

Ezdan Holding Group Q.P.S.C.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 June 2018

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Independent auditor's report on review of condensed consolidated interim financial statements

To the Board of Directors of Ezdan Holding Group Q.P.S.C.
Doha, State of Qatar

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Ezdan Holding Group Q.P.S.C. (the "Company") and its subsidiaries (together with the Company, the "Group"), as at 30 June 2018, the condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the interim financial statements (the "condensed consolidated interim financial statements"). The Board of Directors of the Company is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements 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 condensed consolidated interim financial statements as at 30 June 2018 are not prepared, in all material respects, in accordance with IAS 34.

Other matter

The condensed consolidated interim financial statements as at and for the six months ended 30 June 2017 were reviewed, and the consolidated financial statements as at and for the year ended 31 December 2017 were audited, by another auditor, whose review and audit reports dated 26 July 2017 and 24 January 2018 respectively, expressed an unmodified review conclusion and an unmodified audit opinion thereon.

17 July 2018
Doha
State of Qatar



Yacoub Hobeika
Auditor's Registration No. 289
KPMG
Licensed by QFMA: External Auditor's
License No. 120153

Ezdan Holding Group Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Note	30 June 2018 (Reviewed) QR'000	31 December 2017 (Audited) QR'000
ASSETS			
Cash and bank balances	5	301,957	371,120
Receivables and prepayments	6, 17	292,246	225,100
Inventories		28,576	22,265
Equity investments	7	2,684,978	2,470,953
Equity-accounted investees and joint venture	8	1,375,478	1,425,907
Investment properties	9	44,090,801	43,819,785
Property and equipment		841,691	832,413
TOTAL ASSETS		49,615,727	49,167,543
LIABILITIES AND EQUITY			
LIABILITIES			
Payables and other liabilities	10	2,794,495	2,822,431
Sukuk and Islamic financing borrowings	12, 17	16,040,728	16,188,248
TOTAL LIABILITIES		18,835,223	19,010,679
EQUITY			
Share capital		26,524,967	26,524,967
Legal reserve		1,572,678	1,572,678
Fair value reserves		76,026	17,326
Foreign currency translation reserve		797	154
Retained earnings		2,603,853	2,037,602
Equity attributable to owners of the Company		30,778,321	30,152,727
Non-controlling interests		2,183	4,137
TOTAL EQUITY		30,780,504	30,156,864
TOTAL LIABILITIES AND EQUITY		49,615,727	49,167,543

These condensed consolidated interim financial statements were authorized for issue by the Company's Board of Directors on 17 July 2018.



Sheikh Abdullah Bin Thani Al-Thani
Vice Chairman




Medhat Abdelmagid
Group Chief Financial Officer

The notes on pages 8 to 22 are an integral part of these condensed consolidated interim financial statements.

Ezdan Holding Group Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2018

	Note	<i>For the three months ended</i>		<i>For the six months ended</i>	
		<i>30 June</i>		<i>30 June</i>	
		<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</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		329,370	373,001	661,440	777,535
Dividend income from equity investments	7	625	75,466	122,255	241,848
Other operating revenues		13,813	22,695	25,848	50,139
Net gain on sale of equity-accounted investees	8	-	-	-	177,777
Net gain on sale of equity investments	7	-	4,947	-	462,930
Operating expenses	13	(75,413)	(92,169)	(150,546)	(189,106)
OPERATING PROFIT FOR THE PERIOD		268,395	383,940	658,997	1,521,123
Gain from change in fair value of investment properties	9	280,436	-	267,847	-
Share of result of equity-accounted investees and joint venture	8	30,344	42,934	52,283	85,468
Other income		14,985	37,102	19,849	39,126
Finance costs	12	(213,173)	(180,779)	(450,320)	(334,846)
General and administrative expenses	13	(55,648)	(56,789)	(117,047)	(137,098)
Depreciation		(7,171)	(7,890)	(11,257)	(10,523)
Impairment loss of available-for-sale financial assets (IAS 39)		-	(12,673)	-	(12,673)
PROFIT FOR THE PERIOD		318,168	205,845	420,352	1,150,577
<i>Attributable to:</i>					
Owners of the Company		318,999	208,760	422,306	1,154,553
Non-controlling interests		(831)	(2,915)	(1,954)	(3,976)
		318,168	205,845	420,352	1,150,577
BASIC AND DILUTED EARNINGS PER SHARE	14	0.12	0.08	0.16	0.44

The notes on pages 8 to 22 are an integral part of these condensed consolidated interim financial statements.

