

# **Ezdan Holding Group Q.S.C.**

**UNAUDITED INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS**

**30 JUNE 2015**

## REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF EZDAN HOLDING GROUP Q.S.C.

### Introduction

We have reviewed the accompanying interim condensed consolidated financial statement of Ezdan Holding Group Q.S.C. (the "Company") and its subsidiaries (together referred to as the "Group") as at 30 June 2015, comprising of the interim consolidated statement of financial position at 30 June 2015 and the related interim consolidated statements of income and comprehensive income for the three-month and six month period ended 30 June 2015, the related interim consolidated statements of changes in equity and cash flows for the six-month period then ended and the related explanatory notes.


Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

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



Firas Qoussous  
of Ernst & Young  
Auditor's Registration No. 236

Date: 26 July 2015  
Doha



Ezdan Holding Group Q.S.C.


INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

|   | <i>Notes</i> | <i>30 June<br/>2015<br/>(Reviewed)<br/>QR'000</i> | <i>31 December<br/>2014<br/>(Audited)<br/>QR'000</i> |
|---|--------------|---|--|
| <b>ASSETS</b>                             |              |   |  |
| Cash and bank balances                    | 7            | 242,697   | 297,785  |
| Receivables and prepayments               | 8            | 224,632   | 212,376  |
| Inventories                               |              | 26,661  | 21,702   |
| Due from related parties                  | 14           | 329,197   | 72,562   |
| Investment properties held for sale       | 9            | 288,640   | 299,537  |
| Available-for-sale financial assets       | 10           | 5,891,535   | 5,190,446  |
| Investment properties                     | 11           | 34,446,923  | 34,216,539   |
| Investments in equity accounted investees | 12           | 3,122,807   | 3,053,834  |
| Property and equipment                    |              | <u>24,231</u>                                     | <u>28,059</u>  |
| <b>TOTAL ASSETS</b>                       |              | <u><b>44,597,323</b></u>                          | <u><b>43,392,840</b></u>                             |
| <b>LIABILITIES AND EQUITY</b>             |              |   |  |
| <b>LIABILITIES</b>                        |              |   |  |
| Payables and other liabilities            | 13           | 1,045,437   | 449,919  |
| Due to a related party                    | 14           | 591   | 56,106   |
| Islamic financing borrowings              | 15           | <u>13,253,534</u>                                 | <u>12,809,634</u>                                    |
| <b>TOTAL LIABILITIES</b>                  |              | <u><b>14,299,562</b></u>                          | <u><b>13,315,659</b></u>                             |
| <b>EQUITY</b>                             |              |   |  |
| Share capital                             |              | 26,524,967  | 26,524,967   |
| Legal reserve                             |              | 1,055,927   | 1,055,927  |
| Revaluation reserve                       |              | 1,688,221   | 1,264,808  |
| Foreign currency translation reserve      |              | 1,954   | 1,954  |
| Retained earnings                         |              | <u>1,026,692</u>                                  | <u>1,229,525</u>                                     |
| <b>TOTAL EQUITY</b>                       |              | <u><b>30,297,761</b></u>                          | <u><b>30,077,181</b></u>                             |
| <b>TOTAL LIABILITIES AND EQUITY</b>       |              | <u><b>44,597,323</b></u>                          | <u><b>43,392,840</b></u>                             |

These unaudited interim condensed consolidated financial statements were approved by the Board of Directors on 26 July 2015 and were signed on behalf by:

  
 \_\_\_\_\_  
 Sheikh Abdullah Bin Thani Al-Thani  
 Vice Chairman

  
 \_\_\_\_\_  
 Ali Al-Obaidli  
 Group Chief Executive Officer

The attached notes 1 to 23 form part of these unaudited interim condensed consolidated financial statements.

## INTERIM CONSOLIDATED STATEMENT OF INCOME

For the six months ended 30 June 2015

|   | Notes | <i>For the three months ended</i> |                   | <i>For the six months ended</i> |                   |
|---|-------|-----------------------------------|-------------------|---------------------------------|-------------------|
|   |       | <i>30 June</i>                    |                   | <i>30 June</i>                  |                   |
|   |       | <i>2015</i>                       | <i>2014</i>       | <i>2015</i>                     | <i>2014</i>       |
|   |       | <i>(Reviewed)</i>                 | <i>(Reviewed)</i> | <i>(Reviewed)</i>               | <i>(Reviewed)</i> |
|   |       | <i>QR'000</i>                     | <i>QR'000</i>     | <i>QR'000</i>                   | <i>QR'000</i>     |
| Rental income   |       | <b>386,873</b>                    | 339,560           | <b>749,809</b>                  | 641,304           |
| Dividends income from available-for-sale-financial assets |       | <b>231</b>                        | 5,541             | <b>183,850</b>                  | 167,194           |
| Net gain on sale of available-for-sale- financial assets  |       | <b>29,774</b>                     | 45,881            | <b>81,920</b>                   | 97,518            |
| Other operating revenues                                  |       | <b>17,215</b>                     | 11,892            | <b>27,996</b>                   | 45,969            |
| Operating expenses  |       | <b>(69,316)</b>                   | (78,015)          | <b>(133,845)</b>                | (133,749)         |
| <b>Operating profit for the period</b>                    |       | <b>364,777</b>                    | 324,859           | <b>909,730</b>                  | 818,236           |
| Share of results of equity accounted investees            | 12    | <b>120,995</b>                    | 71,340            | <b>196,328</b>                  | 135,874           |
| Gain on acquisition of an associate                       | 6     | -                                 | -                 | -                               | 8,461             |
| Gain on revaluation of investment properties              |       | <b>18,615</b>                     | 3,850             | <b>18,615</b>                   | 3,850             |
| Gain on sale of investment properties held for sale       | 9     | <b>418</b>                        | -                 | <b>4,961</b>                    | -                 |
| Other income  |       | <b>4,965</b>                      | 4,189             | <b>12,785</b>                   | 9,500             |
| General and administrative expenses                       |       | <b>(77,951)</b>                   | (59,203)          | <b>(116,013)</b>                | (94,637)          |
| Depreciation  |       | <b>(2,241)</b>                    | (2,356)           | <b>(4,655)</b>                  | (4,190)           |
| Finance costs   |       | <b>(93,905)</b>                   | (85,237)          | <b>(163,585)</b>                | (158,979)         |
| <b>NET PROFIT FOR THE PERIOD</b>                          |       | <b>335,673</b>                    | 257,442           | <b>858,166</b>                  | 718,115           |
| <b>BASIC AND DILUTED EARNINGS PER SHARE (QR)</b>          | 17    | <b>0.13</b>                       | 0.097             | <b>0.32</b>                     | 0.27              |

The attached notes 1 to 23 form part of these unaudited interim condensed consolidated financial statements.



