

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

**UNAUDITED INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS**

**30 SEPTEMBER 2016**

## 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 2016, and the related interim consolidated statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2016, the related interim consolidated statements of changes in equity and cash flows for the nine-month period then ended and the related explanatory notes.

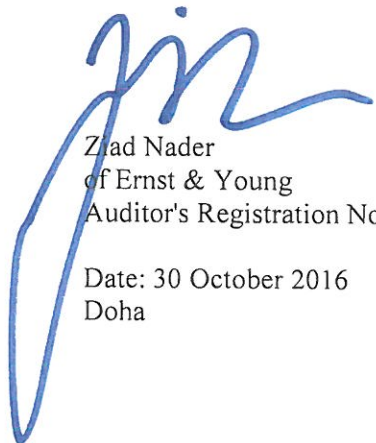
Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 Interim Financial Reporting (IAS 34). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based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



Ziad Nader  
of Ernst & Young  
Auditor's Registration No. 258  
Date: 30 October 2016  
Doha



## Ezdan Holding Group Q.S.C.

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2016

		<i>30 September 2016 (Unaudited) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
	<i>Notes</i>		
<b>ASSETS</b>			
Cash and bank balances	7	613,144	619,815
Receivables and prepayments	8	729,677	600,058
Inventories		22,760	20,280
Due from related parties	13	21,130	40,577
Available-for-sale financial assets	9	5,355,313	5,534,114
Investment properties	10	38,661,402	36,898,969
Investments in associates and joint ventures	11	3,886,562	3,202,656
Property, plant and equipment		169,972	22,295
Goodwill	6	133,560	-
<b>TOTAL ASSETS</b>		<b>49,593,520</b>	<b>46,938,764</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Payables and other liabilities	12	1,660,746	1,247,695
Due to related parties/ due to a related party	13	1,529,643	350,231
Islamic financing borrowings	14	16,199,131	14,959,607
<b>TOTAL LIABILITIES</b>		<b>19,389,520</b>	<b>16,557,533</b>
<b>EQUITY</b>			
Share capital		26,524,967	26,524,967
Legal reserve		1,222,112	1,222,112
Fair value reserve		419,545	605,559
Foreign currency translation reserve		1,954	1,954
Retained earnings		1,589,500	1,622,648
<b>Equity attributable to equity holders of the parent</b>		<b>29,758,078</b>	<b>29,977,240</b>
Non-controlling interests		445,922	403,991
<b>TOTAL EQUITY</b>		<b>30,204,000</b>	<b>30,381,231</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>49,593,520</b>	<b>46,938,764</b>

These unaudited interim condensed consolidated financial statements were approved by the Board of Directors on 30 October 2016 and were signed on its behalf by:



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Dr. Khalid Bin Thani Al-Thani  
Chairman



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Ali Al-Obaidli  
Group Chief Executive Officer

The attached notes 1 to 21 form part of these unaudited interim condensed consolidated financial statements.



Ezdan Holding Group Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the nine months ended 30 September 2016

	Notes	<i>Three months ended</i>		<i>Nine months ended</i>	
		<i>30 September 2016 (Unaudited) QR'000</i>	<i>30 September 2015 (Unaudited) QR'000</i>	<i>30 September 2016 (Unaudited) QR'000</i>	<i>30 September 2015 (Unaudited) QR'000</i>
Rental income		<b>383,822</b>	383,599	<b>1,173,918</b>	1,133,408
Dividends income from available-for-sale financial assets		-	508	<b>227,068</b>	184,358
Net gain on sale of available-for-sale financial assets		<b>166,680</b>	120,925	<b>375,898</b>	202,845
Other operating revenues		<b>24,154</b>	11,385	<b>69,336</b>	39,381
Operating expenses		<b>(88,439)</b>	(80,124)	<b>(252,968)</b>	(213,969)
<b>OPERATING PROFIT FOR THE PERIOD</b>		<b>486,217</b>	436,293	<b>1,593,252</b>	1,346,023
Share of results of associates and joint ventures		<b>85,247</b>	64,301	<b>214,925</b>	253,996
Gain on acquisition of a subsidiary	6	-	-	<b>55,862</b>	-
Gain on acquisition of an associate	6	-	-	<b>37,371</b>	-
Gain on revaluation of investment properties		-	-	<b>12,722</b>	18,615
Gain on sale of investment properties held for sale		-	-	-	4,961
Other income		<b>12,666</b>	8,513	<b>28,790</b>	21,298
General and administrative expenses		<b>(55,989)</b>	(43,941)	<b>(178,581)</b>	(159,954)
Depreciation		<b>(2,388)</b>	(2,347)	<b>(8,045)</b>	(7,002)
Impairment loss of available-for-sale financial assets		-	-	<b>(7,409)</b>	-
Finance costs		<b>(160,192)</b>	(98,860)	<b>(457,834)</b>	(255,812)
<b>PROFIT FOR THE PERIOD</b>		<b>365,561</b>	363,959	<b>1,291,053</b>	1,222,125
<i>Attributable to:</i>					
Equity holders to the parent		<b>365,959</b>	363,959	<b>1,293,100</b>	1,222,125
Non-controlling interests		<b>(398)</b>	-	<b>(2,047)</b>	-
<b>PROFIT FOR THE PERIOD</b>		<b>365,561</b>	363,959	<b>1,291,053</b>	1,222,125
<b>BASIC AND DILUTED EARNINGS PER SHARE (QR)</b>	15	<b>0.14</b>	0.14	<b>0.49</b>	0.46

The attached notes 1 to 21 form part of these unaudited interim condensed consolidated financial statements.

## INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2016

	Note	<i>Three months ended</i>		<i>Nine months ended</i>	
		<i>30 September 2016 (Unaudited) QR'000</i>	<i>30 September 2015 (Unaudited) QR'000</i>	<i>30 September 2016 (Unaudited) QR'000</i>	<i>30 September 2015 (Unaudited) QR'000</i>
<b>PROFIT FOR THE PERIOD</b>		<b><u>365,561</u></b>	<u>363,959</u>	<b><u>1,291,053</u></b>	<u>1,222,125</u>
<b>Other comprehensive income</b>					
<i>Other comprehensive income to be reclassified to statement of income in subsequent periods:</i>					
Net gain (loss) on available-for-sale financial assets	16	<b>249,285</b>	(429,405)	<b>(187,010)</b>	(7,070)
Share of revaluation reserve of associates and joint ventures	16	<b>(790)</b>	2,150	<b>996</b>	3,228
<b>Total other comprehensive income (loss) for the period</b>	16	<b><u>248,495</u></b>	<u>(427,255)</u>	<b><u>(186,014)</u></b>	<u>(3,842)</u>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>		<b><u>614,056</u></b>	<u>(63,296)</u>	<b><u>1,105,039</u></b>	<u>1,218,283</u>
<i>Attributable to:</i>					
Equity holders to the parent		<b>614,454</b>	(63,296)	<b>1,107,086</b>	1,218,283
Non-controlling interests		<b>(398)</b>	-	<b>(2,047)</b>	-
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>		<b><u>614,056</u></b>	<u>(63,296)</u>	<b><u>1,105,039</u></b>	<u>1,218,283</u>

Ezdan Holding Group Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2016

	<i>Attributable to the equity holders of the parent</i>							<i>Non-controlling interests</i> QR'000	<i>Total equity</i> QR'000
	<i>Share Capital</i> QR'000	<i>Legal reserve</i> QR'000	<i>Fair value reserve</i> QR'000	<i>Foreign currency translation reserve</i> QR'000	<i>Retained earnings</i> QR'000	<i>Total</i> QR'000			
Balance at 1 January 2016 <i>(Audited)</i>	26,524,967	1,222,112	605,559	1,954	1,622,648	29,977,240	403,991	30,381,231	
Profit for the period	-	-	-	-	1,293,100	1,293,100	(2,047)	1,291,053	
Other comprehensive loss for the period	-	-	(186,014)	-	-	(186,014)	-	(186,014)	
Total comprehensive (loss) income for the period	-	-	(186,014)	-	1,293,100	1,107,086	(2,047)	1,105,039	
Dividends (Note 17)	-	-	-	-	(1,326,248)	(1,326,248)	-	(1,326,248)	
Non-controlling interests arising on a business combination (Note 6)	-	-	-	-	-	-	43,978	43,978	
<b>Balance at 30 September 2016 <i>(Unaudited)</i></b>	<b>26,524,967</b>	<b>1,222,112</b>	<b>419,545</b>	<b>1,954</b>	<b>1,589,500</b>	<b>29,758,078</b>	<b>445,922</b>	<b>30,204,000</b>	

The attached notes 1 to 21 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 nine months ended 30 September 2016

	<i>Share capital QR'000</i>	<i>Legal reserve QR'000</i>	<i>Fair value 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 2015 ( <i>Audited</i> )	26,524,967	1,055,927	1,264,808	1,954	1,229,525	30,077,181
Profit for the period	-	-	-	-	1,222,125	1,222,125
Other comprehensive loss for the period	-	-	(3,842)	-	-	(3,842)
Total comprehensive (loss) income for the period	-	-	(3,842)	-	1,222,125	1,218,283
Dividends (Note 17)	-	-	-	-	(1,060,999)	(1,060,999)
Balance at 30 September 2015 ( <i>Unaudited</i> )	<u>26,524,967</u>	<u>1,055,927</u>	<u>1,260,966</u>	<u>1,954</u>	<u>1,390,651</u>	<u>30,234,465</u>

The attached notes 1 to 21 form part of these unaudited interim condensed consolidated financial statements.

# Ezdan Holding Group Q.S.C.

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2016

		<i>Nine months ended</i>	
		<i>30 September</i>	<i>30 September</i>
		<i>2016</i>	<i>2015</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
<i>Notes</i>		<i>QR'000</i>	<i>QR'000</i>
<b>OPERATING ACTIVITIES</b>			
	Profit for the period	<b>1,291,053</b>	1,222,125
	<i>Adjustment for:</i>		
	Gain on revaluation of investment properties	10 (12,722)	(18,615)
	Depreciation	8,045	7,002
	Provision for employees' end of service benefits	8,723	6,473
	Share of results of associates and joint ventures	(214,925)	(253,996)
	Gain on acquisition of a subsidiary	6 (55,862)	-
	Gain on acquisition of an associate	6 (37,371)	-
	Gain on sale of investment properties held for sale	-	(4,961)
	Allowance for impairment of tenants receivables	1,113	6,353
	Reversal of allowance for impairment of tenants receivables	(1,048)	(6,520)
	Impairment loss of available-for-sale financial assets	7,409	-
	Profit on Islamic bank accounts	(18,340)	(12,835)
	Net gain on sale of available-for-sale financial assets	(375,898)	(202,845)
	Finance costs	457,834	255,812
		<b>1,058,011</b>	997,993
	<i>Working capital changes:</i>		
	Receivables and prepayments	167,576	37,548
	Inventories	(2,480)	(4,797)
	Due from/ to related parties	(788,840)	(363,245)
	Payables and other liabilities	111,787	(55,399)
		<b>546,054</b>	612,100
	Employees' end of service benefits paid	(2,610)	(1,096)
	Net cash flows from operating activities	<b>543,444</b>	611,004
<b>INVESTING ACTIVITIES</b>			
	Payments for purchase of property, plant and equipment	(7,867)	(1,273)
	Payments for purchase and development of investment properties	(297,998)	(146,636)
	Proceeds from sale of investment properties held for sale	-	15,858
	Proceeds from sale of available-for-sale financial assets	2,228,512	650,443
	Payments for purchase of available-for-sale financial assets	(1,883,707)	(1,081,385)
	Payments for purchase of investments in associates and joint ventures	(513,575)	(89,101)
	Acquisition of a subsidiary net of cash acquired	6 (151,766)	-
	Dividends received from associates and joint ventures	204,820	192,872
	Profits received on Islamic bank accounts	19,903	12,835
	Net movement in short term deposits maturing after three months	-	190,000
	Net cash flows used in investing activities	<b>(401,678)</b>	(256,387)
<b>FINANCING ACTIVITIES</b>			
	Proceeds from Islamic financing borrowings	14 2,174,445	3,162,748
	Payments for Islamic financing borrowings	14 (1,423,073)	(1,174,700)
	Dividends paid	(899,809)	(1,060,999)
	Net cash flows (used in) from financing activities	<b>(148,437)</b>	927,049
<b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(6,671)</b>	1,281,666
	Cash and cash equivalents at 1 January	<b>618,292</b>	98,098
	<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b>	<b>611,621</b>	1,379,764

