	31(c)	(71,923,035)	(82,963,423)
Accounts payable and other liabilities		(773,839)	(14,158,818)
Deferred revenues and other credit balances	31(f)	(6,675,724)	5,256,996
Interest received		7,928,088	13,681,107
Income tax paid		(2,322,812)	(24,691,842)
Net cash provided by/(used in) operating activities		136,338,130	(52,498,259)
Cash flows provided by/(used in) investing activities:			
Investment in asset-backed securities		(80,601,126)	-
Short term deposits		(2,000,000)	1,353,808
Acquisition of fixed assets	13&31	(2,404,854)	(8,459,700)
Acquisition of investment properties	11&31	(5,959,429)	(1,785,207)
Proceeds from sale of investment properties	11	6,575,998	6,129,001
Proceeds from sale of fixed assets	13	377,222	1,153,929
Investment in associates and joint ventures	12	(4,877)	6,444,057
Net cash (used in)/provided by investing activities		(84,017,066)	4,835,888
Cash flows used in financing activities:			
Term bank loans		83,281,887	(56,944)
Dividends paid	16	(12,290,819)	(44,735,908)
Treasury shares		-	(4,652,007)
Interest paid		(29,953,791)	(25,837,052)
Short and medium term facilities		(136,984,987)	40,741,321
Net cash used in financing activities		(95,947,710)	(34,540,590)
Net change in cash and cash equivalents	31(g)	(43,626,646)	(82,202,961)
Cash and cash equivalents -- Beginning of the year		(11,450,311)	70,752,650
Cash and cash equivalents -- End of the year	31(g)	(55,076,957)	(11,450,311)

* Certain amounts shown here do not correspond to the 2012 financial statements and reflect adjustments made, refer to Note 2.1.

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

1. FORMATION AND OBJECTIVE OF THE COMPANY

The Lebanese Company for the Development and Reconstruction of Beirut Central District S.A.L. (SOLIDERE) (the Company) was established as a Lebanese joint stock company on May 5, 1994 based on Law No. 117/91, and was registered on May 10, 1994 under Commercial Registration No. 67000. The articles of incorporation of the Company were approved by Decree No. 2537 dated July 22, 1992.

The objective of the Company, is to acquire real estate properties, to finance and ensure the execution of all infrastructure works in the Beirut Central District (BCD) area, to prepare and reconstruct the BCD area, to reconstruct or restore the existing buildings, to erect buildings and sell, lease or exploit such buildings and lots and to develop the landfill on the seaside.

The duration of the Company is 25 years, beginning from the date of establishment. An extraordinary general assembly dated June 29, 1998 resolved to amend the duration of the Company to be 75 years beginning from the date of establishment. During 2005, the Council of Ministers approved the extension of the duration of the Company for 10 years.

The Company, based on law No.117/91 mentioned above, was exempt from income tax for a period of ten years beginning on the date of formation. As such beginning May 10, 2004, the Company became subject to income tax.

An extraordinary general assembly dated November 13, 2006 resolved to amend the objective of the Company to include providing services and consultancy in real estate development for projects outside the BCD area and all over the world.

During 2007, the Company granted Solidere International Limited (an associate) the right to use the "Solidere" brand in the execution of real estate projects outside the Beirut Central District area of Lebanon.

The Company's shares are listed on the Beirut stock exchange and Global Depository Receipts (GDR) are listed on the London stock exchange (International Trading List).

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

2.1 Standards and Interpretations effective for the current period

In the current year, the Group has applied the following new and revised Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective with a date of initial application of January 1, 2013 and that are applicable to the Group:

Amendments to IFRS 7 *Disclosures – Offsetting Financial Assets and Financial Liabilities*

The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In May 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued comprising IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements*, IFRS 12 *Disclosures of Interests in Other Entities,* IAS 27 (as revised in 2011) *Separate Financial Statements* and IAS 28 (as revised in 2011) *Investments in Associates and Joint Ventures*. Subsequent to the issue of these standards, amendments to IFRS 10, IFRS 11 and IFRS 12 were issued to clarify certain transitional guidance on the first-time application of the standards.

IFRS 13 *Fair Value Measurement*

IFRS 13 establishes a single framework for measuring fair value, and requires disclosures about fair value measurement. The Standard defines fair value on the basis of an 'exit price' notion and uses a 'fair value hierarchy', which results in a market-based, rather than entity-specific, measurement. IFRS 13 is applicable for both financial and non-financial items for which other IFRSs require or permit fair value measurement and disclosures about fair value measurements, except in specified circumstances. IFRS 13 requires prospective application from January 1, 2013.

Amendments to IAS 1 *Presentation of Items of Other Comprehensive Income*

The amendments require to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. Income tax on items of other comprehensive income is required to be allocated on the same basis.

Parts of the Annual Improvements to IFRSs 2009 – 2011 Cycle

Amendments to IAS 32 *Financial Instruments* clarify that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction should be accounted for in accordance with IAS 12 *Income Taxes*.

Amendments to IAS 1 *Presentation of Financial Statements* specify that related notes are not required to accompany the third statement of financial position (as at the beginning of the preceding period) when presented. A third statement of financial position is required to be presented when an entity applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that have a material effect on the information in the third statement of financial position.

Except for the following, the application of the above new and revised Standards did not have a material impact on the disclosures and amounts reported for the current and prior years, but may affect the accounting for future transactions or arrangements:

Impact of the application of IFRS 11

The application of IFRS 11 impacted the Group's accounting of its interest in joint ventures, Beirut Waterfront Development S.A.L. (BWD) (50%) and Beirut Real Estate Management and Services S.A.L. (BREMS) (45%). Prior to the transition to IFRS 11, both BWD and BREMS were classified as jointly controlled entities and the Group's share of the assets, liabilities, revenue, income and expenses were proportionately consolidated in the consolidated financial statements. Upon adoption of IFRS 11, the Group has determined its interest in both BWD and BREMS to be classified as joint venture under IFRS 11 and are required to be accounted for using the equity method. The transition was applied retrospectively as required by IFRS 11 and the comparative information for the immediately preceding period (2012 and 2011) are restated. The effect of applying IFRS 11 on the Group's financial statements is shown under Note 37.

Impact of the application of IFRS 13

The Company has expanded its disclosures related to fair value measurement. The application of this standard has not had any impact on the amounts recognized in the financial statements.

Impact of amendments to IAS 1

Presentation of items of other comprehensive income (OCI).

The application of the amendment to IAS 1 affected the presentation of other comprehensive income only and had no impact on the Group's financial position or performance.

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 not yet effective:

- Amendments to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets* modify the disclosure requirements in IAS 36 *Impairment of Assets* regarding the measurement of the recoverable amount of impaired assets and require additional disclosures about the measurement of impaired assets (or group of impaired assets) with a recoverable amount based on fair value less costs of disposal. Effective for annual periods beginning on or after January 1, 2014.

- Amendments to IFRS 10, IFRS 12 and IAS 27 *Investment Entities* – Amendments define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. Effective for annual periods beginning on or after January 1, 2014.

- Amendments to IAS 32 *Offsetting Financial Assets and Financial Liabilities* – Amendments clarify the requirements relating to the offset of financial assets and financial liabilities. Effective for annual periods beginning on or after January 1, 2014.

- Amendments to IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting* allow the continuations of hedge accounting when a derivative is novated to a clearing counterparty and certain conditions are met. Effective for annual periods beginning on or after January 1, 2014.

- IFRS 9 *Financial Instruments*. IFRS 9 is to replace IAS 39 *Financial Instruments: Recognition and Measurement* and was split into a number of phases. Currently some of these phases have been completed and available for early adoption. Effective for annual periods beginning on or after January 1, 2018.

Management anticipates that the adoption of the above Standards and Interpretation will have no material impact on the financial statements of the Group in the period of initial application, except for IFRS 9 which may affect the amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards.

The consolidated financial statements are presented in U.S. Dollars.

The consolidated financial statements are prepared under the historical cost convention as modified for the measurement at fair value of available-for-sale financial assets and derivatives, as applicable.

The consolidated financial statements incorporate the financial statements of The Lebanese Company for the Development and Reconstruction of Beirut Central District S.A.L. and its controlled subsidiaries drawn up to December 31 of each year. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements, and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Group entities comprise the following:

Company	**Ownership Share** %	**Date of Establishment**	**Activity**
Solidere Management Services S.A.L.	100	June 2006	Real Estate Management
Solidere Management Services (Offshore) S.A.L.	100	March 2007	Real Estate Management
Solidere International Holdings S.A.L.	100	May 2007	Holding
BHC Holding S.A.L. and its Subsidiaries	100	March 2010	Hospitality

The significant accounting policies adopted are set here below:

A. Basis of Presentation:

In view of the long term nature and particulars of the Group's operations, the consolidated financial statements are presented on the basis that the operations have realization and liquidation periods spread over the duration of the Group and which are subject to market conditions and other factors commonly associated with real estate development projects; as such, the consolidated statement of financial position is shown as unclassified without distinction between current and long-term components.

B. Foreign Currencies:

The functional and presentation currency is the U.S. Dollar, in accordance with the applicable law, which reflects the economic substance of the underlying events and circumstances of the Group. Transactions denominated in other currencies are translated into U.S. Dollar at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities stated in currencies other than the U.S. Dollar are translated at the rates of exchange prevailing at the end of the year. The resulting exchange gain or loss is reflected in the consolidated statement of profit or loss. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

C. Financial Instruments:

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

When a financial instrument gives rise to a contractual obligation on the part of the Group to deliver cash or another financial asset or to exchange another financial instrument under conditions that are potentially unfavorable, it is classified as a financial liability. The instrument is an equity instrument if, and only if, both conditions (a) and (b) below are met:

(a) The instrument includes no contractual obligation to deliver cash or another financial asset to another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the issuer.

(b) If the instrument will or may be settled from the Group's own equity instruments; it is a non-derivative that includes no contractual obligation for the Group to deliver a variable number of its own equity instruments; or a derivative that will be settled only by the Group exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. When financial assets are recognized initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Group determines the classification of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

All regular way purchases and sales of financial assets are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Loans and Receivables:

Loans and receivables which include investment in asset-backed securities (Note A and B) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are carried at amortized cost using the effective interest method less any allowance for impairment. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired as well as through the amortization process.

Held-to-Maturity Investment Securities

Held-to-maturity investments are non-derivative assets with fixed or determinable payments and fixed maturity that the Group has the positive intent and ability to hold to maturity, and which are not designated as at fair value through profit or loss or as available-for-sale.

Held-to maturity investments are carried at amortized cost.

Impairment and Uncollectibility of Financial Assets:

An assessment is made at each consolidated statement of financial position 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 or group of assets and any impairment loss are determined based on the net present value of expected future cash flows discounted at original effective interest rates. Impairment losses are recognized in the consolidated statement of profit or loss.

Fair Value Measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Derecognition:

Financial assets

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized where:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flow in full without material delay to a third party under a ‘pass through’ arrangement, and
- Either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is derecognized to the extent of the Group’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amount is recognized in the consolidated statement of profit or loss.

Offsetting:

Financial assets and financial liabilities are only offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to set-off the recognized amounts and the Group intends to either settle on a net basis, or to realize the asset and the liability simultaneously.

D. Inventory of Land and Projects in Progress:

Inventory of land and projects in progress are stated at the lower of cost and estimated net realizable value. Costs include appraisal values of real estate plots constituting the contributions in kind to capital (A shares), in addition to capitalized costs. Capitalized costs comprise the following:

- Project direct costs and overheads related to the properties development, construction and project management as a whole, as well as acquisition, zoning, and eviction costs.
- Indirect costs, such as overheads, which were partially allocated to inventory of land and projects in progress.
- Borrowing cost as defined in Note 3(N).

E. Investment Properties:

Investment properties which represent properties held to earn rent and/or for capital appreciation are measured initially at cost and subsequent to initial recognition are stated at their cost less accumulated depreciation and any impairment in value.

Depreciation is computed using the straight-line method over the estimated useful lives of the properties, excluding the cost of land, based on the following annual rates:

Buildings	2%
Furniture, fixtures, equipment and other assets	4%-15%

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. Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of investment properties. All other expenditure is recognized in the consolidated statement of income as the expense is incurred.

