

Ezdan Holding Group Q.S.C.

UNAUDITED INTERIM CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS

30 SEPTEMBER 2015

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

Introduction

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

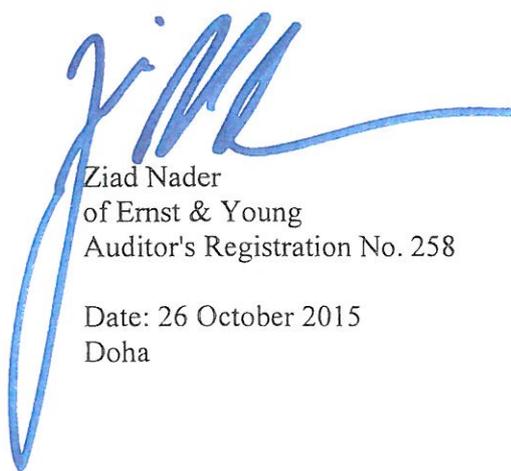
Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed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



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

Date: 26 October 2015
Doha



Ezdan Holding Group Q.S.C.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2015

	Notes	30 September 2015 (Reviewed) QR'000	31 December 2014 (Audited) QR'000
ASSETS			
Cash and bank balances	7	1,389,451	297,785
Receivables and prepayments	8	174,995	212,376
Inventories		26,499	21,702
Due from related parties	14	391,939	72,562
Investment properties held for sale	9	288,640	299,537
Available-for-sale financial assets	10	5,836,474	5,190,446
Investment properties	11	34,545,715	34,216,539
Investments in equity accounted investees	12	3,193,510	3,053,834
Property and equipment		<u>22,330</u>	<u>28,059</u>
TOTAL ASSETS		<u>45,869,553</u>	<u>43,392,840</u>
LIABILITIES AND EQUITY			
LIABILITIES			
Payables and other liabilities	13	399,897	449,919
Due to a related party	14	7,042	56,106
Islamic financing borrowings	15	<u>15,228,149</u>	<u>12,809,634</u>
TOTAL LIABILITIES		<u>15,635,088</u>	<u>13,315,659</u>
EQUITY			
Share capital		26,524,967	26,524,967
Legal reserve		1,055,927	1,055,927
Revaluation reserve		1,260,966	1,264,808
Foreign currency translation reserve		1,954	1,954
Retained earnings		<u>1,390,651</u>	<u>1,229,525</u>
TOTAL EQUITY		<u>30,234,465</u>	<u>30,077,181</u>
TOTAL LIABILITIES AND EQUITY		<u>45,869,553</u>	<u>43,392,840</u>

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

Dr.Khalid Bin Thani Al-Thani
Chairman

Ali Al-Obaidli
Group Chief Executive Officer

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

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF INCOME

For the nine month period ended 30 September 2015

	Notes	<i>For the three month period ended</i>		<i>For the nine month period ended</i>	
		<i>30 September</i>		<i>30 September</i>	
		<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
		<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>
		<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Rental income		383,599	356,132	1,133,408	997,436
Dividends income from available-for-sale-financial assets		508	-	184,358	167,194
Net gain on sale of available-for-sale- financial assets		120,925	64,775	202,845	162,293
Other operating revenues		11,385	4,376	39,381	50,345
Operating expenses		(80,124)	(72,861)	(213,969)	(206,610)
Operating profit for the period		436,293	352,422	1,346,023	1,170,658
<i>Add (less):</i>					
Share of results of equity accounted investees		64,301	59,917	253,996	188,948
Gain on acquisition of an associate	6	-	-	-	8,461
Gain on revaluation of investment properties		-	-	18,615	3,850
Gain on sale of investment properties	9	-	-	4,961	-
Other income		8,513	3,936	21,298	13,436
General and administrative expenses		(43,941)	(53,741)	(159,954)	(148,378)
Depreciation		(2,347)	(2,506)	(7,002)	(6,696)
Finance costs		(98,860)	(63,120)	(255,812)	(215,256)
NET PROFIT FOR THE PERIOD		363,959	296,908	1,222,125	1,015,023
BASIC AND DILUTED EARNINGS PER SHARE (QR)	17	0.14	0.11	0.46	0.38

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

Ezdan Holding Group Q.S.C.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine month period ended 30 September 2015

