

Ezdan Holding Group Q.S.C.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 SEPTEMBER 2014

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 consolidated statement of financial position of Ezdan Holding Group Q.S.C. ("the Company") and its subsidiaries (together referred to as the "Group") as at 30 September 2014, and the related interim consolidated statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2014, and the related interim consolidated statements of changes in equity and cash flows for the nine-month period then ended and 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.

Other matter

The Group has prepared internal interim condensed consolidated financial statements in the past for the three-month and nine-month periods ended at 30 September 2013 for submission for regulatory purposes only. Therefore the comparative information for the three-month and nine month periods ended 30 September 2013 included in the accompanying interim consolidated statements of income, and comprehensive income, interim consolidated statement of cash flows and related notes are presented for information purpose only and have neither been reviewed nor audited.



Ziad Nader
of Ernst & Young
Auditor's Registration No. 258

Date: 26 October 2014
Doha




Ezdan Holding Group Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2014

	<i>Notes</i>	30 September 2014 (Reviewed) QR'000	31 December 2013 (Audited) QR'000
ASSETS			
Cash and bank balances	7	954,460	450,490
Receivables and prepayments	8	179,395	182,154
Inventory		21,705	13,158
Due from related parties	14	73,279	43,292
Investment properties held for sale	9	358,978	-
Available-for-sale financial assets	10	6,314,017	3,799,004
Investments in equity accounted investees	11	2,931,679	2,832,202
Investment properties	12	34,007,847	33,855,075
Property, plant and equipment		<u>31,266</u>	<u>27,538</u>
TOTAL ASSETS		<u>44,872,626</u>	<u>41,202,913</u>
LIABILITIES AND EQUITY			
LIABILITIES			
Payables and other liabilities	13	899,740	417,496
Due to a related party	14	12,419	64,863
Islamic financing borrowings	15	<u>13,009,177</u>	<u>12,076,283</u>
TOTAL LIABILITIES		<u>13,921,336</u>	<u>12,558,642</u>
EQUITY			
Share capital		26,524,967	26,524,967
Legal reserve	18	919,890	919,890
Revaluation reserve		2,450,250	335,980
Foreign currency translation reserve		1,954	1,954
Retained earnings		<u>1,054,229</u>	<u>861,480</u>
TOTAL EQUITY		<u>30,951,290</u>	<u>28,644,271</u>
TOTAL LIABILITIES AND EQUITY		<u>44,872,626</u>	<u>41,202,913</u>



Dr. Khalid Bin Thani Al-Thani
Chairman



Ali Al-Obaidli
Group Chief Executive Officer

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.



Ezdan Holding Group Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the nine months ended 30 September 2014

	<i>For the three months ended</i>		<i>For the nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>(Reviewed)</i>	<i>(Unreviewed)</i>	<i>(Reviewed)</i>	<i>(Unreviewed)</i>
		<i>(Unaudited)</i>		<i>(Unaudited)</i>
<i>Notes</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Rental income	356,132	255,577	997,436	659,151
Dividends income from available-for-sale financial assets	-	-	167,194	108,212
Net gain on sale of available-for-sale financial assets	64,775	49,430	162,293	130,811
Other operating revenues	4,376	10,935	50,345	41,666
Operating expenses	(72,861)	(39,181)	(206,610)	(129,291)
Operating profit for the period	352,422	276,761	1,170,658	810,549
Add (Less):				
Share of results of equity accounted investees	63,098	57,219	198,972	178,372
Gain on acquisition of an associate	-	-	8,461	-
Gain on revaluation of investment properties	-	-	3,850	-
Other income	7,453	3,058	16,953	6,014
General and administrative expenses	(57,258)	(41,209)	(151,895)	(91,255)
Depreciation	(2,506)	(1,806)	(6,696)	(6,168)
Impairment loss of available for sale financial assets	-	-	-	(25,000)
Finance costs	(66,301)	(55,068)	(225,280)	(154,870)
NET PROFIT FOR THE PERIOD	296,908	238,955	1,015,023	717,642
BASIC AND DILUTED EARNINGS PER SHARE (QR)	0.11	0.09	0.38	0.27

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.