Transfers are made to investment properties 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 properties 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.

F. Investment in Associates and Joint Ventures:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group’s investments in associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group’s share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss reflects the Group’s share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group’s OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group’s share of profit or loss of associates and joint ventures is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture. The financial statements of associates or joint ventures are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss as ‘Share of results of associates and joint ventures’ in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

G. Fixed Assets:

Fixed assets are stated at cost net of accumulated depreciation and any impairment in value. Depreciation is computed using the straight-line method over the estimated useful lives of the assets based on the following annual rates:

Buildings	2%
Marina	2%
Furniture and fixtures	8-20%
Freehold improvements	8-20%
Machines and equipment	15%-20%

Expenditure incurred to replace a component of an item of fixed assets that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of fixed assets. All other expenditure is recognized in the consolidated statement of profit or los as the expense is incurred.

H. Impairment of Tangible Assets:

At each consolidated statement of financial position date, the carrying amounts of tangible assets (investment properties, fixed assets and inventory of land and projects in progress) are reviewed to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is defined as the higher of:

- Fair value that reflects market conditions at the balance sheet date less cost to sell, if any.
- Value in use assessed as the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life, only for applicable assets with cash generation units, as applicable.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in the consolidated statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

The impairment loss is recognized in the consolidated statement of profit or loss.

I. Treasury Shares:

Own equity instruments which are reacquired (treasury shares) are deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Gains on sale of treasury shares are recorded under a reserve account in equity. Losses in excess of previously recognized gains are charged to retained earnings.

J. Revenue Recognition:

Revenue on land and real estate sales transactions is recognized on the basis of the full accrual method as and when the following conditions are met:

- A sale is consummated and contracts are signed.
- The buyer's initial (in principle over 25% of sales price) and continuing investments are adequate to demonstrate a commitment to pay for the property.
- The Group's receivable is not subject to future subordination.
- The Group has transferred to the buyer the usual risks and rewards of ownership in a transaction that is in substance a sale and the Group does not have a substantial continuing involvement with the property.

If any of the above conditions is not met, the initial payments received from buyers are recorded under deferred revenues and other credit balances. Amounts are released to revenue as and when the above conditions are fulfilled.

Financial assets (including treasury shares) received in return for the sale of land and real estate are valued at fair market value.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

Interest income is recognized as interest accrues using the effective interest method, by reference to the principal outstanding and the applicable interest rate.

Revenue from rendering of services is recognized when the outcome of the transaction can be estimated reliably, by reference to the stage of completion of the transaction at the consolidated statement of financial position date.

Revenue from hospitality consists mainly of food and beverage revenue, and is recognized when the related services are provided.

Revenue from broadband network services is recognized when the service is rendered.

K. Cost of Sales:

Cost of properties sold is determined on the basis of the built up area (BUA) - permitted right to build in square meters - on the sold plots based on the terms of the sales agreements. The cost of one square meter of BUA is arrived at by dividing, total estimated cost of the land development project over total available BUA after deduction of the BUA relating to recuperated properties and those relating to the religious and public administrations.

L. Cash and Cash Equivalents:

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash in hand, bank balances, and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts and short-term facilities with an original maturity of three months or less.

M. Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, and inventory of land and projects in progress, and investing of land and projects in process, which are assets that necessarily take a substantial period of time to be ready for their intended use, are added to the cost of those assets, until such time that the assets are substantially ready for their intended use.

All other borrowing costs are reflected in the consolidated statement of profit or loss in the period in which they are incurred.

N. Bank Borrowings:

Interest-bearing bank loans and overdrafts are initially measured at the fair value of the consideration received, less directly attributable costs and are subsequently measured at amortized cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized in profit or loss over the term of the borrowings through the amortization process, using the effective interest rate method.

O. Trade and other payables:

Trade and other payables are initially measured at fair value. Due to their short-term nature, the carrying amount of trade and other payables approximates their fair values as of the date of the consolidated statement of financial position. Average maturity dates of trade payables range between 30-90 days. Short duration payables with no stated interest rate are measured at original invoice amount unless the effect of imputing interest is significant.

P. Taxation:

Current Tax

Income tax is determined and provided for in accordance with the Lebanese tax laws. Income tax expense is calculated based on the taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated statement of income because it excludes items of income or expense that are taxable or deductible in future years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates enacted at the consolidated statement of financial position date. Provision for income tax is reflected in the consolidated statement of financial position net of taxes previously settled in the form of withholding tax.

Deferred tax

Deferred income tax is provided, using the liability method, on all temporary differences at the consolidated statement of financial position date between the tax bases of assets and liabilities and their carrying amounts.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on laws that have been enacted at the consolidated statement of financial position date.

Deferred income tax assets are recognized for all deductible temporary differences and carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each consolidated statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Taxes payable on unrealized revenues are deferred until the revenue is realized.

Current tax and deferred tax relating to items that are credited or charged directly to other comprehensive income are recognized directly in other comprehensive income.

Value added tax (VAT)

Revenues, expenses and assets are recognized net of the amount of VAT except:

- Where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Q. Provisions:

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the consolidated statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of these cash flows.

R. Employees' End-of-Service Benefits:

The Group provides end-of-service benefits to its employees. The entitlement to these benefits is 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.

V. Earnings per Share:

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

W. Dividends on shares

Dividends on shares are recognized as a liability and deducted from equity when they are approved by the General Assembly of the Company’s shareholders. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the Bank.

Dividends for the year that are approved after the reporting date are disclosed as an event after the reporting date.

4. CRITICAL ACCOUNTING JUDGMENTS AND USE OF ESTIMATES

In the application of the accounting policies described in Note 3 above, management is required to make judgments, 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 recognized 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.

The most significant estimate made by the Group is the determination of the aggregate cost of the Beirut Central District Project.

GOING CONCERN

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore the consolidated financial statements continue to be prepared on the going concern basis.

IMPAIRMENT OF ACCOUNTS AND NOTES RECEIVABLE AND INVESTMENT IN ASSETS-BACKED SECURITIES

An estimate of the collectible amount of accounts and notes receivable and investment in asset-backed securities 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 is set up according to the length of time past due, based on historical recovery rates.

Any difference between the amounts actually collected in future periods and the amounts expected to be collected will be recognized in the consolidated statement of profit or loss.

IMPAIRMENT OF INVESTMENT IN JOINT VENTURES AND ASSOCIATES

The Group assesses at each reporting date whether there is indication that an investment may be impaired. If any indication exists the Group estimates the investment's recoverable amount. When the cost of the investment exceeds the recoverable amount, the investment is considered impaired and a provision for impairment is setup representing the difference between the investment's recoverable amount and its carrying value. The provision is charged to the consolidated statement of profit or loss.

ESTIMATION OF NET REALIZABLE VALUE FOR INVENTORY PROPERTY AND INVESTMENT PROPERTIES

Inventory property is stated at the lower of cost and net realizable value (NRV). NRV for completed inventory property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Group, based on comparable transactions identified by the Group for properties in the same geographical market serving the same real estate segment. NRV in respect of inventory property under construction is assessed with reference to market prices at reporting date for similar completed property, less estimated cost to complete construction, and an estimate of the time value of money to the date of completion

5. OPERATING SEGMENTS

For management purposes, the Group is organized into business units according to their operations and has three reportable segments as follows:

- Real estate sales
- Real estate rental and rendered services
- Hospitality

No operating segments have been aggregated to form the above reportable operating segments. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit and loss and is measured consistently with operating profit or loss in the consolidated financial statements.

	2013				
	Real Estate Sales	**Real Estate Rental and Rendered Services**	**Hospitality**	**Eliminations**	**Total**
	US$	**US$**	**US$**	**US$**	**US$**
Total assets	2,171,938,713	839,747,864	15,023,312	(153,212,274)	2,873,497,615
Total liabilities	706,725,005	208,641,630	31,818,948	(24,517,330)	922,668,253

	2013				
	Real Estate Sales	**Real Estate Rental and Rendered Services**	**Hospitality**	**Eliminations**	**Total**
	US$	**US$**	**US$**	**US$**	**US$**
Revenues	94,890,673	61,420,359	4,453,119	(1,812,919)	158,951,232
Cost of revenues	(18,660,599)	(31,196,448)	(7,469,010)	3,625,838	(53,700,219)
Gain on sale and disposal of investment properties	-	4,234,383	-	-	4,234,383
Net revenues from operations	76,230,074	34,458,294	(3,015,891)	1,812,919	109,485,396
Share of results of associates and joint ventures	-	-	-	294,112	294,112
General and administrative expenses	(25,482,260)	(2,825,218)	(790,699)	(1,812,919)	(30,911,096)
Depreciation of fixed assets	(3,406,937)	(378,548)	(2,782,419)	-	(6,567,904)
Write-Back of provision for receivables, net	417,209	-	-	-	417,209
Provision for impairment of fixed assets	-	-	(3,000,000)	-	(3,000,000)
Provision for contingencies	(2,300,000)	-	-	-	(2,300,000)
Other expenses, net	(3,991,870)	-	(486,834)	674,830	(3,803,874)
Other income	554,071	-	948,465	(674,830)	827,706
Taxes, fees and stamps	(963,425)	(1,359,526)	(10,401)	-	(2,333,352)
Interest income	18,640,676	269,453	9,428	-	18,919,557
Interest expense	(30,784,354)	(15,465)	(916,888)	-	(31,716,707)
Loss on exchange	(945,208)	(743)	(16,143)	-	(962,094)
Profit before tax	27,967,976	30,148,247	(10,061,382)	294,112	48,348,953
Income tax expense	(5,768,785)	-	-	-	(5,768,785)
Profit for the year	22,199,191	30,148,247	(10,061,382)	294,112	42,580,168

	2012				
	Real Estate Sales	**Real Estate Rental and Rendered Services**	**Hospitality**	**Eliminations**	**Total**
	US$	**US$**	**US$**	**US$**	**US$**
Total assets	2,269,228,249	704,829,938	21,883,865	(160,074,698)	2,835,867,354
Total liabilities	749,286,314	384,055,237	28,879,409	(234,509,732)	927,711,228

	2012				
	Real Estate Sales	**Real Estate Rental and Rendered Services**	**Hospitality**	**Eliminations**	**Total**
	US$	**US$**	**US$**	**US$**	**US$**
Revenues	49,580,377	62,468,220	6,593,970	(1,625,574)	117,016,993
Cost of revenues	(7,122,763)	(35,339,966)	(10,788,336)	3,251,212	(49,999,853)
Gain on sale and disposal of investment properties	-	4,376,528	-	-	4,376,528
Net revenues from operations	42,457,614	31,504,782	(4,194,366)	1,625,638	71,393,668
Share results from associates and joint ventures	-	-	-	2,556,581	2,556,581
General and administrative expenses	(30,727,894)	(3,597,779)	(763,587)	(1,625,638)	(36,714,898)
Depreciation of fixed assets	(4,872,669)	(541,408)	(2,714,430)	-	(8,128,507)
Provision for contingencies	(7,986,410)	-	-	-	(7,986,410)
Other expenses, net	(121,668)	-	(112,215)	-	(233,883)
Other income	1,399,635	6,136,665	43,871	(7,028,016)	552,155
Taxes, fees and stamps	(3,633,255)	(3,892)	(178,725)	-	(3,815,872)
Interest income	30,190,459	32,154	30,477	-	30,253,090
Interest expense	(26,197,185)	(12,101)	(938,294)	-	(27,147,580)
Loss on exchange	(1,161,064)	(16,464)	6,139	-	(1,171,389)
Profit before tax	652,437	33,501,957	(8,821,130)	(4,471,435)	19,556,955
Income tax expense	(2,322,812)	-	-	-	(2,322,812)
Profit for the year	2,975,249	33,501,957	(8,821,130)	(4,471,435)	17,234,143

6. CASH AND BANK BALANCES

	December 31, 2013 US$	December 31, 2012 (Restated) US$
Cash on hand	59,685	152,341
Current accounts	10,283,705	25,748,231
Short term deposits	166,372,295	135,668,777
	176,715,685	161,569,349

Short term deposits mature between January and March 2014 except for US$1million that matures in July 2014 and another US$1million in October 2014 (December 31, 2012: Short term deposits mature between January and March 2013). The average yield on the term deposits for the year ended December 31, 2013 was approximately 4.2% (4.11% for the year ended December 31, 2012).