	<i>For the three month period ended 30 September</i>		<i>For the nine month period ended 30 September</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>
<i>Note</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Profit for the period	363,959	296,908	1,222,125	1,015,023
Other comprehensive income				
<i>Other comprehensive income to be reclassified to statement of income in subsequent periods:</i>				
Net (loss) gain on available for sale financial assets	18 (429,405)	1,273,971	(7,070)	2,114,291
Movement in cash flow hedges	18 -	3,695	-	75
Share of revaluation reserve of equity accounted investees	18 2,150	31	3,228	(96)
Total other comprehensive (loss) income for the period	(427,255)	1,277,697	(3,842)	2,114,270
Total comprehensive (loss) income for the period	(63,296)	1,574,605	1,218,283	3,129,293

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

Ezdan Holding Group Q.S.C.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine month period ended 30 September 2015

	<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 2015 (Audited)	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	-	-	(3,842)	-	-	(3,842)
Total comprehensive (loss) income	-	-	(3,842)	-	1,222,125	1,218,283
Dividends for 2014 (Note 19)	-	-	-	-	(1,060,999)	(1,060,999)
Balance at 30 September 2015 (Reviewed)	<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 23 form part of these unaudited interim condensed consolidated financial statements.

Ezdan Holding Group Q.S.C.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the nine month period ended 30 September 2015

	<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 (audited)	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 19)	-	-	-	-	(822,274)	(822,274)
Balance at 30 September 2014 (<i>Reviewed</i>)	<u>26,524,967</u>	<u>919,890</u>	<u>2,450,250</u>	<u>1,954</u>	<u>1,054,229</u>	<u>30,951,290</u>

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

Ezdan Holding Group Q.S.C.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine month period ended 30 September 2015

	<i>Nine month period ended 30</i>	
	<i>2015</i> <i>(Reviewed)</i> <i>QR'000</i>	<i>2014</i> <i>(Reviewed)</i> <i>QR'000</i>
OPERATING ACTIVITIES		
Profit for the period	1,222,125	1,015,023
Adjustment for:		
Gain on revaluation of investment properties	(18,615)	(3,850)
Gain on sale of investment properties held for sale	(4,961)	-
Depreciation	7,002	6,696
Provision for employees' end of service benefits	6,473	6,164
Share of results of equity accounted investees	(253,996)	(188,948)
Gain on acquisition of an associate	-	(8,461)
Allowance for impairment of doubtful receivables	6,353	16,855
Reversal of allowance for impairment of doubtful receivables	(6,520)	(3,517)
Profit on Islamic bank accounts	(12,835)	(5,563)
Net gain on sale of available-for-sale financial assets	(202,845)	(162,293)
Finance costs	255,812	215,256
	997,993	887,362
<i>Working capital changes:</i>		
Receivables and prepayments	37,548	(10,504)
Inventories	(4,797)	(8,547)
Due from/to related parties	(363,245)	(82,431)
Payables and other liabilities	(55,399)	(6,646)
Cash from operations	612,100	779,234
Employees' end of service benefits paid	(1,096)	(650)
Net cash flows from operating activities	611,004	778,584
INVESTING ACTIVITIES		
Payments for purchase of property and equipment	(1,273)	(10,424)
Payments for purchase and development of investment properties	(146,636)	(271,938)
Proceeds from sale of investment properties held for sale	15,858	-
Proceeds from sale of available-for-sale financial assets	650,443	587,870
Payments for purchase of available-for-sale financial assets	(1,081,385)	(818,590)
Payments for purchase of investments in associates	(89,101)	(62,670)
Dividends received from associates	192,872	162,821
Profits on Islamic bank accounts	12,835	5,563
Net movement in short term deposits maturing after 3 months	190,000	(50,000)
Net movement in restricted bank balances	-	4,986
Net cash flows used in investing activities	(256,387)	(452,382)
FINANCING ACTIVITIES		
Proceeds from Islamic financing borrowings	3,162,748	1,825,000
Payments for Islamic financing borrowings	(1,174,700)	(1,353,348)
Dividends paid	(1,060,999)	(338,898)
Net cash flows from financing activities	927,049	132,754
INCREASE IN CASH AND CASH EQUIVALENTS	1,281,666	458,956
Cash and cash equivalents as of 1 January	98,098	85,817
CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER	1,379,764	544,773

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

Ezdan Holding Group Q.S.C.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2015

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

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

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

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

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

These 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 period ended 30 September 2015.

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

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

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

2 BASIS OF PREPARATION

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

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

The unaudited 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 unaudited 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 2014. In addition, results for the nine months ended 30 September 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015.