Ezdan Holding Group Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2014

	<i>For the three-months ended</i>		<i>For the nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>(Reviewed)</i>	<i>(Unreviewed)</i>	<i>(Reviewed)</i>	<i>(Unreviewed)</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Profit for the period	296,908	238,955	1,015,023	717,642
Other comprehensive income				
<i>Other comprehensive income to be reclassified to statement of income in subsequent periods:</i>				
Net gain (loss) on available for sale financial assets	1,304,608	66,060	2,204,878	37,328
Net loss (gain) on disposal of available-for-sale investments reclassified to the consolidated statement of income	(30,637)	(35,178)	(82,126)	(74,660)
Impairment losses on available-for-sale financial assets reclassified to the statement of income	-	-	-	25,000
Reclassification adjustments for gain recognised in the consolidated statement of income (<i>Note 6</i>)	-	-	(8,461)	-
Share of revaluation reserve of equity accounted investees	31	(12,524)	(96)	(12,829)
Movement in cash flow hedges	3,695	-	75	-
Total other comprehensive income (loss) for the period	1,277,697	18,358	2,114,270	(25,161)
Total comprehensive income for the period	1,574,605	257,313	3,129,293	692,481

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.

Ezdan Holding Group Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2014

	<i>Share capital QR'000</i>	<i>Legal reserve QR'000</i>	<i>Revaluation reserve QR'000</i>	<i>Foreign currency translation reserve QR'000</i>	<i>Retained earnings QR'000</i>	<i>Total equity QR'000</i>
Balance at 1 January 2014	26,524,967	919,890	335,980	1,954	861,480	28,644,271
Profit for the period	-	-	-	-	1,015,023	1,015,023
Other comprehensive income for the period	-	-	2,114,270	-	-	2,114,270
Total comprehensive income for the period	-	-	2,114,270	-	1,015,023	3,129,293
Dividends for 2013 (Note 17)	-	-	-	-	(822,274)	(822,274)
Balance at 30 September 2014 (Reviewed)	26,524,967	919,890	2,450,250	1,954	1,054,229	30,951,290

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.

Ezdan Holding Group Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the nine months ended 30 September 2014

	<i>Share capital QR'000</i>	<i>Legal reserve QR'000</i>	<i>Revaluation reserve QR'000</i>	<i>Revaluation surplus QR'000</i>	<i>Foreign currency translation reserve QR'000</i>	<i>Retained earnings QR'000</i>	<i>Total equity QR'000</i>
Balance at 1 January 2013 – as previously stated	26,524,967	847,139	(96,592)	103,146	-	368,193	27,746,853
Prior period adjustments	<u>-</u>	<u>-</u>	<u>49,794</u>	<u>(103,146)</u>	<u>3,192</u>	<u>(133,611)</u>	<u>(183,771)</u>
Balance at 1 January 2013 – (Restated)	26,524,967	847,139	(46,798)	-	3,192	234,582	27,563,082
Profit for the period	-	-	-	-	-	717,642	717,642
Other comprehensive loss for the period	<u>-</u>	<u>-</u>	<u>(25,161)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,161)</u>
Total comprehensive (loss) income for the period	-	-	(25,161)	-	-	717,642	692,481
Dividends for 2012 (Note 17)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(344,827)</u>	<u>(344,827)</u>
Balance at 30 September 2013 <i>(Unreviewed/unaudited)</i>	<u>26,524,967</u>	<u>847,139</u>	<u>(71,959)</u>	<u>-</u>	<u>3,192</u>	<u>607,397</u>	<u>27,910,736</u>

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.