7. PREPAYMENTS AND OTHER DEBIT BALANCES

	December 31, 2013 US$	December 31, 2012 (Restated) US$
Advance payments to contractors	2,228,860	11,053,854
Advances to employees	2,106,137	3,746,761
Accrued interest income (a)	23,263,142	21,504,883
Prepaid expenses	6,389,447	7,597,708
Deferred tax assets (b)	2,899,919	1,612,500
Due from associates, joint ventures and related parties (c)	9,179,846	3,538,929
Other debit balances	6,377,685	6,853,638
	52,445,036	55,908,273

(a) Accrued interest income consists of the following:

	December 31, 2013 US$	December 31, 2012 (Restated) US$
Interest on bank deposits and asset-backed securities	3,357,249	1,030,311
Interest on notes and accounts receivable	11,684,393	15,541,672
Interest on long term loan to a joint venture (Note 12 (c))	8,221,500	4,932,900
	23,263,142	21,504,883

(b) Deferred tax assets consists of the following:

	December 31, 2013 US$	2012 (Restated) US$
Deferred tax assets on unrealized profits from sales to a joint venture (Note 12)	1,612,500	1,612,500
Deferred tax assets on provision for receivable (Note 15(c))	1,287,419	-
	2,899,919	1,612,500

(c) Due from associates, joint ventures and related parties consists of the following:

	December 31, 2013 US$	2012 (Restated) US$
Solidere International Limited (Associate)	2,275,647	2,784,646
City Makers S.A.R.L (Related party)	714,661	520,241
Beirut Waterfront Development S.A.L. (Joint venture)	-	110,648
BCD Cinemas S.A.L. (Associate)	6,063,644	120,000
Beirut Real Estate Management and Services S.A.L. (Joint venture)	3,394	3,394
ASB – Downtown S.A.L. (Associate)	122,500	-
	9,179,846	3,538,929

The above balances are interest free and are of a current nature.

8. ACCOUNTS AND NOTES RECEIVABLE, NET

	December 31, 2013 US$	2012 (Restated) US$
Notes receivable (a)	354,634,917	487,366,725
Accounts receivable (b)	106,834,673	115,990,246
Reserve account receivable from BCD 1 Fund (Note 9)	3,803,007	-
Deferred charges from securitization of notes (Note 9)	2,846,993	-
Receivables from tenants	47,251,925	38,732,156
Less: Unearned interest	(64,133,259)	(79,899,551)
Less: Provision for problematic receivables (c)	(16,042,021)	(16,459,230)
	435,196,235	545,730,346

The Group's credit risk exposure in notes and accounts receivable is spread over 42 counter-parties; 8 customers constitute 93% of the total exposure and 34 customers constitute the remaining 7% as of December 31, 2013 (as of December 31, 2012, 44 counter-parties; 10 customers constitute 93% of the total exposure and 34 customers constitute the remaining 7%).

The Group's credit exposure in receivables from tenants is spread over a large number of counter-parties; 12 tenants constitute 50% of the total exposure as of December 31, 2013 (14 tenants constitute 51% of the total exposure as of December 31, 2012).

The average yield on accounts and notes receivable is mainly dependent on the Libor rate.

(a) Notes receivable, which resulted mainly from sales carry the following maturities:

	December 31,	
	2013	2012 (Restated)
	US$	US$
Doubtful balances	9,654,782	9,795,801
Overdue	15,291	38,923,022
2013	-	85,931,590
2014	11,097,275	101,852,297
2015	61,282,699	91,356,006
2016 and above	272,584,870	159,508,009
	354,634,917	487,366,725

Overdue balances as at December 31, 2012 in the amount of US$12,137,468 were collected during 2013 and US$26,785,554 were rescheduled over longer term maturities.

Balances as at December 31, 2012 due in 2013 in the amount of US$61,119,413 were included in the pool of receivables subject to securitization, and balances in the amount of US$24,812,177 were rescheduled over longer term maturities.

(b) Accounts receivable carry the following maturities:

	December 31,	
	2013	2012 (Restated)
	US$	US$
Doubtful balances	8,750,000	-
Overdue	11,298,957	9,517,030
2013	-	32,544,648
2014	30,285,716	40,714,284
2015	-	25,714,284
2016	7,500,000	7,500,000
2017	12,000,000	-
2018	12,000,000	-
2019	12,000,000	-
2020	13,000,000	-
	106,834,673	115,990,246

Subsequent to year-end 2013, amounts due in 2017 up to 2020 amounting to US$49,000,000 were transferred to notes receivable after the customers signed the relevant promissory notes.

(c) The movement of provision for problematic receivables is as follows:

	2013	2012 (Restated)
	US$	US$
Balance at the beginning of the year	16,459,230	16,459,230
Additions	8,582,791	-
Write-back	(9,000,000)	-
Balance at the end of the year	16,042,021	16,459,230

9. INVESTMENT IN ASSET-BACKED SECURITIES

During 2013, the Group signed an agreement with a local financial institution to securitize notes receivable with an aggregate nominal value of US$185million relating to 4 customers creating Beirut Central District SIF 1 Fund (the BCD 1 Fund). As a result, the Group collected an amount of US$93,821,227, net of reserve account and transaction costs.

The Group subscribed to the following notes issued by the BCD 1 Fund:

Class of Notes	Total Issuance	Subscription Amount	Carrying Amount	Interest Rate
	US$	US$	US$	%
Loans and receivables:				
Class A	130,000,000	28,000,000	25,440,676	5 %
Class B	45,000,000	45,000,000	45,000,000	5 %
	175,000,000	73,000,000	70,440,676	
Held-to-Maturity:				
Class C	10,160,450	10,160,450	10,160,450	-
	10,160,450	10,160,450	10,160,450	
	185,160,450	83,160,450	80,601,126	

Class A Notes are redeemable on a semi-annual basis. Class B Notes are also redeemable on a semi-annual basis provided the redeemable portion of Class A Notes is settled and funds are available. Class A and Class B Notes are classified as "loans and receivables". Class B Notes are subordinated to Class A Notes. Class C Notes are subordinated to Class A and Class B Notes and will be repaid by the BCD 1 Fund solely if excess funds are available from collection of assets. Class C Notes are classified as held-to-maturity.

Interest on Class A and Class B Notes are payable semi-annually starting July 17, 2013 and July 17, 2014, respectively. Interest on Class B Notes is non-cumulative and is paid solely from available funds after payment of the BCD 1 Fund's dues for the related periods.

Interest income on Class A Notes in the amount of US$2,211,768 for the year 2013 is recorded under "Interest income" in the consolidated statement of profit or loss (Note 27).

Structuring, arrangement and placement fees incurred and paid under the securitization agreement in the amount of US$1,528,773 are booked under "Other expenses" in the consolidated statement of profit or loss in addition to other expenses paid by Solidere in the amount of US$222,050 (Note 28).

The Group placed a reserve account in the amount of US$6,650,000, as stipulated by the BCD 1 Fund's regulations, to cover any shortfall in payments of principal and interest of the asset-backed securities issued by the BCD 1 Fund and to cover the senior expenses of the BCD 1 Fund. According to the BCD 1 Fund regulations, the reserve account balance should be maintained at US$6,650,000. During 2013, an amount of US$2,846,993 was used to cover the shortfall in payments. The decrease in the reserve account was recorded under "Deferred charges from securitization of notes" under "Accounts and notes receivables, net" and will be recovered from any subsequent distributions made by the BCD 1 Fund (Note 8).

10. INVENTORY OF LAND AND PROJECTS IN PROGRESS

	December 31,	
	2013	2012 (Restated)
	US$	US$
Land and land development works, net (a)	999,517,445	1,022,034,140
Real estate development projects, net (b)	144,158,875	186,214,644
	1,143,676,320	1,208,248,784

(a) Land and land development works include the following cost items:

	December 31,	
	2013	2012 (Restated)
	US$	US$
Acquired properties (a.1)	970,693,556	967,201,064
Pre-acquisition costs (a.2)	9,412,802	9,412,802
Infrastructure costs (a.3)	814,431,299	799,223,411
Eviction costs (a.4)	260,351,968	260,242,988
Capitalized costs (a.5)	81,012,330	79,147,542
Cumulative costs	2,135,901,955	2,115,227,807
Less: Cost of land sold, net	(977,525,312)	(959,034,812)
Less: Cost of land transferred to real estate development projects (Note 10 (b))	(152,506,077)	(127,805,734)
Less: Cost of infrastructure transferred to real estate development projects	(6,353,121)	(6,353,121)
	999,517,445	1,022,034,140

(a.1) Acquired properties consist mainly of the aggregate initial appraised value attributed to the plots included in the BCD area of US$1,170,001,290 net of the recuperated properties. The aggregate appraised value is determined in accordance with Decree No. 2236 (dated February 19, 1992 based on the decision of the Higher Appraisal Committee, which was established in accordance with Law No. 117/91). Acquired properties include the value of purchased and exchanged properties as well.

Law No. 117/91 stated the requirements for property recuperation and exemption. In this respect properties appraised at US$255million were recuperated by original owners and properties appraised at US$133million were not claimed for recuperation.

(a.2) Pre-acquisition costs include technical and master plan studies incurred during the set up period of the Group.

(a.3) Infrastructure costs consists of the following:

	December 31,	
	2013	2012 (Restated)
	US$	US$
Sea front defense	297,260,485	295,279,683
Work executed in the traditional BCD area	173,315,571	171,534,879
Land reclamation and treatment	102,561,049	100,182,203
Electricity power station	42,781,482	42,753,906
Borrowing costs (Note 29)	44,501,556	44,011,502
Other costs	154,011,156	145,461,238
	814,431,299	799,223,411

(a.4) Eviction costs represent the costs of relocating previous settlers out of the BCD area which were mainly paid through the Central Fund for the Displaced (a public authority).This caption is stated net of US$22.2million as of December 31, 2013 (US$22.2million as of December 31, 2012) representing a 10% charge on recuperated properties appraised values collected from original owners other than religious and governmental recuperated properties.

(a.5) Capitalized costs represent allocation of direct overheads. Costs capitalized during the year ended December 31, 2013 amounted to US$9.9million (US$9.8million during the year ended December 31, 2012) (Note 26).

(b) Real estate development projects include the following:

	December 31,	
	2013	2012 (Restated)
	US$	US$
Construction and rehabilitation of buildings	724,194,853	657,430,864
Cost of land (Note 10 (a))	152,506,077	127,805,734
Cumulative costs	876,700,930	785,236,598
Less: Cost transferred to investment properties, net	(658,718,782)	(525,198,681)
Cost transferred to fixed assets	(29,659,018)	(29,659,018)
Cost of real estate sold	(44,164,255)	(44,164,255)
	144,158,875	186,214,644

During 2013, the Group transferred an amount of US$269,555 (US$3,819,036 during 2012) to investment properties representing additional cost of land and building of the "Beirut Souks" project (Note 11).

During 2013, the Group transferred an amount of US$133,250,546 to investment properties representing the cost of land and building of the "BCD Cinemas" project (Note 11).

During 2013, the Group allocated interest expense to real estate development projects in the amount of US$2,430,109 (US$2,153,872 during 2012) (Note 29).