Ezdan Holding Group Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015

|  | Note | <i>For the three months ended</i> |                   | <i>For the six months ended</i> |                   |
|--|------|-----------------------------------|-------------------|---------------------------------|-------------------|
|  |      | <i>30 June</i>                    |                   | <i>30 June</i>                  |                   |
|  |      | <i>2015</i>                       | <i>2014</i>       | <i>2015</i>                     | <i>2014</i>       |
|  |      | <i>(Reviewed)</i>                 | <i>(Reviewed)</i> | <i>(Reviewed)</i>               | <i>(Reviewed)</i> |
|  |      | <i>QR'000</i>                     | <i>QR'000</i>     | <i>QR'000</i>                   | <i>QR'000</i>     |
| <b>Profit for the period</b>   |      | <b>335,673</b>                    | 257,442           | <b>858,166</b>                  | 718,115           |
| <b>Other comprehensive income</b>  |      |                                   |                   |                                 |                   |
| <i>Other comprehensive income to be reclassified to statement of income in subsequent periods:</i> |      |                                   |                   |                                 |                   |
| Net gain on available-for- sale- financial assets  |      | <b>494,706</b>                    | 224,022           | <b>422,335</b>                  | 840,320           |
| Loss on cash flow hedges   |      | -                                 | (3,620)           | -                               | (3,620)           |
| Share of revaluation reserve of equity accounted investees   |      | <b>676</b>                        | (463)             | <b>1,078</b>                    | (127)             |
| <b>Total other comprehensive income</b>  | 18   | <b>495,382</b>                    | 219,939           | <b>423,413</b>                  | 836,573           |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>   |      | <b>831,055</b>                    | 477,381           | <b>1,281,579</b>                | 1,554,688         |

The attached notes 1 to 23 form part of these unaudited interim condensed consolidated financial statements.

Ezdan Holding Group Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

|   | <i>Share<br/>capital<br/>QR'000</i> | <i>Legal<br/>reserve<br/>QR'000</i> | <i>Revaluation<br/>reserve<br/>QR'000</i> | <i>Foreign<br/>currency<br/>translation<br/>reserve<br/>QR'000</i> | <i>Retained<br/>earnings<br/>QR'000</i> | <i>Total<br/>equity<br/>QR'000</i> |
|---|-------------------------------------|-------------------------------------|---|--|---|------------------------------------|
| Balance at 1 January 2015 (Audited)       | 26,524,967                          | 1,055,927                           | 1,264,808                                 | 1,954  | 1,229,525                               | 30,077,181                         |
| Profit for the period                     | -                                   | -                                   | -   | -  | 858,166                                 | 858,166                            |
| Other comprehensive income                | -                                   | -                                   | 423,413                                   | -  | -                                       | 423,413                            |
| Total comprehensive income                | -                                   | -                                   | 423,413                                   | -  | 858,166                                 | 1,281,579                          |
| Dividends for 2014 (Note 19)              | -                                   | -                                   | -   | -  | (1,060,999)                             | (1,060,999)                        |
| <b>Balance at 30 June 2015 (Reviewed)</b> | <b><u>26,524,967</u></b>            | <b><u>1,055,927</u></b>             | <b><u>1,688,221</u></b>                   | <b><u>1,954</u></b>  | <b><u>1,026,692</u></b>                 | <b><u>30,297,761</u></b>           |

The attached notes 1 to 23 form part of these unaudited interim condensed consolidated financial statements.

Ezdan Holding Group Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2015

|   | <i>Share<br/>capital<br/>QR'000</i> | <i>Legal<br/>reserve<br/>QR'000</i> | <i>Revaluation<br/>reserve<br/>QR'000</i> | <i>Revaluation<br/>surplus<br/>QR'000</i> | <i>Foreign<br/>currency<br/>translation<br/>reserve<br/>QR'000</i> | <i>Retained<br/>earnings<br/>QR'000</i> | <i>Total<br/>equity<br/>QR'000</i> |
|---|-------------------------------------|-------------------------------------|---|---|--|---|------------------------------------|
| Balance at 1 January 2014 (Audited)         | 26,524,967                          | 919,890                             | 335,980                                   | -   | 1,954  | 861,480                                 | 28,644,271                         |
| Profit for the period                       | -                                   | -                                   | -   | -   | -  | 718,115                                 | 718,115                            |
| Other comprehensive income                  | -                                   | -                                   | 836,573                                   | -   | -  | -                                       | 836,573                            |
| Total comprehensive income                  | -                                   | -                                   | 836,573                                   | -   | -  | 718,115                                 | 1,554,688                          |
| Dividends for 2013 (Note 19)                | -                                   | -                                   | -   | -   | -  | (822,274)                               | (822,274)                          |
| Balance at 30 June 2014 ( <i>Reviewed</i> ) | <u>26,524,967</u>                   | <u>919,890</u>                      | <u>1,172,553</u>                          | <u>-</u>                                  | <u>1,954</u>   | <u>757,321</u>                          | <u>29,376,685</u>                  |

The attached notes 1 to 23 form part of these unaudited interim condensed consolidated financial statements.