The attached notes 1 to 21 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 September 2016

### 1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Ezdan Holding Group Q.S.C. (the “Company”) (formerly 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 name of the Company 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 that was held on 17 September 2012.

The Company’s registered office is located at P.O. Box 30503, 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 unaudited 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 nine months ended 30 September 2016.

<i>Name of the Company</i>	<i>Share capital</i>	<i>Country of incorporation</i>	<i>Effective percentage of ownership</i>		
			<i>30 September 2016</i>	<i>31 December 2015</i>	<i>30 September 2015</i>
Ezdan Hotels Company S.O.C.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Ezdan Mall Company S.O.C.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Ezdan Real Estate Company S.O.C.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Ezdan Partnership Co. S.O.C.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Al Etkan Trading Co. S.O.C.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Al Ruba Al khali Trading Co. S.O.C.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Al Ekleem for Real Estate and Mediation Co. S.O.C.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Al Manara for Medical Equipment Co. S.O.C.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Al Taybin Trading Co. S.O.C.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Al Kara Trading Co. S.O.C.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Ethmar for Trading and Construction Co. S.O.C.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Al Namaa for Maintenance Co. S.O.C.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Shatea Al Nile Co. S.O.C.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Arkan for Import and Export Co. S.O.C.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Tareek Al Hak Trading Co. S.O.C.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Manazel Trading Co. S.O.C.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Een Jaloot Trading Co. S.O.C.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Tareek Al-Khair Trading Co. S.O.C.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Alkora Alzahbya Co. S.O.C.	QR 200,000	Qatar	<b>100%</b>	100%	100%
High Trade for Trading S.O.C.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Amaken for Electronic S.O.C.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Gulf Imtiaz for Trading S.O.C.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Ezdan Palace Hotel S.O.C.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Emtedad Real Estate for Projects W.L.L.	QR 200,000	Qatar	<b>67.5%</b>	67.5%	-
Dar Al Arab W.L.L. (Note 6)	QR 24,000,000	Qatar	<b>74.5%</b>	-	-
Ezdan Cleaning Company W.L.L.	QR 200,000	Qatar	<b>100%</b>	-	-

# Ezdan Holding Group Q.S.C.

## NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2016

### 1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES (CONTINUED)

<i>Name of the Company</i>	<i>Share capital</i>	<i>Country of incorporation</i>	<i>Effective percentage of ownership</i>		
			<i>30 September 2016</i>	<i>31 December 2015</i>	<i>30 September 2015</i>
Ezdan Maintenance Company W.L.L.	QR 200,000	Qatar	<b>100%</b>	-	-
Ezdan Landscape Company W.L.L.	QR 200,000	Qatar	<b>100%</b>	-	-
Ezdan Transaction Clearance Company W.L.L.	QR 200,000	Qatar	<b>100%</b>	-	-
Al Raed Sewage Company W.L.L.	QR 200,000	Qatar	<b>100%</b>	-	-
Ezdan Sukuk Company Limited	-	Cayman Islands	<b>100%</b>	-	-
Ezdan International Holdings Limited	USD 10,000	Jersey	<b>100%</b>	-	-
Ezdan International Asset Manager Ltd	GBP 1	The United Kingdom	<b>100%</b>	-	-

The Parent of the Group is Al-Tadawul Holding Group Q.S.C. which aggregately owns directly and indirectly through its subsidiaries, approximately 54% of the share capital of the Company as at 30 September 2016 (31 December 2015: 54%).

### 2 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the nine months ended 30 September 2016 have been prepared in accordance with 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 2015. In addition, results for the nine months ended 30 September 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016.

### 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 2015, except for the adoption of the following new standards and interpretations effective as of 1 January 2016.

The following amendments to standards have been applied by the Group in preparation of these interim condensed consolidated financial statements. The amendments to the below standards did not have any material impact to the Group, but they may result in additional disclosures for the financial year ending 31 December 2016.

**3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

<i>Topic</i>	<i>Effective date</i>
Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisition of Interests	1 January 2016
IFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to IAS 27: Equity Method in Separate Financial Statements	1 January 2016
Amendments to IAS 1: Disclosure Initiative	1 January 2016
Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception	1 January 2016
Annual Improvements 2012 - 2014 Cycle	1 January 2016

**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. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

<i>Topic</i>	<i>Effective date</i>
Amendments to IAS 7 - Disclosure Initiative	1 January 2017
Amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 16 Leases	1 January 2019

**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 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 2015.

**6 BUSINESS COMBINATIONS****6.1 Dar Al Arab W.L.L.**

With effect from 4 February 2016, the Group entered into an agreement to acquire additional 25.5% interest in Dar Al Arab W.L.L., an associate company of the Group, increasing its shareholding to 74.5% and obtaining control.

Dar Al-Arab W.L.L. was incorporated in the State of Qatar as a Limited Liability Company under Commercial Registration Number 27324 on 3 September 2004. The registered office of the Company is located at P.O. Box 22612, Doha, State of Qatar. The main activities of Dar Al-Arab W.L.L. include the publication of Al Arab newspaper.