11. INVESTMENT PROPERTIES, NET

	Balance as at December 31, 2012, (Restated)	Additions	Transfers	Disposals and Sales	Balance as at December 31, 2013
	US$	US$	US$	US$	US$
Cost:					
Land	90,527,308	-	24,700,343	(544,894)	114,682,757
Buildings	361,115,221	5,213,456	108,819,758	(1,813,109)	473,335,326
Other assets	35,563,136	745,973	-	-	36,309,109
	487,205,665	5,959,429	133,520,101	(2,358,003)	624,327,192
Accumulated Depreciation:					
Buildings	41,648,136	7,107,487	-	(16,388)	48,739,235
Other assets	8,919,167	1,988,448	-	-	10,907,615
	50,567,303	9,095,935	-	(16,388)	59,646,850
Net Book Value	436,638,362				564,680,342

	Balance as at December 31, 2011, (Restated)	Additions	Transfers	Disposals and Sales	Balance as at December 31, 2012 (Restated)
	US$	US$	US$	US$	US$
Cost:					
Land	91,490,073	-	(450,191)	(512,574)	90,527,308
Buildings	359,132,751	1,016,224	2,362,524	(1,396,278)	361,115,221
Other assets	35,860,849	768,983	(1,063,696)	(3,000)	35,563,136
	486,483,673	1,785,207	848,637	(1,911,852)	487,205,665
Accumulated Depreciation:					
Buildings	34,891,155	7,167,832	(251,472)	(159,379)	41,648,136
Other assets	6,963,358	1,992,947	(37,138)	-	8,919,167
	41,854,513	9,160,779	(288,610)	(159,379)	50,567,303
Net Book Value	444,629,160				436,638,362

Investment properties include rented and available for rent properties. These represent “Beirut Souks”, “BCD Cinemas”, a property leased out to the Ministry of Foreign Affairs and Emigrants, for use by an international agency, residential complexes, an embassy complex, and other restored buildings.

During the year ended December 31, 2013, the Company transferred US$269,555 from real estate development projects to investment properties (US$3,819,036 for the year ended December 31, 2012) representing additional cost allocated to the “Beirut Souks” project (Note 10 (b)).

During the year ended December 31, 2013, the Company transferred US$133,250,546 from real estate development projects to investment properties representing the cost allocated to the “BCD Cinemas” project (Note 10(b)).

During the year ended December 31, 2012, the Company transferred a total net book value of US$2,681,789 from investment properties to fixed assets (Note 13).

Disposals of land, building and other assets resulted in a gain of US$4,234,383 recorded under “Gain on sale and disposal of investment properties” in the consolidated statement of profit or loss for the year ended December 31, 2013 (US$4,376,528 for the year ended December 31, 2012).

Depreciation for investment properties in the amount of US$9,095,935 for the year 2013 (US$9,160,779 for the year 2012) is recorded under “Depreciation of and charges on rented properties” in the consolidated statement of profit or loss (Note 24).

The fair value of the investment properties is estimated by management at approximately US$1.4billion based on market comparability approach as of December 31, 2013 (US$1.25billion as of December 31, 2012). There has been no valuation of these properties by an independent valuer.

The Company classifies investment properties within level 2 in the hierarchy of fair value measurement (Note 38).

12. INVESTMENT IN ASSOCIATES AND JOINT VENTURES

	December 31, 2013	December 31, 2012 (Restated)
	US$	US$
Investment in Solidere International Limited (Associate)	318,385,391	314,961,818
Investment in BCD Cinemas S.A.L. (Associate)	(125,788)	4,034
Investment in Beirut Waterfront Development S.A.L. (Joint venture)	1,242,020	4,147,614
Investment in Beirut Real Estate Management and Services S.A.L. (Joint venture)	40,477	41,454
Investment in ASB – Downtown S.A.L. (Associate)	4,877	-
	319,546,977	319,154,920
Long term loan to Beirut Waterfront Development S.A.L. (Joint venture)	36,540,000	36,540,000
	356,086,977	355,694,920

	2013	2012 (Restated)
	US$	US$
Balance at the beginning of the year	355,694,920	359,757,578
Acquisitions	4,877	588,322
Dividend income from associates	-	(7,032,379)
Share of results of associates and joint ventures	294,112	2,556,581
Foreign currency translation reserve	93,068	(175,182)
Balance at the end of the year	356,086,977	355,694,920

Details of the Group's investment in associates and joint ventures are as follows:

			December 31,			
			2013		2012 (Restated)	
	Country of Incorporation	Ownership Interest	At Cost	Group's Share of Equity	At Cost	Group's Share of Equity
		%	US$	US$	US$	US$
Solidere International Limited (Associate) (a)	UAE	39.05	237,789,902	318,385,391	237,209,580	314,961,818
BCD Cinemas S.A.L. (Associate) (b)	Lebanon	40.00	8,000	(125,788)	8,000	4,034
Beirut Waterfront Development S.A.L. (c) (Joint venture)	Lebanon	50.00	6,409,950	1,242,020	6,409,950	4,147,614
Beirut Real Estate Management and Services (Joint venture) (d)	Lebanon	45.00	9,000	40,477	9,000	41,454
ASB - Downtown S.A.L. (e) (Associate)	Lebanon	24.50	4,877	4,877	-	-
			244,221,729	319,546,977	243,636,530	319,154,920

(a) During the first half of the year 2007, Solidere established Solidere International Holdings S.A.L. (SIH) which in turn established Solidere International Limited (SI) in the Dubai International Financial Center (DIFC) with an initial capital of US$50,000. The main activity of SI is to promote, invest in, develop, market and manage, as well as provide consulting services with respect to real estate projects outside the Beirut Central District area of Lebanon.

During the same year, SIH raised additional funds for SI through a private placement.

As a result of the private placement SI's share capital and share premium amounted to US$700,050,000 out of which SIH settled US$216million against an ownership percentage of 37.19%.

The private placement memorandum and other signed agreements between Solidere and SI stipulate that Solidere and Solidere Management Services S.A.L. will transfer to SI all the projects that they had outside the Lebanese territories. In addition, Solidere will grant SI the right to use the Solidere brand name through a license agreement and a none compete right.

On June 7, 2007, the Group further subscribed into the capital of Solidere International Limited for an amount of US$3,000,060 representing a 0.4286% equity stake.

During 2008, the Group increased its direct ownership in Solidere International Limited to 38.18% by acquiring 66,849 shares for an amount of US$10,784,850.

During 2009, the Group increased its direct ownership in Solidere International Limited to 38.98% by acquiring 86,900 shares for an amount of US$6,997,000.

During 2012, the Group increased its percentage of ownership to 39.05% by acquiring 7,786 shares for an amount of US$580,322.

(b) During 2012, the Group subscribed into the capital of BCD Cinemas S.A.L. at a total cost of US$8,000 representing a 40% equity stake in the associate's capital of US$20,000.

(c) The Group entered into a joint venture agreement on February 11, 2004, with Stow Waterfront S.A.L. (Holding) to establish Beirut Waterfront Development S.A.L. with a 50% stake in the joint venture's total capital amounting to US$19,900. During the year 2006, the capital of the joint venture was increased to US$12,819,900 without changing the Group's share in the capital. The main activity of the joint venture is to develop, operate, manage, exploit and sell real estate properties in the Marina area in Beirut Central District.

As per the terms of the agreement, on December 31, 2005, the Group sold properties with an aggregate cost of US$10,100,000 from inventory of land and projects in progress, to the joint venture for a total consideration of US$31,600,000. As a result of the sale transaction, the Group realized 50% of the gain on the sale in the amount of US$10,750,000 in profit or loss in 2005 and deferred the unrealized gain on sales in the amount of US$10,750,000, recorded under "deferred revenues and other credit balances" in the consolidated statement of financial position, to be realized after realization of the sale of the properties to third parties (Note 17).

On June 27, 2006, the Group granted Beirut Waterfront Development S.A.L. a long term loan against issuance of bonds for a total amount of US$25.2million. The loan is subject to an annual interest of Libor + 2% but not less than 9%, payable on June 30 of each year. The total amount of this loan was due on June 30, 2011. During 2011, the maturity of the loan was extended to June 30, 2016 with the same terms and conditions of the previous agreement and the accumulated interest up to June 30, 2011 in the amount of US$11,340,000 was capitalized with the original principal. Interest in the amount of US$19,561,500 as of December 31, 2013 (US$16,272,900 as of December 31, 2012) is deferred under "Deferred revenues and other credit balances" in the consolidated statement of financial position (Note 17) of which US$8,221,500 is accrued under "Prepayments and other debit balance" caption (US$4,932,900 as of December 31, 2012) (Note 7 (a)). The deferred interest will be realized when income from the principal activity of the joint venture is realized.

(d) The Group entered into a joint venture agreement on December 23, 2005, with Aswaq Management and Services LLC to establish Beirut Real Estate Management and Services S.A.L. (BREMS), with a 45% stake in the joint venture's capital amounting to US$19,900. The main activity of the joint venture is to manage and market Beirut Souks Project which is owned by the Group. On December 7, 2011, the board of directors of BREMS resolved to cease the operations of the company as of January 2012. The liquidation is still in process.

(e) During 2013, the Group subscribed into the capital of ASB-Downtown S.A.L. at a total cost of US$4,877 representing a 24.5% equity stake in the associate's capital of US$20,000. The objective of the Company is to operate a restaurant in Beirut Central District.

Summarized financial information in respect of the Group's associates and joint ventures is set out below:

	2013			
	Solidere International Limited	Beirut Waterfront Development SAL	Other associates and joint ventures	Total
	US$	US$	US$	US$
Total Assets	898,012,522	211,088,560	2,662,400	1,111,763,482
Total Liabilities	23,892,942	208,604,523	2,886,916	235,384,381
Non-Controlling Interest	58,752,401	-	-	58,752,401
Net Assets	815,367,179	2,484,037	(224,516)	817,626,700
Group's share of net assets	**318,385,391**	**1,242,020**	**(80,434)**	**319,546,977**
Total Revenue	11,422,462	7,395,622	182,350	19,000,434
Total Cost of Revenue	(6,499,610)	(5,211,896)	(92,325)	(11,803,831)
Profit/(loss) for the year	11,312,871	(5,811,187)	(326,723)	5,174,961
Group's share of results-Gain	**3,330,507**	**(2,905,594)**	**(130,801)**	**294,112**

	2012			
	Solidere International Limited	Beirut Waterfront Development SAL	Other associates and joint ventures	Total
	US$	US$	US$	US$
Total Assets	871,851,534	189,705,226	777,503	1,062,334,263
Total Liabilities	9,417,279	181,410,001	675,297	191,502,577
Non-Controlling Interest	55,834,658	-	-	55,834,658
Net Assets	806,599,597	8,295,225	102,206	814,997,028
Group's share of net assets	**314,961,817**	**4,147,612**	**45,491**	**319,154,920**
Total Revenue	6,397,073	7,695,028	-	14,092,101
Total Cost of Revenue	(5,472,384)	(4,933,082)	-	(10,405,466)
Profit/(loss) for the year	7,829,739	1,612,404	(194,131)	9,248,012
Group's share of results-Gain	**3,270,647**	**(806,202)**	**92,136**	**2,556,581**

13. FIXED ASSETS, NET

	Balance as at December 31, 2012 (Restated)	Additions	Transfers	Disposals/ Write Off	Impairment	Balance as at December 31, 2013
	US$	US$	US$	US$	US$	US$
Cost:						
Land	6,172,238	-	-	-	-	6,172,238
Buildings	28,832,647	726,831	-	(453,558)	-	29,105,920
Marina	7,866,624	-	-	-	-	7,866,624
Furniture and fixure	10,479,080	154,111	-	(760)	-	10,632,431
Freehold improvements	29,629,053	912,427	-	-	(3,000,000)	27,541,480
Machines and equipment	37,218,205	601,685	-	(469,110)	-	37,350,780
Advances on fixed assets	261,935	9,800	-	(255,403)	-	16,332
	120,459,782	2,404,854	-	(1,178,831)	(3,000,000)	118,685,805
Accumulated Depreciation:						
Buildings	5,948,247	2,549,534	-	-	-	8,497,781
Marina	1,021,868	157,457	-	-	-	1,179,325
Furniture	3,515,355	639,923	-	(760)	-	4,154,518
Freehold improvements	5,597,170	1,004,775	-	-	-	6,601,945
Machines and equipment	32,299,822	2,216,215	-	(359,695)	-	34,156,342
	48,382,462	6,567,904	-	(360,455)	-	54,589,911
Net Book Value	72,077,320					64,095,894

	Balance as at December 31, 2011 (Restated)	Additions	Transfers	Disposals	Impairment	Balance as at December 31, 2012 (Restated)
	US$	US$	US$	US$	US$	US$
Cost:						
Land	5,722,047	-	450,191	-	-	6,172,238
Buildings	23,678,118	3,717,682	2,577,105	(1,140,258)	-	28,832,647
Marina	7,866,624	-	-	-	-	7,866,624
Furniture and fixure	9,832,257	680,022	65	(33,264)	-	10,479,080
Freehold improvements	26,693,346	2,897,240	38,467	-	-	29,629,053
Machines and equipment	36,130,572	1,164,756	6,862	(83,985)	-	37,218,205
Advances on fixed assets	364,226	-	(102,291)	-	-	261,935
	110,287,190	8,459,700	2,970,399	(1,257,507)	-	120,459,782
Accumulated Depreciation:						
Buildings	3,232,651	2,504,808	251,472	(40,684)	-	5,948,247
Marina	861,913	159,955	-	-	-	1,021,868
Furniture	3,304,980	215,348	17	(4,990)	-	3,515,355
Freehold improvements	4,682,007	884,904	30,259	-	-	5,597,170
Machines and equipment	27,986,846	4,363,492	6,862	(57,378)	-	32,299,822
	40,068,397	8,128,507	288,610	(103,052)	-	48,382,462
Net Book Value	70,218,793					72,077,320

During 2013, the Group set up provision for impairment of fixed assets used in the hospitality industry in the amount of US$3,000,000 recorded in the consolidated statement of profit or loss under "Provision for impairment of fixed assets".