# Ezdan Holding Group Q.S.C.

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

|  | <i>Six months ended 30 June</i>                   |   |
|--|---|---|
|  | <i>2015</i><br><i>(Reviewed)</i><br><i>QR'000</i> | <i>2014</i><br><i>(Reviewed)</i><br><i>QR'000</i> |
| <i>Note</i>  |   |   |
| <b>OPERATING ACTIVITIES</b>                                    |   |   |
| Profit for the period  | <b>858,166</b>                                    | 718,115   |
| Adjustment for:  |   |   |
| Gain on revaluation of investment properties                   | <b>(18,615)</b>                                   | (3,850)   |
| Depreciation   | <b>4,655</b>                                      | 4,190   |
| Provision for employees' end of service benefits               | <b>4,165</b>                                      | 4,704   |
| Share of results of equity accounted investees                 | <b>(196,328)</b>                                  | (135,874)   |
| Gain on acquisition of an associate                            | <b>-</b>  | (8,461)   |
| Gain on sale of investment properties held for sale            | <b>(4,961)</b>                                    | -   |
| Allowance for impairment of tenants receivables                | <b>6,353</b>                                      | 13,162  |
| Reversal of allowance for impairment of tenants receivables    | <b>(6,792)</b>                                    | (1,742)   |
| Profit on Islamic bank accounts                                | <b>(6,263)</b>                                    | (2,762)   |
| Net gain on sale of available-for-sale-financial assets        | <b>(81,920)</b>                                   | (97,518)  |
| Finance costs  | <b>163,585</b>                                    | 158,979   |
|  | <b>722,045</b>                                    | 648,943   |
| <i>Working capital changes:</i>                                |   |   |
| Receivables and prepayments                                    | <b>(11,817)</b>                                   | 52,980  |
| Inventories  | <b>(4,959)</b>                                    | (9,469)   |
| Due from/to related parties                                    | <b>(312,150)</b>                                  | (46,710)  |
| Payables and other liabilities                                 | <b>(54,638)</b>                                   | (36,992)  |
| Cash from operations   | <b>338,481</b>                                    | 608,752   |
| Employees' end of service benefits paid                        | <b>(1,252)</b>                                    | (592)   |
| Net cash flows from operating activities                       | <b>337,229</b>                                    | 608,160   |
| <b>INVESTING ACTIVITIES</b>                                    |   |   |
| Payments for purchase of property, plant and equipment         | <b>(827)</b>                                      | (6,446)   |
| Payments for purchase and development of investment properties | <b>(90,517)</b>                                   | (208,558)   |
| Proceeds from sale of investment properties held for sale      | <b>15,858</b>                                     | -   |
| Proceeds from sale of available for sale financial assets      | <b>414,060</b>                                    | 436,712   |
| Payments for purchase of available for sale financial assets   | <b>(594,497)</b>                                  | (726,161)   |
| Payments for purchase of investments in associates             | <b>(88,945)</b>                                   | (62,296)  |
| Dividends received from equity accounted investees             | <b>198,068</b>                                    | 162,821   |
| Profits received on Islamic bank accounts                      | <b>6,263</b>                                      | 2,762   |
| Net movement in short term deposits maturing after 3 months    | <b>190,000</b>                                    | 350,000   |
| Net movement in restricted bank balances                       | <b>-</b>  | 4,986   |
| Net cash flows generated from (used in) investing activities   | <b>49,463</b>                                     | (46,180)  |
| <b>FINANCING ACTIVITIES</b>                                    |   |   |
| Proceeds from Islamic financing borrowings                     | <b>900,000</b>                                    | 1,277,500   |
| Payments for Islamic financing borrowings                      | <b>(740,937)</b>                                  | (997,298)   |
| Dividends paid   | <b>(410,843)</b>                                  | (338,898)   |
| Net cash flows used in financing activities                    | <b>(251,780)</b>                                  | (58,696)  |
| <b>INCREASE IN CASH AND CASH EQUIVALENTS</b>                   | <b>134,912</b>                                    | 503,284   |
| Cash and cash equivalents as of 1 January                      | <b>98,098</b>                                     | 85,817  |
| <b>CASH AND CASH EQUIVALENTS AS AT 30 JUNE</b>                 | <b>7</b><br><b>233,010</b>                        | <b>589,101</b>                                    |

The attached notes 1 to 23 form part of these unaudited interim condensed consolidated financial statements.



# Ezdan Holding Group Q.S.C.

## NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2015

### 1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Ezdan Holding Group Q.S.C. (the “Company”) (formally known as Ezdan Real Estate Company Q.S.C.) is a Qatari Public Shareholding Company registered in the State of Qatar under the Commercial Registration number 15466. The Company was established on 24 May 1993 as a Limited Liability Company, and was publicly listed on Qatar Exchange on 18 February 2008.

The Company’s name has been changed from Ezdan Real Estate Company Q.S.C. to Ezdan Holding Group Q.S.C. based on a resolution from the Extraordinary General Assembly Meeting held on 17 September 2012.

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

The principal activities of the Company and its subsidiaries include financial and administrative control over a company or more by owing at least 51% of its shares, investment in shares, Sukuk, financial securities, and other investments inside and outside the State of Qatar, owning patents, commercial works and privilege , and other rights using them and renting them to others, providing real estate consulting services, managing property and collect rentals and providing property maintenance works.

These interim unaudited condensed consolidated financial statements include the financial statements of the Company and its below listed subsidiaries (together referred to as the “Group”) as at and for the period ended 30 June 2015.

| <i>Name of the Company</i>                 | <i>Share capital QR</i> | <i>Country of incorporation</i> | <i>Effective percentage of ownership</i> |                         |                     |
|--|-------------------------|---------------------------------|--|-------------------------|---------------------|
|  |                         |                                 | <i>30 June 2015</i>                      | <i>31 December 2014</i> | <i>30 June 2014</i> |
| Ezdan Hotels Company S.O.C.                | 200,000                 | Qatar                           | 100%                                     | 100%                    | 100%                |
| Ezdan Mall Company S.O.C.                  | 200,000                 | Qatar                           | 100%                                     | 100%                    | 100%                |
| Ezdan Real Estate Company S.O.C.           | 200,000                 | Qatar                           | 100%                                     | 100%                    | 100%                |
| Ezdan Partnership Co. S.O.C.               | 200,000                 | Qatar                           | 100%                                     | 100%                    | 100%                |
| Al Etkan Trading Co. S.O.C.                | 200,000                 | Qatar                           | 100%                                     | 100%                    | 100%                |
| Alrobe Alkhale Trading Co. S.O.C.          | 200,000                 | Qatar                           | 100%                                     | 100%                    | 100%                |
| Al Ekleem Real Estate Co. S.O.C.           | 200,000                 | Qatar                           | 100%                                     | 100%                    | 100%                |
| Almnara Medical Equipment Co. S.O.C.       | 200,000                 | Qatar                           | 100%                                     | 100%                    | 100%                |
| Al Taybeen Trading Co. S.O.C.              | 200,000                 | Qatar                           | 100%                                     | 100%                    | 100%                |
| Al Kara Trading Co. S.O.C.                 | 200,000                 | Qatar                           | 100%                                     | 100%                    | 100%                |
| Ethmar Construction and Trading Co. S.O.C. | 200,000                 | Qatar                           | 100%                                     | 100%                    | 100%                |
| Al Namaa Maintenance Services Co. S.O.C.   | 200,000                 | Qatar                           | 100%                                     | 100%                    | 100%                |
| Shatee Alneel Co. S.O.C.                   | 200,000                 | Qatar                           | 100%                                     | 100%                    | 100%                |
| Arkan Import and Export Co. S.O.C.         | 200,000                 | Qatar                           | 100%                                     | 100%                    | 100%                |
| Tarek Al Haq Trading Co. S.O.C.            | 200,000                 | Qatar                           | 100%                                     | 100%                    | 100%                |
| Manazel Trading Co. S.O.C.                 | 200,000                 | Qatar                           | 100%                                     | 100%                    | 100%                |
| Een Jaloot Trading Co. S.O.C.              | 200,000                 | Qatar                           | 100%                                     | 100%                    | 100%                |
| Tareek Alkher Trading Co. S.O.C.           | 200,000                 | Qatar                           | 100%                                     | 100%                    | 100%                |
| Alkora Alzahbya Co. S.O.C.                 | 200,000                 | Qatar                           | 100%                                     | 100%                    | 100%                |
| High Trade for Trading S.O.C.              | 200,000                 | Qatar                           | 100%                                     | -                       | -                   |
| Amaken for Electronic S.O.C.               | 200,000                 | Qatar                           | 100%                                     | -                       | -                   |
| Gulf Intiaz for Trading S.O.C.             | 200,000                 | Qatar                           | 100%                                     | -                       | -                   |
| Ezdan Palace Hotel.S.O.C.                  | 200,000                 | Qatar                           | 100%                                     | -                       | -                   |

The Parent of the Group is Al-Tadawul Holding Group Q.S.C. (“Tadawul”) which aggregately owns directly and indirectly through its subsidiaries, 54 % of the share capital of the Company as at 30 June 2015.