Ezdan Holding Group Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2014

	<i>Nine months ended 30 September</i>	
	2014	2013
	(Reviewed)	(Unreviewed)
<i>Note</i>	QR'000	QR'000
OPERATING ACTIVITIES		
Profit for the period	1,015,023	717,642
Adjustment for:		
Gain on revaluation of investment properties	(3,850)	-
Depreciation	6,696	6,168
Provision for employees' end of service benefits	6,164	3,550
Share of results of associate companies	(198,972)	(178,372)
Gain on acquisition of an associate	(8,461)	-
Allowance for impairment of doubtful receivables	16,855	4,442
Reversal of allowance for impairment of doubtful receivables	(3,517)	(3,425)
Impairment loss of available-for-sale financial assets	-	25,000
Profit on Islamic bank accounts	(5,563)	(2,589)
Net gain on sale of available-for-sale financial assets	(162,293)	(130,811)
Finance costs	225,280	154,870
	887,362	596,475
Working capital changes:		
Receivables and prepayments	(10,504)	(98,557)
Inventory	(8,547)	159
Due from/to related parties	(82,431)	(642,616)
Payables and other liabilities	(6,646)	34,381
Cash from (used in) operations	779,234	(110,158)
Employees' end of service benefits paid	(650)	(1,447)
Net cash flows from (used in) operating activities	778,584	(111,605)
INVESTING ACTIVITIES		
Payments for purchase of property, plant and equipment	(10,424)	(11,308)
Payments for purchase and development of investment properties	(271,938)	(626,050)
Proceeds from sale of available-for-sale financial assets	587,870	785,373
Payments for purchase of available-for-sale financial assets	(818,590)	(1,324,988)
Payments for purchase of investments in associates	(62,670)	(39,784)
Dividends received from associates	162,821	177,427
Profits on Islamic bank accounts	5,563	2,589
Net movement in short term deposits maturing after 3 months	(50,000)	-
Net movement in restricted bank balances	4,986	-
Net cash flows used in investing activities	(452,382)	(1,036,741)
FINANCING ACTIVITIES		
Proceeds from Islamic financing borrowings	1,825,000	2,609,000
Payments for Islamic financing borrowings	(1,353,348)	(821,387)
Dividends paid	(338,898)	(344,825)
Net cash flows from financing activities	132,754	1,442,788
INCREASE IN CASH AND CASH EQUIVALENTS	458,956	294,442
Cash and cash equivalents as of 1 January	85,817	323,687
CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER	544,773	618,129

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.

Ezdan Holding Group Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2014

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 at P.O. Box 3222, Doha, State of Qatar.

The principal activities of the Company and its subsidiaries include acquiring and sale of property and land, general contracting for all types of projects and buildings, trading in building materials and equipment, providing real estate consulting services, managing property and collect rentals, providing property maintenance works, and investment activities in shares and bonds.

These interim 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 September 2014.

<i>Name of the Company</i>	<i>Share capital QR</i>	<i>Effective percentage of ownership</i>		
		<i>30 September 2014</i>	<i>30 September 2013</i>	<i>31 December 2013</i>
Ezdan Hotels Company S.O.C	200,000	100%	100%	100%
Ezdan Mall Company S.O.C	200,000	100%	100%	100%
Ezdan Real Estate Company S.O.C	200,000	100%	100%	100%
Ezdan Partnership Co. S.O.C	200,000	100%	100%	100%
Al Etkan Trading Co. S.O.C	200,000	100%	100%	100%
Alrobe Alkhale Trading Co. S.O.C	200,000	100%	100%	100%
Al Ekleem Real Estate Co. S.O.C	200,000	100%	100%	100%
Almnara Medical Equipment Co. S.O.C	200,000	100%	100%	100%
Al Taybeen Trading Co. S.O.C	200,000	100%	100%	100%
Al Kara Trading Co. S.O.C	200,000	100%	100%	100%
Ethmar Construction and Trading Co. S.O.C	200,000	100%	100%	100%
Al Namaa Maintenance Services Co. S.O.C	200,000	100%	100%	100%
Shatee Alneel Co. S.O.C	200,000	100%	100%	100%
Arkan Import and Export Co. S.O.C	200,000	100%	100%	100%
Tarek Al Haq Trading Co. S.O.C	200,000	100%	100%	100%
Manazel Trading Co. S.O.C	200,000	100%	100%	100%
Een Jaloot Trading Co. S.O.C	200,000	100%	100%	100%
Tareek Alkher Trading Co. S.O.C	200,000	100%	100%	100%
Alkora Alzahbya Co. S.O.C	200,000	100%	100%	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 September 2014.

These interim condensed consolidated financial statements of the Group were authorized for issue by the Board of Directors of the Group on 26 October 2014.

2 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the nine months ended 30 September 2014 have been prepared in accordance with International Financial Reporting Standards, IAS 34 – “Interim Financial Reporting” (“IAS 34”).

The interim 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 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 2013. In addition, results for the nine months ended 30 September 2014 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2014.

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 2013, except for the adoption of new standards and interpretations effective as of 1 January 2014.

During the period, the Group has adopted the following standards effective for the annual period beginning on or after 1 January 2014.

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 Consolidated Financial Statements. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact to the Group, since none of the entity in the Group qualifies to be an investment entity under IFRS 10.

Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32

These amendments clarify the meaning of ‘currently has a legally enforceable right to set-off’ and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These amendments have no impact on the Group.

Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36

These amendments remove the unintended consequences of IFRS 13 Fair Value Measurement on the disclosures required under IAS 36 Impairment of Assets. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognised or reversed during the period. These amendments have no impact on the Group.

Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments have no impact on the Group.

The following new standards have been issued but are not yet effective. The Group is currently evaluating the impact of these new standards.

<i>Topic</i>	<i>Effective date</i>
IFRS 14 Regulatory Deferral Accounts	1 January 2016
IFRS 15 Revenue from Contracts with Customers	1 January 2017
IFRS 9 Financial Instruments	1 January 2018

The Group has not early adopted any other standards, interpretations or amendments that have been issued but are not yet effective.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of 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 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 2013.

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 2013.

6 ACQUISITION OF AN ASSOCIATE

On 5 March 2014, 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.5 of 2002 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.

6 ACQUISITION OF AN ASSOCIATE (continued)

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>
ASSETS	
Current assets	
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	<u>5,189</u>
Total assets	<u>314,052</u>
Liabilities	
Due to customers	231,548
Due to Qatar Exchange	23,801
Accrued expenses and other credit balances	2,627
Employees' end of service benefits	<u>882</u>
Total liabilities	<u>258,858</u>
NET ASSETS	<u>55,194</u>
Fair value of net assets	19,886
Goodwill arising on acquisition	<u>42,148</u>
Cost of an associate acquired	<u>62,034</u>
Cash considerations	49,515
Fair value of the Group's equity interest in Islamic Holding Group held before acquisition	<u>12,519</u>
	<u>62,034</u>

The initial accounting for the above acquisition is only provisional at the period end as the fair value to be assigned to the acquiree's identifiable assets and liabilities could be determined only provisionally. The Group will recognize any adjustments to those provisional values after performing the fair value exercise before the year end.

The Group recognised a gain of QR 8,461 thousand as a result of measuring at fair value its 7.28% equity interest in Islamic Holding Group Q.S.C. before acquisition. The gain represents fair value reserve of available for sale at date of acquisition which has been transferred to the interim consolidated statement of income. The gain is included in "Gain on acquisition of an associate" in the Group's interim consolidated statement of income for the nine month period ended 30 September 2014.

At 30 September 2014

7 CASH AND CASH EQUIVALENTS

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

	30 September 2014 (Reviewed) QR'000	30 September 2013 (Unreviewed) (Unaudited) QR'000	31 December 2013 (Audited) QR'000
Cash on hand	1,132	983	253
<i>Cash at banks and other financial institutions</i>			
Term deposits	641,250	550,000	400,000
Current accounts	67,007	14,065	10,532
Saving and call accounts	235,384	53,081	25,032
Margin bank accounts	9,687	-	14,673
Total cash and bank balances	954,460	618,129	450,490
Less: restricted bank balances	(9,687)	-	(14,673)
short term bank deposits maturing after three months	(400,000)	-	(350,000)
Cash and cash equivalents	544,773	618,129	85,817

8 RECEIVABLES AND PREPAYMENTS

	30 September 2014 (Reviewed) QR'000	31 December 2013 (Audited) QR'000
Tenants receivable	78,087	114,886
Less: Allowance for impairment of tenants receivable	(50,982)	(37,644)
	27,105	77,242
Advances to suppliers	74,994	40,134
Prepaid expenses	43,658	25,645
Refundable deposits	9,190	8,914
Advances to contractors	3,323	4,001
Notes receivable	5,357	12,394
Accrued income	3,819	1,597
Other receivables and debit balances (<i>Note i</i>)	11,949	12,227
	179,395	182,154
<i>The maturity of receivables and prepayments are as follows:</i>		
Non-current	12,589	18,898
Current	166,806	163,256
	179,395	182,154

Note:

- (i) The Group designated profit rate swap contract as hedges of floating profit rate on an Islamic finance borrowing obtained during the period. The Group would pay fixed profit rates and receive floating LIBOR rates. The term of the profit rate swap contracts have been negotiated to match the terms of the financing obtained. As at 30 September 2014, derivative financial asset amounted to QR 75 thousand is included in the other receivable and debit balances.

9 INVESTMENT PROPERTIES HELD FOR SALE

On 13 July 2014, the Group has decided to dispose certain investment properties. The Group has identified the buyers and agreed for the prices. The disposal is planned to be completed within twelve-months from the reporting date. Accordingly, the Group has classified these properties as investment properties held for sale as at 30 September 2014.