During the year ended December 31, 2012, the Group transferred assets of total net book value of US$2,681,789 from investment properties to fixed assets (Note 11).

The depreciation for the year ended December 31, 2013 and 2012 is included under "Depreciation of fixed assets" in the consolidated statement of profit or loss.

14. BANK OVERDRAFTS, SHORT TERM AND MEDIUM TERM FACILITIES

	December 31,	
	2013	2012 (Restated)
	US$	US$
Bank overdrafts	229,792,642	173,019,660
Short term facilities	275,019,035	350,004,033
Medium term facilities	47,999,729	109,999,718
	552,811,406	633,023,411

As of December 31, 2013, the Company has fully utilized its bank overdrafts' limits.

Short term facilities mature within a period of one year and medium term facilities mature within a period of two to three years.

Short and medium term facilities consist of the following:

Facility Amount	Maturity Date	Interest Rate	Covenants	Outstanding Balance December 31, 2013	Outstanding Balance December 31, 2012 (Restated)
US$		%		US$	US$
Short term facilities:					
40,000,000	4-Aug-14	4.75	(a)	40,000,000	40,000,000
75,000,000	3-Feb-14	5.00	(b)	75,000,000	74,999,646
35,000,000	3-Feb-14	5.00	(b)	35,000,000	34,999,885
100,000,000	11-Oct-13	4.50	-	-	99,999,477
100,000,000	31-Jul-14	5.13	(c)	100,018,855	100,005,025
25,000,000	5-Nov-14	5.00	(d)	25,000,180	-
				275,019,035	350,004,033
Medium term facilities:					
50,000,000	10-Jul-15	5.00	-	-	50,000,000
60,000,000	4-Aug-15	4.75	(a)	47,999,729	59,999,718
				47,999,729	109,999,718

(a) The covenants of the agreement stipulate that the Group maintain a maximum debt to equity ratio and banks' loans of 1:3 and overdrafts and other facilities to equity ratio of 4:1.

Furthermore, the covenants of the facilities stipulate that the Group maintains a minimum of US$75million in notes and accounts receivables and maintain a minimum of 750,000 square meters of built properties and US$1billion in net tangible assets free from any liens.

(b) The covenants of the agreements stipulate that the Group maintains a maximum debt to equity ratio of 1:2 and a minimum equity balance of US$1billion.

(c) The covenants of the facility stipulate that the Group maintains a minimum equity balance of US$1billion, a minimum equity to assets ratio of 40% and a maximum debt to equity ratio of 50%.

(d) The covenants of the facility stipulate that the Group maintains a minimum equity balance of US$1billion, a minimum equity to assets ratio of 40% and a maximum debt to equity ratio of 50%.

During 2013, the Group converted a short term facility with a local bank amounting to US$100million to a bank overdraft for the same amount.

During 2013, the Group converted a short term facility with a local bank amounting to US$50million to a loan agreement for US$40million following the partial settlement and rescheduling of the debt (Note 18 (c)).

Interest expense on bank overdrafts for the year ended December 31, 2013 amounted to US$9,263,459 and is recorded under "Interest expense" in the consolidated statement of profit or loss (US$6,094,829 for the year ended December 31, 2012) (Note 29).

Interest expense on short and medium term facilities for the year ended December 31, 2013, amounted to US$19,983,059 (US$21,373,036 for the year ended December 31, 2012) and is recorded under "Interest expense" in the consolidated statement of profit or loss (Note 29).

15. ACCOUNTS PAYABLE AND OTHER LIABILITIES

Accounts payable and other liabilities consist of the following:

	December 31, 2013 US$	December 31, 2012 (Restated) US$
Accounts payable (a)	50,701,181	54,124,037
Accrued charges and other credit balances (b)	15,620,304	13,473,270
Taxes payable (c)	24,964,210	13,324,858
Provision for end-of-service indemnity (d)	15,300,220	15,144,797
Provision for contingences (e)	6,286,410	9,886,410
Due to an associate and a related party (f)	178,701	82,491
Loan from a joint venture (g)	97,535	-
Accrued interest payable	1,762,916	1,310,528
	114,911,477	107,346,391

(a) Accounts payable as of December 31, 2013 and 2012 include balances in the aggregate amount of US$13.8million due to the Lebanese Government in consideration of the exchange of assets agreement explained in Note 33(f).

(b) Accrued charges and other credit balances consists of the following:

	December 31,	
	2013	2012 (Restated)
	US$	US$
Deposits from tenants	2,994,640	3,080,220
Accrued municipality expenses	3,326,425	3,326,425
Accruals for project cost	3,000,000	-
Accruals for management benefits	1,214,800	2,147,015
Accruals for utility costs	1,202,158	659,471
Accruals for invoices not received	560,127	1,029,117
Other	3,322,154	3,231,022
	15,620,304	13,473,270

(c) Taxes payable consist of the following:

	December 31,	
	2013	2012 (Restated)
	US$	US$
Accrued income tax	6,731,122	2,054,773
Additional tax assessment (Note 15 (e))	8,400,000	2,500,000
Value added tax (VAT) payable	1,986,405	569,837
Taxes withheld	1,186,627	1,809,724
Property tax payable	6,652,760	6,383,320
Other accrued taxes	7,296	7,204
	24,964,210	13,324,858

Tax on the holding subsidiary is provided for in accordance with Article 6 of Legislative Decree number 45 dated June 24, 1983 (as adjusted in decree number 89 dated September 7, 1991). The tax is capped at USD3,317 (LBP5million). The Group accrued for this tax under “other accrued taxes”.

Tax on the offshore subsidiary is provided for in accordance by Legislative Decree number 46 dated June 24, 1983 amended by Decree number 85 dated September 7, 1991. The tax is set at a flat rate of USD663 (LBP1million). The Group accrued for this tax under “other accrued taxes”.

Rental income is subject to the built property tax in accordance with the Lebanese tax law.

Income tax

The applicable tax rate in Lebanon is 15% according to the Lebanese tax laws.

The accrued income tax for the years 2013 and 2012 was estimated as follows:

	2013	**2012 (Restated)**
	US$	**US$**
Profit before tax	48,348,953	19,556,955
Less: Profit of subsidiaries	(2,898,033)	(1,194,691)
Add: Non-deductible provisions and charges	40,720,908	22,478,658
Less: Non-taxable income	(9,000,000)	-
Less: Rent revenue from built up property (Net)	(30,130,466)	(25,355,512)
Taxable income	47,041,362	15,485,410
Applicable tax rate	15%	15%
Accrued income tax	7,056,204	2,322,812
Less: Tax on interest previously settled	(325,082)	(268,039)
Accrued income tax payable	6,731,122	2,054,773
Total accrued income tax	7,056,204	2,322,812
Less: Deferred tax assets (Note 7 (b))	(1,287,419)	-
Income tax expense	5,768,785	2,322,812

Additional tax assessment

During 2012, the Group's accounts for the years 2007 to 2010 were reviewed by the tax authorities. The review for the year 2007 resulted in an additional tax liability in the amount of US$2,500,000 which was recorded under "Taxes, fees and stamps" in the consolidated statement of profit or loss for the year ended December 31, 2012. During 2013, and following the objection filed by the Group, a revision of the initial tax review was issued decreasing the tax liability by an amount of US$853,000 resulting in a net tax liability in the amount of US$1,647,000.

The outcome of the review of the Group's accounts for the years 2008 to 2010 was issued during 2013 and resulted in an additional tax liability in the amount of US$6,800,000 of which an amount of US$5,900,000 was provided for in previous years (Note 15 (e)) and recorded under provision for contingencies in the consolidated statement of profit or loss for the year ended December 31, 2012.

The tax returns for the years 2011 to 2013 are still subject to examination and final tax assessment by the tax authorities. Any additional tax liability is subject to the results of this review.

Value Added Tax (VAT)

The VAT declarations for the years 2009 until 2013 are still subject to examination and final tax assessment by the tax authorities. Any additional tax liability is subject to the results of this review.

(d) The movement of provision for end-of-service indemnity is as follows:

	2013 US$	2012 (Restated) US$
Balance at the beginning of the year	15,144,797	12,908,640
Additions	830,036	2,343,146
Settlements	(674,613)	(106,989)
Balance at the end of the year	15,300,220	15,144,797

(e) The movement of provision for contingencies is as follows:

	2013 US$	2012 (Restated) US$
Balance at the beginning of the year	9,886,410	1,900,000
Additions	2,300,000	7,986,410
Transfer to taxes payable (Note 15 (c))	(5,900,000)	-
Balance at the end of the year	6,286,410	9,886,410

(f) Due to an associate and a related party consist of the following:

	December 31,	
	2013 US$	2012 (Restated) US$
Beirut Waterfront Development S.A.L. (Associate)	75,721	-
Loulyas Holding S.A.L. (Related party)	102,980	82,491
	178,701	82,491

The above balances are interest free and are of a current nature.

(g) During 2013, Beirut Waterfront Development S.A.L., (joint venture), granted the Group a loan in the amount of US$100,000. This loan bears interest at an annual rate of 8%. The principal of the loan shall be paid through monthly payments representing 2% of Grid Resto restaurant gross sales located in "Zaitounay Bay". An amount of US$2,465 was settled during 2013. Interest expense for the year ended December 31, 2013 amounting to US$4,444 was recorded under "interest expense" in the consolidated statement of profit or loss and was settled during the same period (Note 29).

16. DIVIDENDS PAYABLE

General Assembly Date	Dividend per Share	Declared	Settled/ Distributed up to December 31, 2013	December 31, 2013 Payable	December 31, 2012 Payable
	US$	US$	US$	US$	US$
June 29, 1996	0.20	30,918,413	29,435,051	1,483,362	1,514,071
June 30, 1997	0.25	40,367,172	37,657,195	2,709,977	2,767,961
June 29, 1998	0.25	39,351,753	36,067,350	3,284,403	3,338,497
June 23, 2003	Stock dividend	19,625,550	19,606,235	19,315	19,315
June 12, 2006	0.6	94,831,106	90,445,355	4,385,751	4,747,767
June 22, 2007	1.00	155,093,702	147,901,811	7,191,891	7,929,084
July 15, 2008	1.00	155,090,832	140,334,770	14,756,062	15,492,493
July 13, 2009	1.15	176,479,956	165,002,705	11,477,251	14,821,262
July 19, 2010	1.15	175,228,434	162,375,524	12,852,910	16,428,334
August 1, 2011	0.40	60,912,291	57,023,301	3,888,990	5,330,043
August 1, 2011	Stock dividend	85,987,850	85,987,850	-	-
July 30, 2012	0.25	39,316,239	34,880,776	4,435,463	6,387,367
July 30, 2012	Stock dividend	42,744,616	42,744,616	-	-
		1,115,947,914	1,049,462,539	66,485,375	78,776,194

The General Assembly held on July 30, 2012 decided to distribute dividends on the basis of US$0.25 per share and to distribute Class (B) shares from its treasury shares on the basis of 1 share for every 50 shares for a total consideration of US$43million and issued the related share certificates. As a result, the Group recorded cash dividends payable in the amount of US$35million net of distribution tax in the amount of US$4million. An amount of approximately US$35million was settled up to December 31, 2013 (US$33million was settled up to December 31, 2012).