These interim unaudited condensed consolidated financial statements of the Group were authorized for issue by the Board of Directors of the Group on 26 July 2015.

## 2 BASIS OF PREPARATION

The interim unaudited condensed consolidated financial statements for the six months ended 30 June 2015 have been prepared in accordance with International Financial Reporting Standards, IAS 34 – “Interim Financial Reporting” (“IAS 34”).

The interim unaudited condensed consolidated financial statements are prepared in Qatari Riyals, which is the Group’s functional and presentational currency and all values are rounded to the nearest thousands (QR’000) except when otherwise indicated.

The interim unaudited condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2014. In addition, results for the six months ended 30 June 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015.

During the period, a new Qatar Commercial Company’s Law No. 11 of 2015 was issued in the State of Qatar. The new Law did not have any impact on the unaudited interim condensed consolidated financial statements.

## 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2014, except for the adoption of new standards and interpretations effective as of 1 January 2015. The Group has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

The following amended accounting standards became effective in 2015 and have been adopted by the Group in preparation of these interim condensed consolidated financial statements as applicable. Whilst they did not have any impact on these interim condensed consolidated financial statements, they may require additional disclosures in the annual consolidated financial statements for the year ended 31 December 2015.

|                         |   |
|-------------------------|---|
| Defined Benefits Plans: | Employee Contributions (Amendments to IAS 19) |
| Annual improvements:    | 2010-2012 Cycle                               |
| Annual improvements:    | 2011-2013 Cycle                               |

### Standards issued but not yet effective

The following new standards have been issued but are not yet effective. The Group is currently evaluating the impact of these new standards and intend to adopt these standards, if applicable, when they become effective.

| <i>Topic</i>   | <i>Effective date</i> |
|--|-----------------------|
| IFRS 14: Regulatory Deferral Accounts  | 1 January 2016        |
| Amendments to IAS 16 and IAS 38: Clarifications of Acceptable Methods of Depreciation and Amortisation | 1 January 2016        |
| Amendments to IAS 27: Equity method in Separate Financial Statements                                   | 1 January 2016        |
| Amendments IFRS 11: Joint Arrangement: Accounting for Acquisition                                      | 1 January 2016        |
| IFRS 15: Revenue from Contracts with Customers   | 1 January 2017        |
| IFRS 9: Financial Instruments  | 1 January 2018        |

## 4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

In preparing these unaudited interim condensed consolidated financial statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation of uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2014.

## Ezdan Holding Group Q.S.C.

### NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2015

#### 5 FINANCIAL RISK MANAGEMENT

The aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2014.

#### 6 ACQUISITION OF AN ASSOCIATE

During previous year, the Group acquired additional 28.75% interest in Islamic Holding Group (Q.S.C.) and obtained significant influence over financial and operating policy decisions of Islamic Holding Group (Q.S.C.) with 36.03% interest.

Islamic Holding Group Q.S.C. was established as a Qatari Private Shareholding Company and registered under the Commercial Registration under No. 26337. The principal activities of Islamic Holding Group Q.S.C. are investing in shares, bonds and brokerage services in Qatar Exchange according to the Islamic Shari'a. Islamic Holding Group Q.S.C. is governed by the provisions of Qatar Commercial Companies' Law No.11 of 2015 and the regulations of Qatar Financial Market Authority and Qatar Exchange.

The Board of Directors has decided to change the legal structure of Islamic Holding Group to a Qatari Public Shareholding Company on 22 September, 2006, which was approved by the Ministry of Economy and Trade on 26 December 2006. The Company's shares were listed in Qatar Exchange on 3 March 2008.

The fair value of identifiable assets acquired and liabilities assumed of Islamic Holding Group Q.S.C. as at the date of acquisition were as follows;

|  | <i>QR'000</i>  |
|--|----------------|
| <b>ASSETS</b>  |                |
| <b>Current assets</b>  |                |
| Bank balances  | 36,336         |
| Bank balances - customers' funds   | 257,769        |
| Due from customers   | 475            |
| Prepayments and other debit balances   | 13,742         |
| Property and equipment   | 541            |
| Available-for-sale-financial assets  | 5,189          |
| <b>Total assets</b>  | <b>314,052</b> |
| <b>Liabilities</b>   |                |
| Due to customers   | 231,548        |
| Due to Qatar Exchange  | 23,801         |
| Accrued expenses and other credit balances   | 2,627          |
| Employees' end of service benefits   | 882            |
| <b>Total liabilities</b>   | <b>258,858</b> |
| <b>NET ASSETS</b>  | <b>55,194</b>  |
| Fair value of net assets   | 19,886         |
| Goodwill arising on acquisition  | 42,148         |
| <b>Cost of an associate acquired</b>   | <b>62,034</b>  |
| Cash considerations  | 49,515         |
| Fair value of the Group's equity interest in Islamic Holding Group held before acquisition | 12,519         |
|  | <b>62,034</b>  |

# Ezdan Holding Group Q.S.C.

## NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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### 6 ACQUISITION OF AN ASSOCIATE (continued)

In compliance with the provisions of International Financial Reporting Standard 3 “Business Combinations”, the Group has carried out one time “Purchase Price Allocation” (PPA) exercise for the value of the acquisition of the shares of Islamic Holding Group Q.S.C. PPA identifies the values paid for the tangible assets, intangible assets and the goodwill arising on the acquisition. The intangibles identified on acquisition of shares in Islamic Holding Group Q.S.C. were not material and accordingly were not considered.

The gain on the acquisition of QR 8,461 thousand is included in the Group’s consolidated statement of income for the period ended 30 June 2014.