Ezdan Holding Group Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2018

	<i>For the three months ended</i>		<i>For the six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</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>
Profit for the period	318,168	205,845	420,352	1,150,577
Other comprehensive income / (loss)				
<i>Item that will not be reclassified to profit or loss</i>				
Equity investments at FVOCI - net change in fair value	252,436	-	213,002	-
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Cash flow hedges - effective portion of changes in fair value	(3,970)	-	14,478	-
Foreign operations - foreign currency translation differences	1,929	-	643	-
Equity-accounted investees - share of OCI	-	(1,344)	(296)	2,470
Available-for-sale financial assets - net change in fair value (IAS 39)	-	(313,467)	-	(338,914)
	(2,041)	(314,811)	14,825	(336,444)
Other comprehensive income / (loss) for the period	250,395	(314,811)	227,827	(336,444)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	568,563	(108,966)	648,179	814,133
<i>Attributable to:</i>				
Owners of the Company	569,394	(106,051)	650,133	818,109
Non-controlling interests	(831)	(2,915)	(1,954)	(3,976)
	568,563	(108,966)	648,179	814,133

Ezdan Holding Group Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2018

	Attributable to owners of the Company						Total equity QR'000	
	Share capital QR'000	Legal reserve(1) QR'000	Fair value reserves QR'000	Foreign currency translation reserve QR'000	Retained earnings QR'000	Total QR'000		Non-controlling interest QR'000
Balance at 31 December 2017 (Audited)	26,524,967	1,572,678	17,326	154	2,037,602	30,152,727	4,137	30,156,864
Adjustment on initial application of IFRS 9 (Note 4)	-	-	(168,484)	-	143,945	(24,539)	-	(24,539)
Adjusted balance at 1 January 2018 (Audited)	26,524,967	1,572,678	(151,158)	154	2,181,547	30,128,188	4,137	30,132,325
Profit for the period	-	-	-	-	422,306	422,306	(1,954)	420,352
Other comprehensive income for the Period	-	-	227,184	643	-	227,827	-	227,827
Total comprehensive income for the period	-	-	227,184	643	422,306	650,133	(1,954)	648,179
Balance at 30 June 2018 (Reviewed)	26,524,967	1,572,678	76,026	797	2,603,853	30,778,321	2,183	30,780,504

The notes on pages 8 to 22 are an integral part of these condensed consolidated interim financial statements.

Ezdan Holding Group Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

For the six months ended 30 June 2018

	Attributable to owners of the Company						Non-controlling interests QR'000	Total Equity QR'000
	Share capital QR'000	Legal Reserve (1) QR'000	Fair value reserves QR'000	Foreign currency translation reserve QR'000	Retained earnings QR'000	Total QR'000		
Balance at 1 January 2017 (Audited)	26,524,967	1,403,358	329,580	1,954	1,882,299	30,142,158	431,534	30,573,692
Profit for the period	-	-	-	-	1,154,553	1,154,553	(3,976)	1,150,577
Other comprehensive income for the period	-	-	(336,444)	-	-	(336,444)	-	(336,444)
Total comprehensive income for the period	-	-	(336,444)	-	1,154,553	818,109	(3,976)	814,133
Dividends	-	-	-	-	(1,326,248)	(1,326,248)	-	(1,326,248)
Balance at 30 June 2017 (Reviewed)	26,524,967	1,403,358	(6,864)	1,954	1,710,604	29,634,019	427,558	30,061,577

(1) In accordance with the requirements of the Qatar Commercial Companies Law No. 11 of 2015 and the Company's Article of Association, a minimum of 10% of the annual profit should be transferred to legal reserve until the reserve equals 50% of the share capital. The reserve is not available for distribution except in the circumstances stipulated in the above law and the Company's Article of Association. No transfer has been made for the six months ended 30 June 2018 as the Group will transfer the total required amount by 31 December 2018.