The initial accounting for the acquisitions and recognition of goodwill is based on provisional values, as the values assigned to the acquiree's identifiable assets and liabilities are based on the management's best estimates. The Group will recognise any adjustments to those provisional values as a result of completing the Purchase Price Allocation (PPA) exercise within twelve months of the effective date of acquisition.

The total goodwill arising from the acquisition of Dar Al Arab W.L.L., amounting to QR 133,560 thousand, is recognised in the unaudited interim consolidated statement of financial position.

The provisional values of the identifiable assets and liabilities are adjusted based on management's best estimates and are stated below:

	<i>QR'000</i> <i>(Unaudited)</i>
<b>Assets</b>	
Cash and bank balances	25,772
Receivables and prepayments	15,820
Investment in a joint venture	132,775
Property, plant and equipment	<u>147,905</u>
<b>Total assets</b>	<u>322,272</u>
<b>Liabilities</b>	
Payables and other liabilities	6,779
Due to related parties	139,383
Islamic financing borrowings	120
Employees' end of service benefits	<u>3,528</u>
<b>Total liabilities</b>	<u>149,810</u>
<b>Identifiable net assets at fair value (provisional)</b>	<u>172,462</u>
Non-controlling interest measured at fair value	43,978
Goodwill arising on acquisition (provisional)	<u>133,560</u>
<b>Cash considerations paid for business combination</b>	<u>177,538</u>
Cash considerations paid for business combination	177,538
Fair value of the Group's equity interest in Dar Al Arab W.L.L. held before acquisition	<u>84,506</u>
<b>Cost of subsidiary acquired</b>	<u>262,044</u>
<b>Net cash outflow on acquisition:</b>	
Net cash acquired with the subsidiary	25,772
Cash paid	<u>(177,538)</u>
	<u>(151,766)</u>

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**6 BUSINESS COMBINATIONS (CONTINUED)****6.1 Dar Al Arab W.L.L. (continued)**

The initial accounting for the above acquisition is only provisional and the fair value will be assigned to the acquiree's identifiable assets and liabilities at the end of the financial year.

From the date of acquisition, Dar Al Arab W.L.L. contributed QR 20,218 thousand and QR 26,504 thousand to the total revenue and total expenses respectively, resulting to have a negative contribution of QR 6,286 thousand to the Group profit for the nine months ended 30 September 2016.

The gain on re-measuring the existing interest to fair value of QR 55,862 thousand is included in the Group's unaudited interim consolidated statement of income for the nine months ended 30 September 2016.

**6.2 Additional investment in Dar Al-Sharq for Printing, Publishing and Distribution W.L.L.**

On 4 February 2016, the Group acquired an additional 14.78% interest in Dar Al-Sharq for Printing, Publishing and Distribution W.L.L., an associate company of the Group, giving it a 44.78% interest in Dar Al-Sharq for Printing, Publishing, and Distribution W.L.L. The Group continued to account for this as an associate.

Dar Al-Sharq for Printing, Publishing and Distribution W.L.L. was incorporated in the State of Qatar as Limited Liability Company under Commercial Registration Number 9829 on 24 October 1985. The registered office of the Company is located at P.O. Box 3488, Doha, State of Qatar. The main activities of Dar Al-Sharq for Printing, Publishing and Distribution W.L.L. are publication of two daily newspapers, Al Sharq newspaper (Arabic Language) and Peninsula Newspaper (English Language) and operation of a printing press.

The fair value of identifiable assets and liabilities assumed of Dar Al-Sharq for Printing, Publishing and Distribution W.L.L. as at the date of acquisition were:

	<i>QR'000</i> <i>(Unaudited)</i>
<b>Assets</b>	
Cash and bank balances	73,549
Receivables and prepayments	135,440
Inventories	2,302
Available-for-sale financial assets	66,994
Investment properties	75,831
Investment in a joint venture	140,447
Property, plant and equipment	56,747
<b>Total assets</b>	<u>551,310</u>
<b>Liabilities</b>	
Payables and other liabilities	36,170
Islamic financing borrowings	45,568
Employees' end of service benefits	17,913
<b>Total liabilities</b>	<u>99,651</u>
<b>Identifiable net assets at fair value (provisional)</b>	<u>451,659</u>
Fair value of additional net assets acquired	66,755
Goodwill arising on acquisition (provisional)	237,245
<b>Net cash considerations for additional interest acquired</b>	<u>304,000</u>

**6 BUSINESS COMBINATIONS (CONTINUED)****6.3 Acquisition of Widam Food Company Q.S.C.**

On 17 April 2016, the Group gained significant influence over financial and operating policy decisions of Widam Food Company Q.S.C. through representation in the Board of Directors of Widam Food Company Q.S.C. The Group owns 23% of Widam Food Company Q.S.C.

Widam Food Company Q.S.C. was established as a Qatari Shareholding Company in accordance with resolution no. 75 in 2003 issued by the minister of Economy and Finance.

Widam Food Company Q.S.C. is registered in Qatar under Commercial Registration Number 26911. The registered office of the Company is located at P.O. Box 22240, Doha, State of Qatar.

The principle activities of Widam Food Company Q.S.C. include import and trade of livestock, meat and feeds, in addition slaughter of sheep and cattle and supplying the local market with fresh meat and related products.