Carrying value of the investment properties held for sale are as follows;

	<i>30 September 2014 (Reviewed) QR'000</i>	<i>31 December 2013 (Audited) QR'000</i>
Investment properties (Note 12)	<u>358,978</u>	<u>-</u>

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 September 2014 (Reviewed) QR'000</i>	<i>31 December 2013 (Audited) QR'000</i>
Banks and financial institutions	4,591,288	2,735,735
Industry	1,464,347	891,590
Consumer goods and services	230,939	16,239
Telecommunication	27,443	13,645
Transportation	-	133,381
Real estate	-	8,414
	<u>6,314,017</u>	<u>3,799,004</u>

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) During the period, the Group's ownership interest in Widam Food Company Q.S.C. and Qatar Investors Group Q.S.C. reached to 20.63% 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.

11 INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES

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

	<i>30 September 2014 (Reviewed) QR'000</i>	<i>31 December 2013 (Audited) QR'000</i>
<i>Group's share of the equity accounted investees' statement of financial position:</i>		
Total assets	9,599,728	8,612,203
Total liabilities	(7,799,708)	(6,867,341)
Net assets	1,800,020	1,744,862
Goodwill	1,131,659	1,087,340
Carrying amount of the investments	2,931,679	2,832,202

	<i>For the nine months ended 30 September</i>	
	<i>2014 (Reviewed) QR'000</i>	<i>2013 (Unreviewed) (Unaudited) QR'000</i>
<i>Group's share of equity accounted investees' revenues and results:</i>		
Revenues	444,633	382,611
Results	198,972	178,372

Note:

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

12 INVESTMENT PROPERTIES

	<i>30 September 2014 (Reviewed) QR'000</i>	<i>31 December 2013 (Audited) QR'000</i>
At 1 January	33,855,075	33,203,145
Development costs	271,938	738,923
Capitalized finance costs on properties under development	235,962	333,248
Fair value adjustment on investment properties	3,850	16,588
Disposal of properties	-	(465,476)
Acquired land and properties	-	28,647
Transferred to investment properties held for sale (Note 9)	(358,978)	-
	34,007,847	33,855,075

12 INVESTMENT PROPERTIES (continued)*Notes:*

- (i) The Group has carried out a valuation of all investment properties owned by the Group as at 30 June 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 2014 (the “Red Book”). The management, having the experience and knowledge in the real estate industry, believes that the carrying values of the investment properties at 30 September 2014 are not materially different from their fair values at 30 June 2014 and an overall revaluation to all the investment properties will be carried out at year end.
- (ii) All investment properties are located in the State of Qatar.
- (iii) The mortgages on the investment properties are disclosed in Note 15.

13 PAYABLES AND OTHER LIABILITIES

	<i>30 September 2014 (Reviewed) QR'000</i>	<i>31 December 2013 (Audited) QR'000</i>
Dividends payable	483,376	-
Tenants deposits	150,021	131,639
Advances received from customers	101,211	-
Unearned rent	51,882	130,343
Contractors and suppliers payable	50,462	44,946
Provision for end of service benefits	18,937	13,423
Provision for contribution to Social and Sports Activities Fund	12,552	49,552
Retention payable	11,550	10,863
Accrued expenses	10,647	34,048
Other payables	9,102	2,682
	<u>899,740</u>	<u>417,496</u>
<i>The maturity of payables and other liabilities are as follows:</i>		
Non-current	180,507	155,925
Current	719,233	261,571
	<u>899,740</u>	<u>417,496</u>

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 September 2014 (Reviewed) QR'000</i>	<i>31 December 2013 (Audited) QR'000</i>
Dar Al-Arab W.L.L.	32,893	32,893
Emtedad for Real Estate Projects	25,010	-
Sak Holding Group W.L.L.	13,862	9,565
Other related parties	<u>1,514</u>	<u>834</u>
	<u><u>73,279</u></u>	<u><u>43,292</u></u>

Due to a related party

<i>Name of related party</i>	<i>30 September 2014 (Reviewed) QR'000</i>	<i>31 December 2013 (Audited) QR'000</i>
Sak Trading Contracting Company S.O.C.	<u>12,419</u>	<u>64,863</u>