### 7 CASH AND CASH EQUIVALENTS

For the purpose of the unaudited interim consolidated statement of cash flows, cash and cash equivalents are comprised of the following:

|   | <i>30 June<br/>2015<br/>(Reviewed)<br/>QR’000</i> | <i>30 June<br/>2014<br/>(Reviewed)<br/>QR’000</i> | <i>31 December<br/>2014<br/>(Audited)<br/>QR’000</i> |
|---|---|---|--|
| Cash on hand  | 868   | 943   | 291  |
| <i>Cash at banks and other financial institutions</i> |   |   |  |
| Saving and call accounts                              | 70,214  | 130,565   | 66,164   |
| Term deposits   | 125,216   | 450,000   | 190,000  |
| Current accounts                                      | 36,712  | 7,593   | 31,643   |
| Margin bank accounts                                  | 9,687   | 9,687   | 9,687  |
| <b>Cash and bank balances</b>                         | <b>242,697</b>                                    | <b>598,788</b>                                    | <b>297,785</b>                                       |
| <i>Less: restricted bank balances</i>                 | <i>(9,687)</i>                                    | <i>(9,687)</i>                                    | <i>(9,687)</i>                                       |
| short term bank deposits maturing after 3 months      | -   | -   | (190,000)  |
| <b>Cash and cash equivalents</b>                      | <b>233,010</b>                                    | <b>589,101</b>                                    | <b>98,098</b>  |

### 8 RECEIVABLES AND PREPAYMENTS

|  | <i>30 June<br/>2015<br/>(Reviewed)<br/>QR’000</i> | <i>31 December<br/>2014<br/>(Audited)<br/>QR’000</i> |
|--|---|--|
| Tenants receivable   | 99,315  | 90,737   |
| Less: allowance for impairment of tenants receivable               | (58,253)  | (58,692)   |
|  | <b>41,062</b>                                     | 32,045   |
| Advances to suppliers  | 96,787  | 112,869  |
| Prepaid expenses   | 52,890  | 35,650   |
| Refundable deposits  | 12,489  | 10,653   |
| Notes receivable   | 3,130   | 1,818  |
| Advances to contractors  | 2,721   | 3,304  |
| Accrued income   | 2,721   | 3,835  |
| Other receivables and debit balances                               | 12,832  | 12,202   |
|  | <b>224,632</b>                                    | 212,376  |
| <i>The maturity of receivables and prepayments are as follows:</i> |   |  |
| Non-current  | 15,210  | 13,957   |
| Current  | 209,422   | 198,419  |
|  | <b>224,632</b>                                    | 212,376  |

**9 INVESTMENT PROPERTIES HELD FOR SALE**

During 2014, the Group decided to dispose certain investment properties. Movements in the carrying value of the investment properties held for sale are as follows:

|  | <i>30 June<br/>2015<br/>(Reviewed)<br/>QR'000</i> | <i>31 December<br/>2014<br/>(Audited)<br/>QR'000</i> |
|--|---|--|
| Balance at 1 January                             | 299,537   | -  |
| Transferred from investment properties (Note 11) | -   | 358,978  |
| Sold during the period/year                      | <u>(10,897)</u>                                   | <u>(59,441)</u>                                      |
| <b>Balance at 30 June / 31 December</b>          | <b><u>288,640</u></b>                             | <b><u>299,537</u></b>                                |

*Note i*

The Group has recognised a gain of QR 4,961 thousand during the period (30 June 2014: Nil) from the sale of investment properties held for sale.

*Note ii*

The Group has received an advance payment amounting to QR 4,178 thousand at 30 June 2015 (31 December 2014: QR 19,308) in respect of sale of certain investment properties held for sale. These advances are recognised as a liability and included in Note 13.

**10 AVAILABLE-FOR-SALE-FINANCIAL ASSETS****Concentration of investment portfolio**

Concentration of investment portfolio arises when a number of investments are made in entities engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would be affected by changes in economic, political or other conditions. The Group manages this risk through diversification of investments in terms of industry concentration. The industry concentration of the investment portfolio is as follows:

|                                  | <i>30 June<br/>2015<br/>(Reviewed)<br/>QR'000</i> | <i>31 December<br/>2014<br/>(Audited)<br/>QR'000</i> |
|----------------------------------|---|--|
| Banks and financial institutions | 4,223,730   | 3,877,425  |
| Industry                         | 1,363,418   | 1,040,351  |
| Consumer goods and services      | 263,623   | 250,309  |
| Telecommunication                | 31,762  | 21,607   |
| Insurance                        | <u>9,002</u>                                      | <u>754</u>   |
|                                  | <b><u>5,891,535</u></b>                           | <b><u>5,190,446</u></b>                              |

*Notes:*

- (i) All available-for-sale-financial assets of the Group are local shares listed at Qatar Exchange.
- (ii) The mortgages on available-for-sale-financial assets are disclosed in Note 15.
- (iii) At 30 June 2015, the Group's ownership interest in Widam Food Company Q.S.C. and Qatar Investors Group Q.S.C. were 23.22% and 20% respectively (31 December 2014: 23.32% and 20% respectively). However, these investments are still accounted for as available-for-sale-financial assets since the Group does not have significant influence over the operating and financial decisions of the investees.

# Ezdan Holding Group Q.S.C.

## NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2015

### 11 INVESTMENT PROPERTIES

|   | <i>30 June<br/>2015<br/>(Reviewed)<br/>QR'000</i> | <i>31 December<br/>2014<br/>(Audited)<br/>QR'000</i> |
|---|---|--|
| At 1 January  | <b>34,216,539</b>                                 | 33,855,075   |
| Development costs   | <b>90,517</b>                                     | 390,212  |
| Capitalized finance costs on properties under development | <b>121,252</b>                                    | 276,773  |
| Fair value gain   | <b>18,615</b>                                     | 53,457   |
| Transferred to investment properties held for sale        | <u>-</u>  | <u>(358,978)</u>                                     |
|   | <b><u>34,446,923</u></b>                          | <b><u>34,216,539</u></b>                             |

*Notes:*

- (i) The Group has carried out a valuation of all investment properties owned by the Group at 30 June 2015 and at 31 December 2014. The valuation was performed by D.T.Z Qatar L.L.C., a certified valuer, specialized in the valuation of real estate and similar activities. The valuation has been prepared in accordance with the appropriate sections of the Practice Statements ("PS"), contained with the RICS Valuation- Professional Standards 2015 (the "Red Book").
- (ii) All investment properties are located in the State of Qatar.
- (iii) The mortgages on the investment properties are disclosed in Note 15.
- (iv) Title deeds of certain investment properties are in the name of one shareholder of the Group and the Group is in the process of transferring them to the Group's name.