The outstanding balance of unpaid dividends relates mostly to unclaimed dividends and dividends pertaining to undelivered class (A) shares.

17. DEFERRED REVENUES AND OTHER CREDIT BALANCES

	December 31, 2013	December 31, 2012 (Restated)
	US$	US$
Cash down payments and commitments on sale contracts	3,264,495	3,250,387
Deferred rental revenue and related deposits	21,659,057	28,348,889
Unrealized gain on sale of properties to a joint venture (Note 12 (c))	10,750,000	10,750,000
Deferred interest revenue on a loan to a joint venture (Note 12 (c))	19,561,500	16,272,900
	55,235,052	58,622,176

Cash down payments and commitments on sale contracts include balances aggregating to approximately US$2million that relate to 1 sale contract with an aggregate potential gross sales value of US$40million as of December 31, 2013 (US$2million relating to 1 sale contract with an aggregate potential gross sales value of US$40million as of December 31, 2012).

Deferred rental revenue and related deposits represent down payments on lease and rental agreements and reservation deposits for the rental of real estate properties.

18. TERM BANK LOANS

Loan Amount 2013 US$	Loan Amount 2012 US$	Maturity Date	Interest Rate	Loan Repayment and Covenants	Outstanding Balance December 31, 2013 US$	Outstanding Balance December 31, 2012(Restated) US$
12,500,000	12,500,000	November 5, 2014	4.50	(a)	-	12,500,000
75,000,000	50,000,000	June 10, 2014	4.75	(b)	49,999,236	25,000,000
40,000,000	-	July 3, 2015	5.00	(c)	35,000,000	-
35,000,000	-	January 5, 2016	4.50	(d)	35,000,000	-
3,255,000	-	December 31, 2018	6.50	(e)	3,255,000	-
9,500,000	9,500,000	September 30, 2017	6.50	(f)	7,723,664	9,603,564
6,000,000	6,000,000	September 30, 2017	4.50	(g)	2,247,043	2,839,492
					133,224,943	49,943,056

(a) The repayment of the loan will be through 2 equal annual installments of US$6.25million each, starting 1 year after the date of the first withdrawal. The covenants of the loan stipulate that the Company should maintain a maximum debt to equity ratio of 1:1 and a minimum current ratio of 1.2:1. The loan was fully settled during 2013.

(b) The Group withdrew an amount of US$25million during 2013 upon the amendment of the loan contract. The loan will be fully repaid at maturity. The covenants of the loan stipulate that the Group should maintain a maximum debt to equity ratio of 1:1 and a minimum current ratio of 1.2:1.

(c) The repayment of the loan will be through 8 quarterly equal installments of US$5million each. An amount of US$5million was settled during 2013.

(d) The repayment of the loan will be through 2 equal payments of US$10million each during 2015 and a final payment of US$15million during 2016. The covenants of the loan stipulate that the Group should maintain a maximum gearing ratio of 1:1, debt to equity ratio ratio of 2:1, current ratio of 1:1 and maintain a minimum build-up area of 750,000m^2.

(e) The purpose of the loan is the purchase of an apartment, plot 1456 of Mina el Hosn. Accordingly, the Group granted the bank a first degree mortgage over the above mentioned apartment. The repayment of the loan will be through 5 annual payments of US$651,000 each, starting December 1, 2014.

(f) The repayment of the loan will be through 20 equal quarterly installments of US$475,000 each. An amount of US$1,900,000 was settled during 2013.

(g) The repayment of the loan will be through 20 equal quarterly installments of US$140,000 each. An amount of US$560,000 was settled during 2013 (US$3,200,000 settled up to December 31, 2012).

Term bank loans carry the following maturities:

	December 31,	
	2013	2012 (Restated)
	US$	US$
2013	-	27,472,349
2014	73,240,943	8,840,707
2015	38,111,000	8,710,000
2016	18,111,000	2,460,000
2017	3,111,000	2,460,000
2018	651,000	-
	133,224,943	49,943,056

Early redemption of term bank loans is not subject to penalty provided the redemption is in accordance with the terms and conditions stated in the loans agreements

Interest expense on term bank loans for the year 2013 amounted to US$5,082,723 (US$2,404,425 for the year 2012) and is recorded under “Interest expense” in the consolidated statement of profit or loss (Note 29).

19. CAPITAL

Capital as at December 31, 2013 and 2012 consists of 165,000,000 shares of US$10 par value, authorized and fully paid and divided in accordance with Law 117/91 into the following:

- Class “A”, amounting to 100,000,000 shares represented contribution in kind of properties in the BCD, based on the resolutions of the High Appraisal Committee. All Class A shares were deemed to have been issued and outstanding since the establishment of the Company.
- Class “B”, amounting to 65,000,000 shares represented capital subscription in cash and are all issued and fully paid at the establishment of the Company.

Class “A” and Class “B” shares have the same rights and obligations.

As of December 31, 2013, the Company had 12,698,324 Class A shares listed on the London Stock Exchange in the form of Global Depository Receipts (GDR) (12,851,324 Class A shares as of December 31, 2012).

20. LEGAL RESERVE

In conformity with the Company's articles of incorporation and the Lebanese Code of Commerce, 10 % of the annual net income is required to be transferred to legal reserve until this reserve equals one third of capital. This reserve is not available for dividend distribution.

21. TREASURY SHARES

The movement of treasury shares is as follows:

	2013		2012	
	Number of shares	US$	Number of shares	US$
Balance at the beginning of the year	4,846,204	84,210,286	7,643,249	134,915,772
Purchases	-	-	348,263	4,652,007
Stock dividends	-	-	(3,145,308)	(55,357,493)
Balance at the end of the year	4,846,204	84,210,286	4,846,204	84,210,286

During 2012, the Group distributed stock dividends with an aggregate weighted average cost of US$55,357,493 at the then market price of US$13.59 resulting in a loss of US$12,612,877 recorded under "Deficit on treasury shares activity" under equity.

Treasury shares as at December 31, 2013 and 2012 represent class (A) and (B) shares of which 396,344 shares represent Global Depository Receipts (GDR). Treasury shares are stated at the weighted average cost.

According to its articles of incorporation, the Group may purchase up to 10% of its share capital without the existence of free reserves, provided that it shall resell these shares within a period not exceeding eighteen months.

22. NON-CONTROLLING INTEREST

Non-controlling interest consists of the following:

	Year Ended December 31,	
	2013	2012 (Restated)
	US$	US$
Issued capital	3,980	3,980
Accumulated losses	(733,366)	(317,956)
Loss for the year	(356,346)	(415,410)
	(1,085,732)	(729,386)

23. REVENUES FROM RENDERED SERVICES

	Year Ended December 31, 2013	2012 (Restated)
	US$	US$
Services rendered to a related party, an associate and a joint venture (Note 32)	2,441,581	2,908,095
Services rendered to clients	1,587,015	1,052,861
Broadband network revenues	4,007,955	2,560,806
	8,036,551	6,521,762

24. DEPRECIATION OF AND CHARGES ON RENTED PROPERTIES

	Year Ended December 31, 2013	2012 (Restated)
	US$	US$
Depreciation expense (Note 11)	9,095,935	9,160,779
Property taxes	6,652,760	6,383,320
Manpower	7,358,958	7,122,845
Advertising	777,023	1,404,101
Electricity, maintenance and other related changes	8,695,072	9,068,984
Recoveries from tenants	(11,139,323)	(8,089,398)
	21,440,425	25,050,631

Manpower includes reallocated salaries, benefits and related charges in the aggregate amount of US$5,942,172 during the year ended December 31, 2013 (US$5,706,462 during the year ended December 31, 2012) (Note 26).

25. COST OF RENDERED SERVICES

	Year Ended December 31, 2013	2012 (Restated)
	US$	US$
Cost of services rendered to a related party, an associate and a joint venture (Note 26)	2,441,581	2,908,095
Cost of services rendered to clients	1,277,781	1,090,421
Broad band network cost of services rendered	2,679,948	3,237,268
	6,399,310	7,235,784

26. GENERAL AND ADMINISTRATIVE EXPENSES

	Year Ended December 31,	
	2013	2012 (Restated)
	US$	US$
Salaries, benefits and related charges	23,961,365	21,719,797
Board of directors' remuneration	300,000	285,417
Professional services	1,739,052	1,531,337
Promotion and advertising	657,067	6,557,623
Utilities, office, maintenance and other similar expenses	3,478,687	4,244,932
Travel and accommodation	201,173	939,526
Other expenses	573,752	1,436,266
	30,911,096	36,714,898

The Group reallocated salaries, benefits and related charges and administrative expenses amounting to US$9,887,964 to construction cost during the year ended December 31, 2013 (US$9,830,283 during the year ended December 31, 2012) (Note 10).

The Group reallocated salaries, benefits and related charges amounting to US$5,942,172 to charges on rented property during the year ended December 31, 2013 (US$5,706,462 during the year ended December 31, 2012) (Note 24).

The Group reallocated salaries, benefits and related charges amounting to US$2,441,581 to cost of rendered services during the year ended December 31, 2013 (US$2,908,095 during the year ended December 31, 2012) (Note 25).

27. INTEREST INCOME

	Year Ended December 31,	
	2013	2012 (Restated)
	US$	US$
Interest income from notes and accounts receivable	9,102,273	24,473,575
Interest income from banks	7,605,516	5,779,515
Interest income from asset-backed securities (Note 9)	2,211,768	-
	18,919,557	30,253,090

28. OTHER EXPENSE

	Year Ended December 31,	
	2013	2012 (Restated)
	US$	US$
Structuring, arrangement and placement fees (Note 9)	1,750,823	-
Lawsuit expenses (Note 33 (j))	494,533	-
Write-off of hospitality projects' costs	1,026,435	-
Loss on sale of fixed assets, net	441,154	526
Other expenses	90,929	233,357
	3,803,874	233,883

During 2013, the Group wrote-off hospitality projects' costs representing studies and research in the amount of US$1,026,435.

29. INTEREST EXPENSE

	Year Ended December 31,	
	2013	2012 (Restated)
	US$	US$
Interest expense on short and medium term facilities (Note 14)	19,983,059	21,373,030
Interest expense on bank overdrafts (Note 14)	9,263,459	6,094,829
Interest expense on term bank loans (Note 18)	5,082,723	2,404,425
Interest expense allocated to infrastructure costs (Note 10 (a.3))	(490,054)	(864,235)
Interest expense allocated to real estate development projects (Note 10 (b))	(2,430,109)	(2,153,872)
Interest expense on loan from a related party (Note 15 (g))	4,444	-
Bank and commission charges	303,185	293,403
	31,716,707	27,147,580

30. BASIC/DILUTED EARNINGS PER SHARE

The computation of earnings per share is based on net income for the period and the weighted average number of outstanding class (A) and (B) shares during each period net of treasury shares held by the Group.

The weighted average number of shares to compute basic and diluted earnings per share is 160,153,796 shares for the year 2013 (158,846,753 shares for the year 2012).

31. NOTES TO THE CASH FLOW STATEMENT

(a) Depreciation was applied as follows:

	Year Ended December 31,	
	2013	2012 (Restated)
	US$	US$
Depreciation of fixed assets (Note 13)	6,567,904	8,128,507
Depreciation of investment properties (Note 11 & 24)	9,095,935	9,160,779
Depreciation charge for the year	15,663,839	17,289,286

(b) Interest expense consists of the following:

	Year Ended December 31,	
	2013	2012 (Restated)
	US$	US$
Interest charged as period cost	31,716,707	27,147,580
Interest expense allocated to inventory of land and projects in progress (Note 10 (a.3) and Note 10 (b))	2,920,163	3,018,107
Total interest expense	34,636,870	30,165,687

(c) Non-cash transactions in operating and investing activities include transfers from inventory of land and projects in progress to investment properties in the amount of US$133,520,101 for the year ended December 31, 2013 (US$3,819,036 for the year ended December 31, 2012).