	<i>30 September 2014 (Reviewed) QR'000</i>	<i>31 December 2013 (Audited) QR'000</i>
Islamic financing borrowings from an associate Bank	<u><u>2,686,669</u></u>	<u><u>2,840,659</u></u>

Related party transactions

Transactions with related parties during the period are as follows:

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September 2014 (Reviewed) QR'000</i>	<i>30 September 2013 (Unreviewed) (Unaudited) QR'000</i>	<i>30 September 2014 (Reviewed) QR'000</i>	<i>30 September 2013 (Unreviewed) (Unaudited) QR'000</i>
Construction of investment properties (i)	<u>36,597</u>	<u>16,019</u>	<u>157,592</u>	<u>513,636</u>
Finance costs capitalized to properties under development	<u>18,294</u>	<u>25,308</u>	<u>52,803</u>	<u>61,465</u>
Finance costs charged to the interim consolidated statement of income	<u>16,187</u>	<u>10,946</u>	<u>50,413</u>	<u>39,695</u>
Rental income	<u>1,512</u>	<u>1,512</u>	<u>4,536</u>	<u>4,536</u>

14 RELATED PARTY DISCLOSURES (continued)

Note:

- (i) The Group entered into a construction agreement with Sak Group for Investment Properties 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>Nine months ended</i>	
	<i>30 September 2014</i>	<i>30 September 2013</i>	<i>30 September 2014</i>	<i>30 September 2013</i>
	<i>(Reviewed)</i>	<i>(Unreviewed) (Unaudited)</i>	<i>(Reviewed)</i>	<i>(Unreviewed) (Unaudited)</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Total key management and executive committee benefits	10,345	8,371	30,784	24,766

15 ISLAMIC FINANCING BORROWINGS

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

	<i>30 September 2014</i>	<i>31 December 2013</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>QR'000</i>	<i>QR'000</i>
At 1 January	12,076,283	10,225,395
Additional facilities obtained during the period / year	1,825,000	2,622,000
Finance costs	461,242	545,706
Repayments of outstanding facilities during the period / year	(1,353,348)	(1,316,818)
At 30 September / 31 December	13,009,177	12,076,283
<i>The maturity of Islamic financing borrowings are as follows:</i>		
Current	1,098,637	1,540,682
Non-current	11,910,540	10,535,601
	13,009,177	12,076,283

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 September 2014, 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 2013: QR 16,724,264 thousand) and mortgage against quoted shares included in the interim condensed consolidated financial statements within available-for-sale financial assets and investments in equity accounted investees with carrying value of QR 6,051,893 thousand at 30 September 2014 (31 December 2013: QR 3,881,901 thousand).

16 BASIC AND DILUTED EARNINGS PER SHARE

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

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September 2014 (Reviewed)</i>	<i>30 September 2013 (Unreviewed) (Unaudited)</i>	<i>30 September 2014 (Reviewed)</i>	<i>30 September 2013 (Unreviewed) (Unaudited)</i>
Profit for the period (QR'000)	<u>296,908</u>	<u>238,955</u>	<u>1,015,023</u>	<u>717,642</u>
Weighted average number of shares outstanding during the period (thousands of share)	<u>2,652,497</u>	<u>2,652,497</u>	<u>2,652,497</u>	<u>2,652,497</u>
Basic earnings per share (QR)	<u>0.11</u>	<u>0.09</u>	<u>0.38</u>	<u>0.27</u>

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.

17 DIVIDENDS

At the General Assembly meeting held on 1 April 2014, the shareholders approved a cash dividend of QR 0.31 per share amounting to a total of QR 822,274 thousand for the year ended 31 December 2013 (2012: QR 0.13 per share amounting to a total of QR 344,827 for the year ended 31 December 2012).

18 LEGAL RESERVE

In accordance with the requirements of the Qatar Commercial Companies Law No. 5 of 2002, 10% of the annual profit should be transferred to legal reserve until the reserve equals 50% of the share capital. No transfer has been made for the nine month period ended 30 September 2014 as the Company will transfer the total required amount by 31 December 2014.