The fair value of identifiable assets acquired and liabilities assumed of Widam Food Company Q.S.C. as at the date of acquisition were as follows:

	<i>QR'000</i> <i>(Unaudited)</i>
<b>Assets</b>	
Cash and bank balances	277,409
Due from related parties	2,290
Accounts receivable and prepayments	205,670
Agricultural produce	1,031
Inventories	15,615
Available-for-sale financial assets	6,779
Projects under progress	21,040
Property and equipment	19,326
<b>Total assets</b>	<b>549,160</b>
<b>Liabilities</b>	
Accounts payable and accruals	257,823
Employees' end of service benefits	8,600
Islamic borrowings	44,374
<b>Total liabilities</b>	<b>310,797</b>
<b>Identifiable net assets at fair value (provisional)</b>	<b>238,363</b>
Goodwill arising on acquisition (provisional)	200,061
Fair value of the Group's equity interest in Widam Food Company Q.S.C. held before acquisition	54,823
	<b>254,884</b>

The initial accounting for the above acquisition is only provisional and the fair value will be assigned to the acquiree's identifiable assets and liabilities at the end of the financial year. 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 37,371 thousand as a result of re-measuring fair value of its existing interest before gaining the significance influence. The gain represents fair value reserve of available-for-sale financial assets at date of acquisition. The gain is included in "Gain on acquisition of an associate" in the Group's interim consolidated statement of income for the nine months ended 30 September 2016.

# Ezdan Holding Group Q.S.C.

## NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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### 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 September 2016 (Unaudited) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>	<i>30 September 2015 (Unaudited) QR'000</i>
Cash on hand	8,150	409	906
<i>Cash at banks and other financial institutions</i>			
Term deposits	295,000	475,000	150,442
Saving and call accounts	255,115	87,501	75,195
Current accounts	53,356	55,382	1,153,221
Margin bank accounts	1,523	1,523	9,687
<b>Cash and bank balances</b>	<b>613,144</b>	<b>619,815</b>	<b>1,389,451</b>
<i>Less: restricted bank balances</i>	<i>(1,523)</i>	<i>(1,523)</i>	<i>(9,687)</i>
<b>Cash and cash equivalents</b>	<b>611,621</b>	<b>618,292</b>	<b>1,379,764</b>

### 8 RECEIVABLES AND PREPAYMENTS

	<i>30 September 2016 (Unaudited) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
Tenants receivable	131,162	114,163
<i>Less: allowance for impairment of tenants receivable</i>	<i>(66,646)</i>	<i>(65,534)</i>
	<b>64,516</b>	48,629
Advances to suppliers and contractors ( <i>Note i</i> )	189,446	460,809
Prepaid expenses	87,297	59,036
Refundable deposits	12,509	12,359
Accrued income	1,666	3,229
Notes receivable	-	4,062
Other receivables and debit balances	374,243	11,934
	<b>729,677</b>	<b>600,058</b>
<i>The maturity of receivables and prepayments is as follows:</i>		
Non-current	12,509	12,359
Current	717,168	587,699
	<b>729,677</b>	<b>600,058</b>

*Note i:*

Due from related party balances included in advances to suppliers and contractors are disclosed in Note 13.

## NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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**9 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 2016 (Unaudited) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
Banks and financial institutions	4,212,158	4,323,366
Industries	1,098,850	948,288
Telecommunication	20,829	20,903
Insurance	6,000	7,928
Consumer goods and services	1,742	233,629
Transportation	15,734	-
	<u>5,355,313</u>	<u>5,534,114</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 14.
- (iii) As at 31 December 2015, the Group's ownership interest in Qatar Investors Group Q.S.C. was 20.00%. However, this investment was accounted for as available-for-sale financial assets since the Group did not have significant influence over the operating and financial decisions of the investee. As at 30 September 2016, the Group's ownership interest in Qatar Investors Group Q.S.C. was 17.27%.

**10 INVESTMENT PROPERTIES**

	<i>30 September 2016 (Unaudited) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
At 1 January	36,898,969	34,216,539
Development costs	1,599,354	1,599,665
Purchase of investment properties	96,511	-
Capitalized finance costs on properties under development	53,846	194,267
Gain on revaluation of investment properties	12,722	600,789
Transferred from investment properties held for sale	-	287,709
<b>At 30 September/ 31 December</b>	<u><b>38,661,402</b></u>	<u><b>36,898,969</b></u>

Notes:

- (i) The Group carried out a valuation of all investment properties owned by the Group at 30 June 2016 and at 31 December 2015. 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 experience and knowledge in the real estate industry, believes that the carrying values of the investment properties at 30 September 2016 are not materially differ from their fair values at 30 September 2016 and an overall revaluation of all investment properties will be carried out at 31 December 2016.



At 30 September 2016

**10 INVESTMENT PROPERTIES (CONTINUED)***Notes:*

- (ii) Investment properties of the Group are located in the State of Qatar and the United Kingdom.
- (iii) The mortgages on the investment properties are disclosed in Note 14.
- (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.

**11 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES**

The investments in associates and joint ventures are represented as follows:

	<i>Country of incorporation</i>	<i>Ownership interest</i>		<i>30 September 2016</i>	<i>31 December 2015</i>
		<i>2016</i>	<i>2015</i>	<i>QR'000</i>	<i>QR'000</i>
		<i>%</i>	<i>%</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
Qatar International Islamic Bank Q.S.C.	Qatar	<b>22.45%</b>	22.65%	<b>2,084,661</b>	2,083,000
Medicare Group Q.S.C.	Qatar	<b>25.79%</b>	25.79%	<b>361,235</b>	388,358
Qatar Islamic Insurance Company Q.S.C.	Qatar	<b>23.82%</b>	23.82%	<b>220,633</b>	222,676
Dar Al-Sharq for Printing, Publishing, and Distribution W.L.L.	Qatar	<b>44.78%</b>	30.00%	<b>530,678</b>	211,110
White Square Real Estate W.L.L.	Qatar	<b>32.50%</b>	32.50%	<b>189,780</b>	192,678
Islamic Holding Group Q.S.C. (Note ii)	Qatar	<b>35.03%</b>	33.33%	<b>106,357</b>	75,516
Al Waraq for Printing Press W.L.L. (Note iii)	Qatar	<b>51.00%</b>	-	<b>134,872</b>	-
Magical Festival Company W.L.L.	Qatar	<b>29.00%</b>	-	<b>6,699</b>	-
Widam Food Company Q.S.C. (Note iv)	Qatar	<b>21.58%</b>	-	<b>251,647</b>	-
Dar Al-Arab W.L.L. (Note v)	Qatar	-	49.00%	-	29,318
				<b>3,886,562</b>	<b>3,202,656</b>