(d) During the year ended December 31, 2012, the Group transferred assets of total net book value of US$2,681,789 from investment properties to fixed assets (Note 11 and 13).

(e) Non-cash transactions in investing activities include cumulative foreign currency translation reserve in the amount of US$93,068 which was excluded from investment in associates and joint ventures against cumulative foreign currency translation reserve under equity.

(f) Non-cash transactions in operating activities include accrued interest income on long term loan to a joint venture in the amount of US$3,288,600 which was excluded from prepayments and other debit balances against deferred revenues and other credit balances.

(g) Cash and cash equivalents comprise of the following:

	Year Ended December 31, 2013 US$	2012 (Restated) US$
Cash (Note 6)	59,685	152,341
Current accounts (Note 6)	10,283,705	25,748,231
Short term deposits (Note 6)	164,372,295	135,668,777
Bank overdrafts (Note 14)	(229,792,642)	(173,019,660)
	(55,076,957)	(11,450,311)

32. RELATED PARTY TRANSACTIONS

These represent transactions with related parties, i.e. significant shareholders, directors and senior management of the Group, and companies of which they are principal owners and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Cash and bank balances include US$83,596,659 as of December 31, 2013 (US$55,193,883 as of December 31, 2012) representing current bank accounts with a local bank who is a significant but minority shareholder of the Group.

Bank overdrafts, short and medium term facilities include US$111,513,536 as of December 31, 2013 (US$115,340,045 as of December 31, 2012) representing short term facilities with a local bank who is a significant but minority shareholder of the Group.

Included under "Interest expense" in the consolidated statement of profit or loss an amount of US$5,578,235 for the year ended December 31, 2013 (US$5,151,785 for the year ended December 31, 2012) representing interest expense on short term facilities with a local bank who is a significant but minority shareholder of the Group.

Certain directors are members of the boards of directors of banks with whom the Group has various banking activities.

During 2013, the Group acquired from Beirut Waterfront Development S.A.L., a joint venture, investment property in the amount of US$4,650,000.

During 2013, Beirut Waterfront Development S.A.L., (joint venture), granted the Group a loan in the amount of US$100,000. This loan bears interest at an annual rate of 8%. The principal of the loan shall be paid through monthly payments representing 2% of Grid Resto restaurant gross sales located in "Zaitounay Bay". An amount of US$2,465 was settled during 2013. Interest expense for the year ended December 31, 2013 amounting to US$4,444.

General and administrative expenses include legal fees in the amount of US$120,000 for the year ended December 31, 2013 related to one of the firm's legal counselors who was a member in the Group's board of directors during 2013 (US$120,000 for the year ended December 31, 2012).

The Group incurred various expenses on behalf of its related parties whose total net debit balances due amounted to US$9,001,145 as of December 31, 2013 (US$3,456,438 as of December 31, 2012) (Note 7 and 15).

Accrued interest income on a long term loan of US$36.54million granted by the Group to Beirut Waterfront Development S.A.L., a joint venture, amounted to US$8,221,500 as of December 31, 2013 (US$4,932,900 as of December 31, 2012), Note 7 (a) and 12.

During 2013, the Group charged Solidere International Limited, an associate, administrative expenses amounting to US$2,205,018 (US$2,062,072 for the year 2012) (Note 23), in addition to an amount of US$29,856 (US$238,138 for the year 2012) representing payments on its behalf.

During 2013, the Group rendered services to City Makers S.A.R.L., a related party, for an aggregate amount of US$195,941 (US$465,923 for the year 2012) (Note 23).

During 2013, the Group rendered services to Beirut Waterfront Development S.A.L., a joint venture, in the aggregate amount of US$40,622 (US$380,100 for the year 2012) (Note 23).

Total benefits paid to executives and members of the Board of Directors (including salary, bonus and others), included within "General and administrative expenses", for the year ended December 31, 2013 amounted to US$2,960,352 (US$2,567,607 for the year ended December 31, 2012).

Income arising and expenses incurred from the Group's transactions with other related parties, other than those disclosed in the financial statements, do not form a significant portion of the Group's operations.

33. COMMITMENTS AND CONTINGENCIES

(a) An agreement between the Group and the Council for Development and Reconstruction ("CDR") was promulgated through Decree No. 5665 dated September 21, 1994, duly approved by the Council of Ministers. By virtue of this agreement, the Group was granted 291,800m² of the reclaimed land surface (totaling 608,000 sqm) against the execution by the Group of the sea landfill and infrastructure works.

(b) The total projected cost for completion of the BCD project has been estimated by management to be approximately US$2billion. This amount is used as a base for the determination of cost of sales.

(c) Commitments for contracted works not executed as of December 31, 2013 amounted to approximately US$132million (US$142million as of December 31, 2012).

(d) A lawsuit was raised in 1999 against the Group by the "CDR" claiming reimbursement of an amount of LBP5.4billion (US$3.6million) plus interest. This balance represents payments previously made by the "CDR" in connection with the appraisal of the properties in the BCD area and other tender documents. No provision was set up against this claim since, on the basis of the advice received from the Group's legal advisor, the directors are of the opinion that this claim is not based on sound legal grounds. During 2011, the Group paid an amount of LBP11.5billion (US$7.6million) in settlement of the above claims recorded under infrastructure costs (Note 10(a)).

The Group has submitted to the "CDR" claims aggregating US$13.6million representing mainly change orders to infrastructure works in the traditional BCD which were incurred by the Group on behalf of the Government. These claims were neither approved nor confirmed by the concerned party nor recorded as receivables in the accompanying consolidated financial statements.

(e) The Group is a defendant in various legal proceedings and has litigations pending before the courts and faces several claims raised by contractors. On the basis of advice received from the external legal counsel and the Group's technical department, the directors are of the opinion that any negative outcome thereof, if any, would not have a material adverse effect on the financial condition of the Group.

(f) On June 7, 1997, the Group signed an exchange agreement with the Lebanese Government. By virtue of this agreement, the Group acquired additional built up area of approximately 58,000m² and 556,340 Class A shares in exchange for approximately 15,000m² and the payment of US$38.7million to restore governmental buildings. US$25million has already been paid and accounted for and the balance of US$13.8million continues to be included under accounts payable. According to the terms of the agreement, the Group undertook to build a governmental building and to conclude ten finance leases over seven years for certain buildings belonging to the Lebanese Government. In 1999, the government canceled the exchange and finance lease agreement. The implementation and the effect of cancellation is not yet determined and has not been reflected in the accompanying consolidated financial statements.

(g) In prior periods, the Group submitted to the Ministry of Culture and Higher Education claims totaling US$17.7million representing compensation for delays that resulted from excavation works. These claims were not yet approved nor confirmed by the concerned authorities nor recorded as receivables in the accompanying consolidated financial statements.

(h) For the purpose of enhancing and improving land value in Zokak Al Blat area and to settle the recuperation of a lot in that area, the Group signed in 2002 an agreement with the Armenian Orthodox prelacy to demolish the building on the recuperated lot and to transfer corresponding building rights to another adjacent lot with minimum building rights of 4,900m² against ceding of owners' shares from both lots. Additionally, a built up area of 5,335m² (US$2,700,000) remains as a contingent loss to the Group in case the prelacy decides to build this area within the next 10 years following this agreement. During November 2010, an agreement was signed by both parties in which it was agreed that November 2010 would be the start date for the 10 years period as it represents the date of finalization of parcellation and massing of plots number 1137 and 1138 of Zokak Al Blat area subject to the said agreements.

(i) The Group has commitments and contingencies in the form of letters of guarantee in the amount of US$4,050,931 as at December 31, 2013 (as at December 31, 2012 commitments and contingencies in the form of letters of guarantee in the amount of US$3,549,481).

(j) The Group is defendant in a lawsuit raised by a Group of jewelers and the jewelers syndicate. The Group appealed the court's decision in which the Group was required to register certain commercial shops in Beirut Souks. In this connection, the Group made payments in the amount of US$494,533 during 2013 to the Appeals' Court recorded under "Other expenses" (Note 28).

34. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended December 31, 2013 and 2012.

The capital structure of the company consists of debt and equity. Debt consists of total liabilities less cash and bank balances. Equity comprises capital, reserves, retained earnings, cumulative foreign currency transactions, cumulative change in fair value and surplus on treasury shares' activity less treasury shares.

The Group monitors capital on the basis of the debt-to-capital ratio (gearing ratio). The gearing ratio as at December 31, 2013 and 2012 was as follows:

	December 31, 2013 US$	December 31, 2012 (Restated) US$
Total liabilities	922,668,253	927,711,228
Less: Cash and bank balances	(176,715,685)	(161,569,349)
Total debt	745,952,568	766,141,879
Total equity attributable to the owners of the parent	1,951,915,094	1,908,885,512
Gearing ratio	0.38	0.40

35. RISK MANAGEMENT

The Group's principal financial liabilities, comprise bank loans, bank overdrafts and short term facilities, deferred revenues and other credit balances, dividends payable and accounts payable and other liabilities. The main purpose of these financial liabilities is to raise funds for the Group's operations. The Group has various financial assets such as accounts and notes receivable and cash and bank balances, which arise directly from its operations. The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board of Directors reviews and approves policies for managing each of these risks which are summarized below:

(a) Interest Rate Risk:

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other conditions held constant, of the Group's profit before tax.

	Increase/ decrease in basis points	Effect on profit before tax USD
2013:		
US Dollars	+50	(239,554)
US Dollars	-25	119,777
2012:		
US Dollars	+50	409,038
US Dollars	-25	(204,519)

(b) Foreign Currency Risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group is not materially exposed to currency risk since the majority of its financial assets and liabilities are denominated in U.S. Dollar.

(c) Credit Risk:

The Group's credit risk is primarily attributable to its liquid funds, receivables, and other debit balances. The amounts presented in the consolidated statement of financial position are stated at net realizable value, estimated by the Group's management based on prior experience and the current economic conditions.

The Group's liquid funds are placed with prime banks. Other debit balances consist mainly of amounts due from related parties.

The Group trades mostly with recognized, credit worthy third parties and monitors receivable balances and collection on an ongoing basis.

The Group's credit risk exposure with respect to accounts and notes receivable is disclosed under Note 8.

The Group's maximum exposure to credit risk is the carrying amount as disclosed in Notes 6, 7, 8 and 9.

The Group's financial assets are segregated by geographical area as follows:

	December 31, 2013		
	Lebanon	Europe	Total
	US$	US$	US$
Bank balances	175,651,297	1,004,703	176,656,000
Other debit balances	43,155,670	-	43,155,670
Accounts and notes receivable, net	435,196,235	-	435,196,235
Investment in asset-backed securities	80,601,126	-	80,601,126
Total financial assets	734,604,328	1,004,703	735,609,031

	December 31, 2012		
	Lebanon	Europe	Total
	US$	US$	US$
Bank balances	159,835,795	1,581,213	161,417,008
Other debit balances	46,698,065	-	46,698,065
Accounts and notes receivable, net	545,730,346	-	545,730,346
Total financial assets	752,264,206	1,581,213	753,845,419

(d) Liquidity Risk:

Liquidity risk is the risk that an institution will be unable to meet its net funding requirements. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of funding to dry up immediately.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and short and medium term bank facilities and bank loans.