### 12 INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES

The following table illustrates the summarised financial information of the Group's investments in equity accounted investees:

|  | <i>30 June<br/>2015<br/>(Reviewed)<br/>QR'000</i> | <i>31 December<br/>2014<br/>(Audited)<br/>QR'000</i> |
|--|---|--|
| <i>Group's share of the equity accounted investees' statement of financial position:</i> |   |  |
| Total assets   | <b>9,930,326</b>                                  | 9,878,517  |
| Total liabilities  | <b><u>(7,993,729)</u></b>                         | <u>(7,950,929)</u>                                   |
| Net assets   | <b>1,936,597</b>                                  | 1,927,588  |
| Goodwill   | <b><u>1,186,210</u></b>                           | <u>1,126,246</u>                                     |
| Carrying amount of the investments   | <b><u>3,122,807</u></b>                           | <u>3,053,834</u>                                     |
| <i>For the six months ended 30 June</i>  |   |  |
|  | <i>2015<br/>(Reviewed)<br/>QR'000</i>             | <i>2014<br/>(Reviewed)<br/>QR'000</i>                |
| Revenues   | <b><u>366,738</u></b>                             | <u>298,906</u>                                       |
| Results  | <b><u>196,328</u></b>                             | <u>135,874</u>                                       |

*Note:*

- (i) The mortgages on investments in equity accounted investees are disclosed in Note 15.

# Ezdan Holding Group Q.S.C.

## NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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### 13 PAYABLES AND OTHER LIABILITIES

|   | <i>30 June<br/>2015<br/>(Reviewed)<br/>QR'000</i> | <i>31 December<br/>2014<br/>(Audited)<br/>QR'000</i> |
|---|---|--|
| Dividends payable   | 650,156   | -  |
| Tenants deposits  | 151,319   | 145,130  |
| Unearned rents  | 87,567  | 76,203   |
| Contractors and suppliers payable                                     | 47,627  | 53,555   |
| Provision for end of services benefits                                | 23,544  | 20,631   |
| Provision for Social and Sports Activities Fund                       | 12,552  | 46,562   |
| Retention payable   | 12,353  | 11,593   |
| Accrued expenses  | 39,359  | 65,734   |
| Derivative financial liability (Note 16 )                             | 4,446   | 4,446  |
| Advances from customers (Note 9)                                      | 4,178   | 19,308   |
| Other payables  | 12,336  | 6,757  |
|   | <b>1,045,437</b>                                  | <b>449,919</b>                                       |
| <i>The maturity of payables and other liabilities are as follows:</i> |   |  |
| Non-current   | 191,662   | 181,800  |
| Current   | 853,775   | 268,119  |
|   | <b>1,045,437</b>                                  | <b>449,919</b>                                       |

### 14 RELATED PARTY DISCLOSURES

Related parties represent the Parent of the Group, major shareholders, associated companies, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's Board of Directors.

#### Due from related parties

| <i>Name of related party</i>            | <i>30 June<br/>2015<br/>(Reviewed)<br/>QR'000</i> | <i>31 December<br/>2014<br/>(Audited)<br/>QR'000</i> |
|---|---|--|
| Emtedad for Real Estate Projects W.L.L. | 280,784   | 25,016   |
| Dar Al Arab W.L.L.                      | 38,088  | 32,893   |
| SAK Trading and Contracting Company     | 5,669   | -  |
| SAK Holding Group Company W.L.L.        | 3,462   | 14,592   |
| White Square Real Estate Company W.L.L. | 802   | 46   |
| Other related parties                   | 392   | 15   |
|   | <b>329,197</b>                                    | <b>72,562</b>  |

#### Due to related parties

| <i>Name of related party</i>        | <i>30 June<br/>2015<br/>(Reviewed)<br/>QR'000</i> | <i>31 December<br/>2014<br/>(Audited)<br/>QR'000</i> |
|-------------------------------------|---|--|
| Other related parties               | 591   | -  |
| SAK Trading and Contracting Company | -   | 56,106   |
|                                     | <b>591</b>  | <b>56,106</b>  |

# Ezdan Holding Group Q.S.C.

## NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2015

### 14 RELATED PARTY DISCLOSURES (continued)

|   | <i>30 June<br/>2015<br/>(Reviewed)<br/>QR'000</i> | <i>31 December<br/>2014<br/>(Audited)<br/>QR'000</i> |
|---|---|--|
| Islamic financing borrowings from an associate Bank | <u>2,686,669</u>                                  | <u>2,686,669</u>                                     |

#### Related party transactions

Transactions with related parties during the period are as follows:

|   | <i>Three months ended</i>                         |   | <i>Six months ended</i>                           |   |
|---|---|---|---|---|
|   | <i>30 June<br/>2015<br/>(Reviewed)<br/>QR'000</i> | <i>30 June<br/>2014<br/>(Reviewed)<br/>QR'000</i> | <i>30 June<br/>2015<br/>(Reviewed)<br/>QR'000</i> | <i>30 June<br/>2014<br/>(Reviewed)<br/>QR'000</i> |
| Construction of investment properties (i)                             | <u>-</u>  | <u>64,171</u>                                     | <u>-</u>  | <u>120,995</u>                                    |
| Finance costs capitalized to properties under development             | <u>9,537</u>                                      | <u>16,390</u>                                     | <u>21,704</u>                                     | <u>34,509</u>                                     |
| Finance costs charged to the interim consolidated statement of income | <u>15,978</u>                                     | <u>17,642</u>                                     | <u>29,283</u>                                     | <u>34,226</u>                                     |
| Rental income   | <u>1,512</u>                                      | <u>1,512</u>                                      | <u>3,024</u>                                      | <u>3,024</u>                                      |

Note:

- (i) The Group entered into a construction agreement with SAK Trading Contracting Company S.O.C. to construct all of its investment properties.

#### Compensation of directors and other key management personnel

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

|   | <i>Three months ended</i>                         |   | <i>Six months ended</i>                           |   |
|---|---|---|---|---|
|   | <i>30 June<br/>2015<br/>(Reviewed)<br/>QR'000</i> | <i>30 June<br/>2014<br/>(Reviewed)<br/>QR'000</i> | <i>30 June<br/>2015<br/>(Reviewed)<br/>QR'000</i> | <i>30 June<br/>2014<br/>(Reviewed)<br/>QR'000</i> |
| Total key management and executive committee benefits | <u>10,352</u>                                     | <u>8,160</u>                                      | <u>20,684</u>                                     | <u>17,190</u>                                     |



## NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2015

**15 ISLAMIC FINANCING BORROWINGS**

The movements in the Islamic financing borrowings during the period were as follows:

|   | <i>30 June<br/>2015<br/>(Reviewed)<br/>QR'000</i> | <i>31 December<br/>2014<br/>(Audited)<br/>QR'000</i> |
|---|---|--|
| At 1 January  | <b>12,809,634</b>                                 | 12,076,283   |
| Additional facilities obtained during the period / year             | <b>900,000</b>                                    | 1,825,000  |
| Finance costs   | <b>284,837</b>                                    | 602,217  |
| Repayments of outstanding facilities during the period / year       | <b>(740,937)</b>                                  | (1,693,866)  |
| <b>At 30 June / 31 December</b>                                     | <b><u>13,253,534</u></b>                          | <u>12,809,634</u>                                    |
| <i>The maturity of Islamic financing borrowings are as follows:</i> |   |  |
| Current   | <b>1,290,715</b>                                  | 1,234,220  |
| Non-current   | <b>11,962,819</b>                                 | 11,575,414   |
|   | <b><u>13,253,534</u></b>                          | <u>12,809,634</u>                                    |

*Note:*

The Islamic financing borrowings have been obtained for the purpose of financing long term projects and working capital requirements of the Group. The contracts carry profits at commercial rates.