*Notes:*

- (i) The mortgages on investments in associates and joint ventures are disclosed in Note 14.
- (ii) During the period, Islamic Holding Group Q.S.C. has increased its authorised capital from 4,000,000 units to 5,663,581 units after completing subscription in the right issue process and amending the commercial register. As a result of the subscription in the right issue process during 2016, its capital has increased by QR 16,635,810 and the share premium was QR 66,142,115 which is included in the legal reserve of Islamic Holding Group Q.S.C. in accordance with company law No. 11 of 2015. Accordingly, the Group accounted its share of aforementioned change in capital and legal reserve of Islamic Holding Group Q.S.C.
- (iii) During the period, Dar Al-Arab W.L.L., a subsidiary of the Group acquired additional 1% interest in Al Waraq for Printing Press W.L.L., a joint venture company of the Group, thereby increasing its shareholding to 51%. However, the investment in Al Waraq for Printing Press W.L.L. is still accounted for as a joint venture since the Group did not achieve control over the investee.
- (iv) On 17 April 2016, the Group gained significant influence over financial and operating policy decisions of Widam Food Company Q.S.C. (Note 6)
- (v) With effect from 4 February 2016, the Group obtained control over Dar Al Arab W.L.L. (Note 6)

## Ezdan Holding Group Q.S.C.

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

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#### 12 PAYABLES AND OTHER LIABILITIES

	<i>30 September 2016 (Unaudited) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
Contractors and suppliers payable ( <i>Note i</i> )	615,524	720,408
Dividends payable	426,439	-
Retention payable	287,592	151,170
Tenants deposits	154,150	153,175
Unearned rents	70,037	66,686
Accrued expenses	48,525	68,336
Provision for employees' end of services benefits	37,229	26,870
Provision for Social and Sports Activities Fund	12,552	54,098
Advances from customers	2,700	2,698
Derivative financial liability	297	297
Other payables	5,701	3,957
	<u>1,660,746</u>	<u>1,247,695</u>
<i>The maturity of payables and other liabilities is as follows:</i>		
Non-current	479,268	331,512
Current	1,181,478	916,183
	<u>1,660,746</u>	<u>1,247,695</u>

*Note i:*

Due to related party balances included in retention payable and contractor and supplier payable balances are disclosed in Note 13.

#### 13 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>30 September 2016 (Unaudited) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
	<i>Relationship</i>	
Magic Festival Company W.L.L.	13,130	-
White Square Real Estate Company W.L.L.	7,962	2,481
Dar Al Arab W.L.L.	-	38,088
Other related parties	38	8
	<u>21,130</u>	<u>40,577</u>

# Ezdan Holding Group Q.S.C.

## NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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### 13 RELATED PARTY DISCLOSURES (CONTINUED)

#### Due to related parties/ due to a related party

	<i>Relationship</i>	<i>30 September 2016 (Unaudited) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
SAK Holding Group S.O.C. (Note i)	Other related party	1,465,717	350,231
Haloul for Real Estate Investment W.L.L	Other related party	26,462	-
Dar Al-Sharq for Printing, Publishing and Distribution W.L.L.	Associate	29,033	-
Al Waraq for Printing Press W.L.L.	Joint venture	8,431	-
		<u>1,529,643</u>	<u>350,231</u>
<i>The maturity of due to related parties/ due to a related party is as follows:</i>			
Non-current		1,492,179	350,231
Current		37,464	-
		<u>1,529,643</u>	<u>350,231</u>

Note (i): This amount represents finance facilities obtained from a related party and the balance is non-current.

Related party balances included in Islamic financing borrowings, payables and other liabilities and, receivables and prepayments are as follows:

	<i>30 September 2016 (Unaudited) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
Islamic financing borrowings from an associate bank	<u>2,894,458</u>	<u>2,788,629</u>
Contractors and suppliers	<u>555,860</u>	<u>672,128</u>
Retention payable	<u>277,960</u>	<u>138,816</u>
Advances to suppliers and contractors	<u>101,673</u>	<u>377,161</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 2016 (Unaudited) QR'000</i>	<i>30 September 2015 (Unaudited) QR'000</i>	<i>30 September 2016 (Unaudited) QR'000</i>	<i>30 September 2015 (Unaudited) QR'000</i>
Development cost of investment properties (Note i)	<u>199,712</u>	<u>143,694</u>	<u>1,391,435</u>	<u>143,694</u>
Finance costs capitalized to properties under development	<u>11,397</u>	<u>7,716</u>	<u>28,503</u>	<u>29,420</u>
Finance costs charged to the interim consolidated statement of income	<u>25,315</u>	<u>18,554</u>	<u>75,122</u>	<u>47,837</u>
Rental income	<u>2,289</u>	<u>1,512</u>	<u>5,331</u>	<u>4,536</u>

Note (i) : The Group entered into a construction agreement with SAK Trading and Contracting Company S.O.C. to construct certain investment properties at arm's length basis.

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**13 RELATED PARTY DISCLOSURES (CONTINUED)****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 2016 (Unaudited) QR'000</i>	<i>30 September 2015 (Unaudited) QR'000</i>	<i>30 September 2016 (Unaudited) QR'000</i>	<i>30 September 2015 (Unaudited) QR'000</i>
Total key management and executive committee benefits	<u>9,473</u>	<u>10,336</u>	<u>31,473</u>	<u>31,020</u>

**14 ISLAMIC FINANCING BORROWINGS**

The movements of Islamic financing borrowings during the period/ year were as follows:

	<i>30 September 2016 (Unaudited) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
At 1 January	14,959,607	12,809,634
Additional facilities obtained during the period/ year	2,174,445	3,160,000
Finance costs	488,152	593,180
Repayments of outstanding facilities during the period/ year	<u>(1,423,073)</u>	<u>(1,603,207)</u>
<b>At 30 September/ 31 December</b>	<b><u>16,199,131</u></b>	<b><u>14,959,607</u></b>