The table below summarizes the maturity profile of the Group's liabilities as of December 31, based on contractual undiscounted liabilities:

	December 31, 2013				
	No Maturity	Less than 3 Months	3-12 Months	1 to 5 Years	Total
	USD	USD	USD	USD	USD
Bank overdrafts, short and medium term facilities	229,792,642	110,497,260	182,491,728	38,717,260	561,498,890
Accounts payable and other liabilities	29,192,513	24,166,623	21,916	153,652	53,534,704
Dividends payable	66,485,375	-	-	-	66,485,375
Deferred revenues and other credit balances	19,561,500	-	-	-	19,561,500
Term bank loans	-	7,006,801	71,239,470	61,751,008	139,997,279
Non-financial liabilities	97,050,325	-	-	-	97,050,325
	442,082,355	141,670,684	253,753,114	100,621,920	938,128,073

	December 31, 2012				
	No Maturity	Less than 3 Months	3-12 Months	1 to 5 Years	Total
	USD	USD	USD	USD	USD
Bank overdrafts, short and medium term facilities	173,019,660	-	412,101,068	67,378,450	652,499,178
Accounts payable and other liabilities	30,441,992	26,945,723	-	-	57,387,715
Dividends payable	78,776,194	-	-	-	78,776,194
Deferred revenues and other credit balances	16,272,900	-	-	-	16,272,900
Term bank loans	-	1,656,634	9,935,427	42,628,835	54,220,896
Non-financial liabilities	92,307,952	-	-	-	92,307,952
	390,818,698	28,602,357	422,036,495	110,007,285	951,464,835

36. CLASSIFICATION OF STATEMENT OF FINANCIAL POSITION ITEMS

ASSETS	December 31, 2013 US$	December 31, 2012 US$
Current Assets		
Cash and banks balances	176,715,685	161,569,349
Prepayments and other debit balances-Current portion	43,265,190	52,369,344
Accounts and notes receivables, net-Current portion	102,311,925	198,985,017
Total Current Assets	322,292,800	412,923,710
Non Current Assets		
Prepayments and other debit balances-Non current portion	9,179,846	3,538,929
Accounts and notes receivables, net-Non current portion	332,884,310	346,745,329
Investments in asset-backed securities	80,601,126	-
Inventory of land and projects in progress	1,143,676,320	1,208,248,784
Investment properties, net	564,680,342	436,638,362
Investment in associates and joint ventures	356,086,977	355,694,920
Fixed assets, net	64,095,894	72,077,320
Total Non Current Assets	2,551,204,815	2,422,943,644
TOTAL ASSETS	2,873,497,615	2,835,867,354
LIABILITIES		
Current Liabilities		
Bank overdrafts , short and medium term facilities-Current portion	516,811,677	523,023,693
Accounts payable and other liabilities-Current portion	93,227,312	82,315,184
Dividends payable	66,485,375	78,776,194
Deferred revenue and other credit balances-Current portion	24,923,552	31,599,276
Term bank loans-Current portion	73,240,943	27,472,349
Total Current Liabilities	774,688,859	743,186,696
Non Current Liabilities		
Medium term facilities-Non current portion	35,999,729	109,999,718
Accounts payable and other liabilities-Non current portion	21,684,165	25,031,207
Deferred revenue and other credit balances-Non current portion	30,311,500	27,022,900
Term bank loans-Non current portion	59,984,000	22,470,707
Total Non Current Liabilities	147,979,394	184,524,532
TOTAL LIABILITIES	922,668,253	927,711,228
EQUITY		
Issued capital at par value US$10 per share:		
100,000,000 class (A) shares	1,000,000,000	1,000,000,000
65,000,000 class (B) shares	650,000,000	650,000,000
	1,650,000,000	1,650,000,000
Legal reserve	154,380,009	150,411,796
Retained earnings	234,569,452	195,601,151
Cumulative foreign currency translation reserve	(377,283)	(470,351)
Deficit on treasury shares' activity	(2,446,798)	(2,446,798)
Less: Treasury shares	(84,210,286)	(84,210,286)
Total equity attributable to the owners of the parent	1,951,915,094	1,908,885,512
Non-controlling interest	(1,085,732)	(729,386)
Total Equity	1,950,829,362	1,908,156,126
TOTAL LIABILITIES AND EQUITY	2,873,497,615	2,835,867,354

37. RESTATEMENT OF PRIOR YEAR FIGURES

As disclosed in Note 21, below is the impact of the application of IFRS11 on the financial position, profit or loss and cash flows of the Group:

Impact on the statement of financial position:

	December 31, 2012		
	Before Restatement	Restatement	Restated
	US$	US$	US$
ASSETS			
Cash and banks balances	163,463,816	(1,894,467)	161,569,349
Prepayments and other debit balances	55,628,848	279,425	55,908,273
Accounts and notes receivables, net	554,078,045	(8,347,699)	545,730,346
Inventory of land and projects in progress	1,248,961,424	(40,712,640)	1,208,248,784
Investment properties, net	457,015,039	(20,376,677)	436,638,362
Investment in associates and joint ventures	314,965,852	40,729,068	355,694,920
Fixed assets, net	72,181,096	(103,776)	72,077,320
TOTAL ASSETS	2,866,294,120	(30,426,766)	2,835,867,354
LIABILITIES			
Bank overdrafts , short and medium term facilities	646,886,436	(13,863,025)	633,023,411
Accounts payable and other liabilities	121,132,130	(13,785,739)	107,346,391
Dividends payable	78,776,194	-	78,776,194
Deferred revenue and other credit balances	40,835,805	17,786,371	58,622,176
Term Bank Loans	69,320,670	(19,377,614)	49,943,056
Total Liabilities	956,951,235	(29,240,007)	927,711,228
EQUITY			
Issued capital at par value US$10 per share:			
100,000,000 class (A) shares	1,000,000,000	-	1,000,000,000
65,000,000 class (B) shares	650,000,000	-	650,000,000
	1,650,000,000	-	1,650,000,000
Legal reserve	150,411,796	-	150,411,796
Retained earnings	196,787,910	(1,186,759)	195,601,151
Cumulative foreign currency translation reserve	(470,351)	-	(470,351)
Deficit on treasury shares' activity	(2,446,798)	-	(2,446,798)
Less: Treasury shares	(84,210,286)	-	(84,210,286)
Total equity attributable to the owners of the Parent	1,910,072,271	(1,186,759)	1,908,885,512
Non-controlling interest	(729,386)	-	(729,386)
Total Equity	1,909,342,885	(1,186,759)	1,908,156,126
TOTAL LIABILITIES AND EQUITY	2,866,294,120	(30,426,766)	2,835,867,354

	December 31, 2011		
	Before Restatement US$	Restatement US$	Restated US$
ASSETS			
Cash and bank balances	174,138,680	(1,467,201)	172,671,479
Prepayments and other debit balances	47,658,853	(2,478,568)	45,180,285
Accounts and notes receivable, net	551,341,792	(7,022,132)	544,319,660
Inventory of land and projects in progress	1,178,348,256	(46,225,752)	1,132,122,504
Investment properties, net	444,629,160	-	444,629,160
Investment in associates	317,731,762	42,025,816	359,757,578
Fixed assets, net	70,316,628	(97,835)	70,218,793
Total Assets	2,784,165,131	(15,265,672)	2,768,899,459
LIABILITIES			
Bank overdrafts, short and medium term facilities	520,049,200	(221,749)	519,827,451
Accounts payable and other liabilities	144,809,477	(15,075,323)	129,734,154
Dividends payable	84,195,863	-	84,195,863
Deferred revenue and other credit balances	29,058,568	21,018,012	50,076,580
Term bank loans	70,095,747	(20,095,747)	50,000,000
Total Liabilities	848,208,855	(14,374,807)	833,834,048
SHAREHOLDERS' EQUITY			
Issued capital at par value US$10 per share:			
100,000,000 class (A) shares	1,000,000,000	-	1,000,000,000
65,000,000 class (B) shares	650,000,000	-	650,000,000
	1,650,000,000	-	1,650,000,000
Legal reserve	148,210,183	-	148,210,183
Retained earnings	263,104,931	(890,865)	262,214,066
Cumulative foreign currency translation reserve	(295,169)	-	(295,169)
(Deficit)/surplus on treasury shares' activity	10,166,079	-	10,166,079
Less: Treasury shares	(134,915,772)	-	(134,915,772)
Total equity attributable to the owners of the parent	1,936,270,252	(890,865)	1,935,379,387
Non-controlling interest	(313,976)	-	(313,976)
Total Equity	1,935,956,276	(890,865)	1,935,065,411
Total Liabilities and Shareholders' Equity	2,784,165,131	(15,265,672)	2,768,899,459

Impact on the statement of financial position:

	December 31, 2012		
	Before Restatement US$	Restatement US$	Restated US$
Revenues from land sales	49,580,377	-	49,580,377
Revenues from rented properties	58,132,896	(3,812,012)	54,320,884
Revenues from services rendered	6,141,662	380,100	6,521,762
Revenues from hospitality	6,593,970	-	6,593,970
Total revenues	120,448,905	(3,431,912)	117,016,993
Cost of land Sales	(7,122,763)	-	(7,122,763)
Depreciation of and charges on rented properties	(27,541,099)	2,490,468	(25,050,631)
Cost of rendered services	(6,855,684)	(380,100)	(7,235,784)
Cost of hospitality	(10,590,675)	-	(10,590,675)
Total cost of revenues	(52,110,221)	2,110,368	(49,999,853)
Gain on sale of and disposal of investment properties	4,376,528	-	4,376,528
Net revenues from operations	72,715,212	(1,321,544)	71,393,668
Share of results from associates and joint ventures	3,266,683	(710,102)	2,556,581
General and administrative expenses	(37,960,180)	1,245,282	(36,714,898)
Depreciation of fixed assets	(8,160,418)	31,911	(8,128,507)
Provision for contingencies	(7,986,410)	-	(7,986,410)
Other expenses	(233,877)	(6)	(233,883)
Other income	587,656	(35,501)	552,155
Taxes, fees and stamps	(3,956,465)	140,593	(3,815,872)
Interest income	29,077,466	1,175,624	30,253,090
Interest expense	(27,496,818)	349,238	(27,147,580)
Loss on exchange	-	(1,171,389)	(1,171,389)
Profit before tax	19,852,849	(295,894)	19,556,955
Income tax expense	(2,322,812)	-	(2,322,812)
Profit for the year	17,530,037	(295,894)	17,234,143

Impact on the statement of cash flows:

	December 31, 2012		
	Before Restatement US$	Restatement US$	Restated US$
Net cash used in operating activities	(58,711,407)	6,213,148	(52,498,259)
Net cash provided by investing activities	3,453,861	1,382,027	4,835,888
Net cash used in financing activities	(41,540,101)	6,999,511	(34,540,590)
	(96,797,647)	14,594,686	(82,202,961)

38. FAIR VALUE MEASUREMENT

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained in Note 3.

The summary of the Group's classification of each class of assets and liabilities and their fair values are as follows:

		December 31, 2013				
	Notes	Carrying Amount	Level 1	Level 2	Level 3	Total
		US$	US$	US$	US$	US$
Financial Assets measured at:						
Amortized cost						
Cash and bank balances	6	176,715,685	59,685	176,656,000	-	176,715,685
Other debit balances	7	43,155,670	-	43,155,670	-	43,155,670
Accounts and notes receivable	8	435,196,235	-	435,196,235	-	435,196,235
Investment in asset-backed securities	9	80,601,126	-	78,580,279	-	78,580,279
		735,668,716	59,685	733,588,184	-	733,647,869
Financial Liabilities measured at:						
Amortized cost						
Bank overdrafts, short and medium term facilities	14	552,811,406	-	552,695,168	-	552,695,168
Accounts payable and other liabilities	15	53,534,704	-	53,534,704	-	53,534,704
Dividends payable	16	66,485,375	-	66,485,375	-	66,485,375
Deferred revenues and other credit balances	17	55,235,052	-	55,235,052	-	55,235,052
Term bank loans	18	133,224,943	-	133,484,359	-	133,484,359
		861,291,480	-	861,434,658	-	861,434,658
Non-financial Assets measured at:						
Cost						
Investment properties	11	564,680,342	-	1,425,584,994	-	1,425,584,994
		564,680,342	-	1,425,584,994	-	1,425,584,994

The fair value of financial assets and financial liabilities was determined using the discounted cash flow method based on a discount rate equivalent to the market interest rate.

The fair value of the investment properties was estimated by management based on market comparability approach.

There have been no transfers between Level 1 and Level 2 during the period.

39. APPROVAL OF FINANCIAL STATEMENTS

The Board of Directors approved the consolidated financial statements for the year ended December 31, 2013, on June 4, 2014.