As at 30 June 2015, the Group had secured borrowings against mortgages on different types of investment properties owned by the Group with a carrying value of QR 16,724,264 thousand (31 December 2014: QR 16,724,264 thousand) and mortgage against quoted shares included in the unaudited interim condensed consolidated financial statements within available-for-sale-financial assets and investments in equity accounted investees with carrying value of QR 4,543,803 thousand at 30 June 2015 (31 December 2014: QR 4,451,507 thousand).

**16 DERIVATIVE FINANCIAL INSTRUMENTS**

The Group has entered into interest rate swap contract effective up to 2019 in order to hedge against the interest rate risk arising from certain Islamic financing borrowings obtained at variable profit rates. Under the terms of the interest rate swap contract, the Group pays fixed rate of profit at 1.36% per annum and will receive floating profit based on 3 months LIBOR. The terms of the interest rate swap contract has been negotiated to match the terms of the Islamic financing borrowings.

Derivative financial instrument included in the statement of financial position are as follows;

|   | <i>30 June<br/>2015<br/>(Reviewed)<br/>QR'000</i> | <i>31 December<br/>2014<br/>(Audited)<br/>QR'000</i> |
|---|---|--|
| <b>Derivative financial liabilities</b> |   |  |
| Negative fair value (Note 13)           | <b><u>4,446</u></b>                               | <u>4,446</u>   |

Negative fair value is included in the payables and other liabilities in Note 13.

## NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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**17 BASIC AND DILUTED EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of shares outstanding during the period.

|  | <i>Three months ended</i>              |  | <i>Six months ended</i>                |  |
|--|--|--|--|--|
|  | <i>30 June<br/>2015<br/>(Reviewed)</i> | <i>30 June<br/>2014<br/>(Reviewed)</i> | <i>30 June<br/>2015<br/>(Reviewed)</i> | <i>30 June<br/>2014<br/>(Reviewed)</i> |
| Profit for the period (QR'000)   | <b>335,673</b>                         | 257,442                                | <b>858,166</b>                         | 718,115                                |
| Weighted average number of shares outstanding during the period (thousands of share) | 2,652,497                              | 2,652,497                              | 2,652,497                              | 2,652,497                              |
| Basic earnings per share (QR)  | <b>0.13</b>                            | 0.097                                  | <b>0.32</b>                            | 0.27                                   |

There were no potentially dilutive shares outstanding at any time during the period. Therefore, the diluted earnings per share are equal to the basic earnings per share.

**18 COMPONENTS OF OTHER COMPREHENSIVE INCOME**

|  | <i>Three months ended</i>                         |   | <i>Six months ended</i>                           |   |
|--|---|---|---|---|
|  | <i>30 June<br/>2015<br/>(Reviewed)<br/>QR'000</i> | <i>30 June<br/>2014<br/>(Reviewed)<br/>QR'000</i> | <i>30 June<br/>2015<br/>(Reviewed)<br/>QR'000</i> | <i>30 June<br/>2014<br/>(Reviewed)<br/>QR'000</i> |
| <i>Other comprehensive income to be reclassified to statement of income in subsequent periods:</i>           |   |   |   |   |
| <b>Revaluation reserve</b>   |   |   |   |   |
| Available for sale financial assets:   |   |   |   |   |
| Net gain arising during the period   | <b>522,124</b>                                    | 269,903   | <b>492,865</b>                                    | 946,299   |
| Net gain on disposal of available-for-sale financial assets reclassified to consolidated statement of income | <b>(27,418)</b>                                   | (45,881)  | <b>(70,530)</b>                                   | (97,518)  |
| Reclassification adjustments for gain recognised in the consolidated statement of income (Note 6)            | -   | -   | -   | (8,461)   |
| Net gain on available-for-sale financial assets  | <b>494,706</b>                                    | 224,022   | <b>422,335</b>                                    | 840,320   |
| Cash flow hedges:  |   |   |   |   |
| Cash flow hedges   | -   | (3,620)   | -   | (3,620)   |
| <b>Foreign currency translation reserve</b>  |   |   |   |   |
| Share of net movement in foreign currency translation reserve of equity accounted investees                  | <b>676</b>  | (463)   | <b>1,078</b>                                      | (127)   |
| <b>Other comprehensive income for the period</b>   | <b>495,382</b>                                    | 219,939   | <b>423,413</b>                                    | 836,573   |

## Ezdan Holding Group Q.S.C.

### NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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#### 19 DIVIDENDS

At the General Assembly held on 25 March 2015, the shareholders approved a cash dividend of QR 0.40 per share totaling to QR 1,060,999 thousand for the year ended 2014 (2013:QR 0.31 per share totaling to QR 822,274 thousand for the year ended 2013).

#### 20 CONTINGENT LIABILITIES

The Group had the following contingent liabilities from which it is anticipated that no material liabilities will arise.

|                   | <i>30 June<br/>2015<br/>(Reviewed)<br/>QR'000</i> | <i>31 December<br/>2014<br/>(Audited)<br/>QR'000</i> |
|-------------------|---|--|
| Bank guarantees   | <u>9,687</u>                                      | <u>9,687</u>   |
| Letter of credits | <u>8,875</u>                                      | <u>8,875</u>   |