Islamic financing borrowings are segregated between current and non-current maturity periods as follows:

	<i>30 September 2016 (Unaudited) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
Current portion	2,048,903	1,485,616
Non-current portion	<u>14,150,228</u>	<u>13,473,991</u>
	<b><u>16,199,131</u></b>	<b><u>14,959,607</u></b>

Terms and conditions of the outstanding facilities were as follows:

<i>Type of facilities</i>	<i>Currency</i>	<i>30 September 2016 (Unaudited) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
Secured Murabaha	QR	6,814,139	7,208,446
Secured Ijara	QR	3,983,468	3,979,237
Secured Murabaha	USD	697,535	431,635
Secured Ijara	USD	2,863,329	3,340,289
Sukuk financing ( <i>Note ii</i> )	USD	<u>1,840,660</u>	<u>-</u>
		<b><u>16,199,131</u></b>	<b><u>14,959,607</u></b>

At 30 September 2016

**14 ISLAMIC FINANCING BORROWINGS (CONTINUED)***Notes:*

- (i) 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.
- (ii) During the period, as part of a Sharia' approved programme to issue QAR 7,283,000 thousand (USD 2,000,000 thousand) Sukuks through a special purpose entity ("Ezdan Sukuk Company Ltd"), QAR 1,821,000 thousand (USD 500,000 thousand) Sukuks were issued on behalf of the Group with total issuance cost of QAR 10,500 thousand. The Sukuk were issued at an annual fixed profit rate of 4.375% paid semi-annually with a tenor of 5 years maturing in May 2021. The Sukuks are listed on the Irish Stock Exchange and were issued on a capacity of assets' backed Sukuk. The Group controls the assets which will continue to be serviced by the Group. Upon maturity of the Sukuks, the Group has undertaken to repurchase the assets at the same issuance price.
- (iii) As at 30 September 2016, the Group had secured borrowings against mortgages on different types of investment properties owned by the Group with a carrying value of QR 15,437,660 thousand (31 December 2015: QR 15,437,660 thousand) and mortgage against quoted shares included in the interim condensed consolidated financial statements within available-for-sale financial assets and investments in associates with carrying value of QR 3,685,555 thousand at 30 September 2016 (31 December 2015: QR 4,444,942 thousand).

**15 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>Nine months ended</i>	
	<i>30 September 2016 (Unaudited)</i>	<i>30 September 2015 (Unaudited)</i>	<i>30 September 2016 (Unaudited)</i>	<i>30 September 2015 (Unaudited)</i>
Profit attributable to equity holders of the parent (QR'000)	<b><u>365,959</u></b>	<u>363,959</u>	<b><u>1,293,100</u></b>	<u>1,222,125</u>
Weighted average number of shares outstanding during the period (in thousands)	<b><u>2,652,497</u></b>	<u>2,652,497</u>	<b><u>2,652,497</u></b>	<u>2,652,497</u>
Basic earnings per share (QR)	<b><u>0.14</u></b>	<u>0.14</u>	<b><u>0.49</u></b>	<u>0.46</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.

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**16 COMPONENTS OF OTHER COMPREHENSIVE INCOME**

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September 2016 (Unaudited) QR'000</i>	<i>30 September 2015 (Unaudited) QR'000</i>	<i>30 September 2016 (Unaudited) QR'000</i>	<i>30 September 2015 (Unaudited) QR'000</i>
<i>Other comprehensive income to be reclassified to statement of income in subsequent periods:</i>				
<b><i>Fair value reserve</i></b>				
Available-for-sale financial assets:				
Net gain (loss) arising during the period	<b>350,335</b>	(297,229)	<b>223,020</b>	195,636
Net gain on disposal of available-for-sale financial assets reclassified to interim consolidated statement of income	<b>(101,050)</b>	(132,176)	<b>(380,068)</b>	(202,706)
Reclassification of gain on acquisition of an associate to the consolidated statement of income (Note 6)	-	-	<b>(37,371)</b>	-
Reclassification of impairment loss recognized in the interim consolidated statement of income	-	-	<b>7,409</b>	-
Net gain (loss) on available-for-sale financial assets	<b>249,285</b>	(429,405)	<b>(187,010)</b>	(7,070)
Share of revaluation reserve of associates and joint ventures	<b>(790)</b>	2,150	<b>996</b>	3,228
<b>Total other comprehensive income (loss) for the period</b>	<b>248,495</b>	(427,255)	<b>(186,014)</b>	(3,842)

**17 DIVIDENDS**

At the General Assembly meeting held on 11 April 2016, the shareholders approved a cash dividend of QR 0.50 per share totaling to QR 1,326,248 thousand for the year ended 31 December 2015 (2015: QR 0.40 per share totaling to QR 1,060,999 thousand for the year ended 31 December 2014).

**18 CONTINGENT LIABILITIES****Contingent liabilities**

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

	<i>30 September 2016 QR'000 (Unaudited)</i>	<i>31 December 2015 QR'000 (Audited)</i>
Bank guarantees	<b>1,523</b>	4,225
Letters of credits	<b>5,771</b>	5,771

At 30 September 2016

**18 CONTINGENT LIABILITIES (CONTINUED)****Commitments**

The Company has the following contractual obligations to develop investment properties at the reporting date.