19 CONTINGENT LIABILITIES

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

	<i>30 September 2014 (Reviewed) QR'000</i>	<i>31 December 2013 (Audited) QR'000</i>
Bank guarantees	<u>9,687</u>	<u>9,787</u>
Letter of credits	<u>-</u>	<u>4,886</u>

20 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 September 2014 and 31 December 2013:

	<i>Carrying amounts</i>		<i>Fair values</i>	
	<i>30 September 2014 (Reviewed) QR'000</i>	<i>31 December 2013 (Audited) QR'000</i>	<i>30 September 2014 (Reviewed) QR'000</i>	<i>31 December 2013 (Audited) QR'000</i>
Financial assets				
Bank balances (excluding cash)	953,328	450,237	953,328	450,237
Receivables	57,345	112,374	57,345	112,374
Due from related parties	73,279	43,292	73,279	43,292
Available for sale financial assets	6,314,017	3,799,004	6,314,017	3,799,004
	7,397,969	4,404,907	7,397,969	4,404,907
Financial liabilities				
Payables and other liabilities	708,510	224,178	708,510	224,178
Due to a related party	12,419	64,863	12,419	64,863
Islamic financing borrowings	13,009,177	12,076,283	13,009,177	12,076,283
	13,730,106	12,365,324	13,730,106	12,365,324

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:

At 30 September 2014 (Reviewed)	<i>Level 1 QR'000</i>	<i>Level 2 QR'000</i>	<i>Level 3 QR'000</i>	<i>Total QR'000</i>
Investment properties and investment properties held for sale	-	-	34,366,825	34,366,825
Available for sale financial assets	6,314,017	-	-	6,314,017
<i>At 31 December 2013 (Audited)</i>	<i>Level 1 QR'000</i>	<i>Level 2 QR'000</i>	<i>Level 3 QR'000</i>	<i>Total QR'000</i>
Investment properties	-	-	33,855,075	33,855,075
Available for sale financial assets	3,799,004	-	-	3,799,004

During the period/year ended 30 September 2014 and 31 December 2013, 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.

21 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 September 2014 and 2013.

<i>For the period ended 30 September 2014 (Reviewed)</i>	<i>Residential and commercial property QR'000</i>	<i>Investments QR'000</i>	<i>Hotels & Suites QR'000</i>	<i>Malls QR'000</i>	<i>Total QR'000</i>
<i>Segment revenues</i>	810,454	538,667	179,807	76,576	1,605,504
<i>Segment expenses</i>	<u>(499,606)</u>	<u>(232)</u>	<u>(56,644)</u>	<u>(33,999)</u>	<u>(590,481)</u>
<i>Segment profit</i>	<u>310,848</u>	<u>538,435</u>	<u>123,163</u>	<u>42,577</u>	<u>1,015,023</u>
<i>Residential and commercial property</i>					
<i>For the period ended 30 September 2013 (unreviewed, unaudited)</i>	<i>QR'000</i>	<i>Investments QR'000</i>	<i>Hotels & Suites QR'000</i>	<i>Malls QR'000</i>	<i>Total QR'000</i>
<i>Segment revenues</i>	545,083	395,368	148,658	35,117	1,124,226
<i>Segment expenses</i>	<u>(352,108)</u>	<u>(222)</u>	<u>(44,723)</u>	<u>(9,531)</u>	<u>(406,584)</u>
<i>Segment profit</i>	<u>192,975</u>	<u>395,146</u>	<u>103,935</u>	<u>25,586</u>	<u>717,642</u>

The following table presents segment assets and liabilities of the group's operating segments as at 30 September 2014 and 31 December 2013.

	<i>Residential and commercial property QR'000</i>	<i>Investments QR'000</i>	<i>Hotels & Suites QR'000</i>	<i>Malls QR'000</i>	<i>Total QR'000</i>
SEGMENT ASSETS					
As of 30 September 2014 (Reviewed)	<u>29,518,244</u>	<u>9,376,373</u>	<u>4,486,854</u>	<u>1,491,155</u>	<u>44,872,626</u>
As of 31 December 2013 (Audited)	<u>28,537,620</u>	<u>6,692,908</u>	<u>4,477,146</u>	<u>1,495,239</u>	<u>41,202,913</u>
SEGMENT LIABILITIES					
As of 30 September 2014 (Reviewed)	<u>13,852,903</u>	<u>-</u>	<u>35,563</u>	<u>32,870</u>	<u>13,921,336</u>
As of 31 December 2013 (Audited)	<u>12,492,313</u>	<u>-</u>	<u>29,694</u>	<u>36,635</u>	<u>12,558,642</u>

22 COMPARATIVE FIGURES

Certain comparative figures in the 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.