#### 21 FINANCIAL INSTRUMENTS

##### Fair values

Set out below is a comparison of the carrying amounts and fair value of the Group's financial instruments as at 30 June 2015 and 31 December 2014:

|                                     | <i>Carrying amounts</i>                           |  | <i>Fair values</i>                                |  |
|-------------------------------------|---|--|---|--|
|                                     | <i>30 June<br/>2015<br/>(Reviewed)<br/>QR'000</i> | <i>31 December<br/>2014<br/>(Audited)<br/>QR'000</i> | <i>30 June<br/>2015<br/>(Reviewed)<br/>QR'000</i> | <i>31 December<br/>2014<br/>(Audited)<br/>QR'000</i> |
| <b>Financial assets</b>             |   |  |   |  |
| Bank balances (excluding cash)      | 241,829   | 297,494  | 241,829   | 297,494  |
| Available-for-sale-financial assets | 5,891,535   | 5,190,446  | 5,891,535   | 5,190,446  |
| Due from related parties            | 329,197   | 72,562   | 329,197   | 72,562   |
| Receivables                         | <u>66,383</u>                                     | <u>54,900</u>  | <u>66,383</u>                                     | <u>54,900</u>  |
|                                     | <u>6,528,944</u>                                  | <u>5,615,402</u>                                     | <u>6,528,944</u>                                  | <u>5,615,402</u>                                     |
| <b>Financial liabilities</b>        |   |  |   |  |
| Islamic financing borrowings        | 13,253,534  | 12,809,634   | 13,253,534  | 12,809,634   |
| Due to related parties              | 591   | 56,106   | 591   | 56,106   |
| Payables and other liabilities      | <u>727,134</u>                                    | <u>221,481</u>                                       | <u>727,134</u>                                    | <u>221,481</u>                                       |
|                                     | <u>13,981,259</u>                                 | <u>13,087,221</u>                                    | <u>13,981,259</u>                                 | <u>13,087,221</u>                                    |

##### Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair values are not based on observable market data.

The following table shows an analysis of financial investments recorded at fair value by level of the fair value hierarchy:

# Ezdan Holding Group Q.S.C.

## NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2015

### 21 FINANCIAL INSTRUMENTS (continued)

| <i>At 30 June 2015 (Reviewed)</i>    | <i>Level 1<br/>QR'000</i> | <i>Level 2<br/>QR'000</i> | <i>Level 3<br/>QR'000</i> | <i>Total<br/>QR'000</i> |
|--------------------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
| Investment properties held for sale  | -                         | -                         | 288,640                   | 288,640                 |
| Investment properties                | -                         | -                         | 34,446,923                | 34,446,923              |
| Available-for-sale-financial assets  | 5,891,535                 | -                         | -                         | 5,891,535               |
| <i>At 31 December 2014 (Audited)</i> | <i>Level 1<br/>QR'000</i> | <i>Level 2<br/>QR'000</i> | <i>Level 3<br/>QR'000</i> | <i>Total<br/>QR'000</i> |
| Investment properties held for sale  | -                         | -                         | 299,537                   | 299,537                 |
| Investment properties                | -                         | -                         | 34,216,539                | 34,216,539              |
| Available-for-sale- financial assets | 5,190,446                 | -                         | -                         | 5,190,446               |

During the period/year ended 30 June 2015 and 31 December 2014, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

### 22 SEGMENTAL INFORMATION

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

- Residential and commercial property : The segment includes developing, owning, trading and renting of real estates.
- Investments : The segment is engaged in investing activities including shares and bonds.
- Hotel & Suites : The segment includes managing hotels, suites, and restaurants.
- Malls : The segment includes management of malls.

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

The following table presents revenues and expenses regarding the Group's operating segments for the periods ended 30 June 2015 and 2014.

| <i>For the period ended 30 June 2015<br/>(Reviewed)</i> | <i>Residential<br/>and<br/>commercial<br/>property<br/>QR'000</i> | <i>Investments<br/>QR'000</i> | <i>Hotels and<br/>suites<br/>QR'000</i> | <i>Malls<br/>QR'000</i> | <i>Total<br/>QR'000</i> |
|---|---|-------------------------------|---|-------------------------|-------------------------|
| <i>Segment revenues</i>                                 | 621,579   | 463,438                       | 137,542                                 | 53,800                  | 1,276,359               |
| <i>Segment expenses</i>                                 | (362,698)   | (454)                         | (39,242)                                | (15,799)                | (418,193)               |
| <i>Segment profit</i>                                   | 258,881   | 462,984                       | 98,300                                  | 38,001                  | 858,166                 |

## NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2015

**22 SEGMENTAL INFORMATION (continued)**

| <i>For the period ended 30 June 2014<br/>(Reviewed)</i> | <i>Residential<br/>and<br/>commercial<br/>property<br/>QR'000</i> | <i>Investments<br/>QR'000</i> | <i>Hotels and<br/>suites<br/>QR'000</i> | <i>Malls<br/>QR'000</i> | <i>Total<br/>QR'000</i> |
|---|---|-------------------------------|---|-------------------------|-------------------------|
| <i>Segment revenues</i>                                 | 532,088   | 410,526                       | 119,354                                 | 47,702                  | 1,109,670               |
| <i>Segment expenses</i>                                 | <u>(328,908)</u>  | <u>(230)</u>                  | <u>(35,895)</u>                         | <u>(26,522)</u>         | <u>(391,555)</u>        |
| <i>Segment profit</i>                                   | <u>203,180</u>  | <u>410,296</u>                | <u>83,459</u>                           | <u>21,180</u>           | <u>718,115</u>          |

The following table presents segment assets and liabilities of the group's operating segments as at 30 June 2015 and 31 December 2014.

|                                  | <i>Residential<br/>and<br/>commercial<br/>property<br/>QR'000</i> | <i>Investments<br/>QR'000</i> | <i>Hotels and<br/>suites<br/>QR'000</i> | <i>Malls<br/>QR'000</i> | <i>Total<br/>QR'000</i> |
|----------------------------------|---|-------------------------------|---|-------------------------|-------------------------|
| <b>SEGMENT ASSETS</b>            |   |                               |   |                         |                         |
| As of 30 June 2015 (Reviewed)    | <u>29,265,576</u>   | <u>9,139,711</u>              | <u>4,531,684</u>                        | <u>1,660,352</u>        | <u>44,597,323</u>       |
| As of 31 December 2014 (Audited) | <u>28,973,097</u>   | <u>8,367,942</u>              | <u>4,502,327</u>                        | <u>1,549,474</u>        | <u>43,392,840</u>       |
| <b>SEGMENT LIABILITIES</b>       |   |                               |   |                         |                         |
| As of 30 June 2015 (Reviewed)    | <u>14,228,795</u>   | <u>-</u>                      | <u>29,058</u>                           | <u>41,709</u>           | <u>14,299,562</u>       |
| As of 31 December 2014 (Audited) | <u>13,244,231</u>   | <u>-</u>                      | <u>32,636</u>                           | <u>38,792</u>           | <u>13,315,659</u>       |

**23 COMPARATIVE FIGURES**

Certain comparative figures in the unaudited interim condensed consolidated financial statements were reclassified to match with the current period's classification. However, such reclassifications did not have any effect on the interim consolidated net profit, or comprehensive income or the total consolidated equity for the comparative period / year.