	<i>30 September 2016 QR'000 (Unaudited)</i>	<i>31 December 2015 QR'000 (Audited)</i>
Contractual commitments to contractors and suppliers for development of projects	<u>475,099</u>	<u>1,714,659</u>

**19 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 2016 and 31 December 2015:

	<i>Carrying amounts</i>		<i>Fair values</i>	
	<i>30 September 2016 QR'000 (Unaudited)</i>	<i>31 December 2015 QR'000 (Audited)</i>	<i>30 September 2016 QR'000 (Unaudited)</i>	<i>31 December 2015 QR'000 (Audited)</i>
<b>Financial assets</b>				
Bank balances (excluding cash)	<b>604,994</b>	619,406	<b>604,994</b>	619,406
Available-for-sale financial assets	<b>5,355,313</b>	5,534,114	<b>5,355,313</b>	5,534,114
Due from related parties	<b>21,130</b>	40,577	<b>21,130</b>	40,577
Receivables, refundable deposits and other receivables	<u><b>451,268</b></u>	<u>72,922</u>	<u><b>451,268</b></u>	<u>72,922</u>
	<u><b>6,432,705</b></u>	<u>6,267,019</u>	<u><b>6,432,705</b></u>	<u>6,267,019</u>
<b>Financial liabilities</b>				
Islamic financing borrowings	<b>16,199,131</b>	14,959,607	<b>16,199,131</b>	14,959,607
Due to related parties	<b>1,529,643</b>	350,231	<b>1,529,643</b>	350,231
Payables and other liabilities	<u><b>1,550,780</b></u>	<u>1,151,441</u>	<u><b>1,550,780</b></u>	<u>1,151,441</u>
	<u><b>19,279,554</b></u>	<u>16,461,279</u>	<u><b>19,279,554</b></u>	<u>16,461,279</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.

## Ezdan Holding Group Q.S.C.

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

At 30 September 2016

#### 19 FINANCIAL INSTRUMENTS (CONTINUED)

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

<i>At 30 September 2016 (unaudited)</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	<u>-</u>	<u>2,716,110</u>	<u>35,945,292</u>	<u>38,661,402</u>
Available-for-sale financial assets	<u>5,355,313</u>	<u>-</u>	<u>-</u>	<u>5,355,313</u>
	<i>Level 1 QR'000</i>	<i>Level 2 QR'000</i>	<i>Level 3 QR'000</i>	<i>Total QR'000</i>
<i>At 31 December 2015 (Audited)</i>				
Investment properties	<u>-</u>	<u>3,196,849</u>	<u>33,702,120</u>	<u>36,898,969</u>
Available-for-sale financial assets	<u>5,534,114</u>	<u>-</u>	<u>-</u>	<u>5,534,114</u>

During the period/ year ended 30 September 2016 and 31 December 2015, 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.



**20 SEGMENTAL INFORMATION**

For management purposes, the Group is divided into five 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 and suites : The segment includes managing hotels, suites and restaurants.
- § Malls : The segment includes management of malls.
- § Distribution and publishing of news papers : The segment includes printing, publishing and distribution of newspapers papers

Management monitors the segment profit 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 of the Group's operating segments for the nine months ended 30 September 2016 and 30 September 2015.

<i>Nine months ended 30 September 2016 (Unaudited)</i>	<i>Residential and commercial property QR'000</i>	<i>Investments QR'000</i>	<i>Hotel and suites QR'000</i>	<i>Malls QR'000</i>	<i>Distribution and publishing of news papers QR'000</i>	<i>Adjustments and eliminations QR'000</i>	<i>Total QR'000</i>
Segment revenues	991,618	915,408	207,779	92,392	19,436	(30,744)	2,195,889
Segment expenses	(786,503)	(8,103)	(81,411)	(27,207)	(30,600)	28,988	(904,836)
<b>Segment profit (loss)</b>	<b>205,115</b>	<b>907,305</b>	<b>126,368</b>	<b>65,185</b>	<b>(11,164)</b>	<b>(1,756)</b>	<b>1,291,053</b>
<i>Nine months ended 30 September 2015 (Unaudited)</i>	<i>Residential and commercial property QR'000</i>	<i>Investments QR'000</i>	<i>Hotel and suites QR'000</i>	<i>Malls QR'000</i>	<i>Distribution and publishing QR'000</i>	<i>Adjustments and eliminations QR'000</i>	<i>Total QR'000</i>
Segment revenues	939,249	643,301	212,442	81,409	-	(17,539)	1,858,862
Segment expenses	(562,872)	(457)	(66,400)	(24,547)	-	17,539	(636,737)
<b>Segment profit</b>	<b>376,377</b>	<b>642,844</b>	<b>146,042</b>	<b>56,862</b>	<b>-</b>	<b>-</b>	<b>1,222,125</b>

**20 SEGMENTAL INFORMATION (CONTINUED)**

The following table presents assets and liabilities information of the Group's operating segments as of 30 September 2016 and 31 December 2015.

	<i>Residential and commercial property QR'000</i>	<i>Investments QR'000</i>	<i>Hotel and suites QR'000</i>	<i>Malls QR'000</i>	<i>Distribution and publishing of news papers QR'000</i>	<i>Adjustments and eliminations QR'000</i>	<i>Total QR'000</i>
<b>Segment assets</b>							
At 30 September 2016 (Unaudited)	<u>34,345,964</u>	<u>9,394,653</u>	<u>5,010,889</u>	<u>1,317,527</u>	<u>331,767</u>	<u>(807,280)</u>	<u>49,593,520</u>
At 31 December 2015 (Audited)	<u>32,442,158</u>	<u>8,812,028</u>	<u>4,911,264</u>	<u>1,728,402</u>	<u>-</u>	<u>(955,088)</u>	<u>46,938,764</u>
<b>Segment liabilities</b>							
At 30 September 2016 (Unaudited)	<u>19,234,263</u>	<u>722,905</u>	<u>34,742</u>	<u>52,947</u>	<u>150,139</u>	<u>(805,476)</u>	<u>19,389,520</u>
At 31 December 2015 (Audited)	<u>16,669,037</u>	<u>737,581</u>	<u>60,869</u>	<u>45,134</u>	<u>-</u>	<u>(955,088)</u>	<u>16,557,533</u>

Geographically, the Group operates in the State of Qatar and the United Kingdom. Qatar operations contributed approximately 100% of the Group's profit for the nine months ended 30 September 2016 (30 September 2015: 100%), and approximately 99.76% (31 December 2015: 100%) of its assets.

**21 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.