3 SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Standards issued but not yet effective

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

<i>Topic</i>	<i>Effective date</i>
IFRS 14: Regulatory Deferral Accounts	1 January 2016
Amendments to IAS 16 and IAS 38: Clarifications of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to IAS 27: Equity method in Separate Financial Statements	1 January 2016
Amendments IFRS 11: Joint Arrangement: Accounting for Acquisition	1 January 2016
IFRS 15: Revenue from Contracts with Customers	1 January 2017
IFRS 9: Financial Instruments (issued in 2014)	1 January 2018

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

5 FINANCIAL RISK MANAGEMENT

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

6 ACQUISITION OF AN ASSOCIATE

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

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

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

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

	<i>QR'000</i>
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	5,189
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	882
Total liabilities	<u>258,858</u>
NET ASSETS	<u>55,194</u>
Fair value of net assets	19,886
Goodwill arising on acquisition	42,148
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	12,519
	<u>62,034</u>

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2015

6 ACQUISITION OF AN ASSOCIATE (CONTINUED)

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

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

7 CASH AND CASH EQUIVALENTS

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

	<i>30</i> <i>September</i> <i>2015</i> <i>(Reviewed)</i> <i>QR’000</i>	<i>30</i> <i>September</i> <i>2014</i> <i>(Reviewed)</i> <i>QR’000</i>	<i>31</i> <i>December</i> <i>2014</i> <i>(Audited)</i> <i>QR’000</i>
Cash on hand	906	1,132	291
<i>Cash at banks and other financial institutions</i>			
Saving and call accounts	75,195	641,250	66,164
Term deposits	150,442	67,007	190,000
Current accounts	1,153,221	235,384	31,643
Margin bank accounts	9,687	9,687	9,687
Cash and bank balances	1,389,451	954,460	297,785
<i>Less: restricted bank balances</i>	<i>(9,687)</i>	<i>(9,687)</i>	<i>(9,687)</i>
short term bank deposits maturing after 3 months	-	(400,000)	(190,000)
Cash and cash equivalents	1,379,764	544,773	98,098

At 30 September 2015

8 RECEIVABLES AND PREPAYMENTS

	<i>30 September 2015 (Reviewed) QR'000</i>	<i>31 December 2014 (Audited) QR'000</i>
Tenants receivable	101,706	90,737
Less: allowance for impairment of tenants receivable	(58,525)	(58,692)
	43,181	32,045
Advances to suppliers	40,105	112,869
Prepaid expenses	60,588	35,650
Refundable deposits	12,499	10,653
Notes receivable	3,137	1,818
Advances to contractors	2,721	3,304
Accrued income	689	3,835
Other receivables and debit balances	12,075	12,202
	174,995	212,376
<i>The maturity of receivables and prepayments are as follows:</i>		
Non-current	15,220	13,957
Current	159,775	198,419
	174,995	212,376

9 INVESTMENT PROPERTIES HELD FOR SALE

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

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

Note i

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

Note ii

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

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2015

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 2015 (Reviewed) QR'000</i>	<i>31 December 2014 (Audited) QR'000</i>
Banks and financial institutions	4,483,813	3,877,425
Industry	1,098,831	1,040,351
Consumer goods and services	220,511	250,309
Telecommunication	26,131	21,607
Insurance	7,188	754
	<u>5,836,474</u>	<u>5,190,446</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) At 30 September 2015, the Group's ownership interest in Widam Food Company Q.S.C. and Qatar Investors Group Q.S.C. were 23.27% and 20% respectively (31 December 2014: 23.32% and 20% respectively). However, these investments are still accounted for as available-for-sale-financial assets since the Group does not have significant influence over the operating and financial decisions of the investees.

11 INVESTMENT PROPERTIES

	<i>30 September 2015 (Reviewed) QR'000</i>	<i>31 December 2014 (Audited) QR'000</i>
Completed projects	27,671,448	27,541,193
Projects under development	6,874,267	6,675,346
	<u>34,545,715</u>	<u>34,216,539</u>

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2015

11 INVESTMENT PROPERTIES (CONTINUED)

Movement in the investment properties during the period were as follows:

	<i>30 September 2015 (Reviewed) QR'000</i>	<i>31 December 2014 (Audited) QR'000</i>
At 1 January	34,216,539	33,855,075
Development costs	146,636	390,212
Capitalized finance costs on properties under development	163,925	276,773
Fair value gain	18,615	53,457
Transferred to investment properties held for sale (Note 9)	<u>-</u>	<u>(358,978)</u>
	<u>34,545,715</u>	<u>34,216,539</u>

Notes:

- (i) The Group has carried out a valuation of all investment properties owned by the Group at 30 June 2015 and at 31 December 2014. The valuation was performed by D.T.Z Qatar L.L.C., a certified valuer, specialized in the valuation of real estate and similar activities. The valuation has been prepared in accordance with the appropriate sections of the Practice Statements ("PS"), contained with the RICS Valuation- Professional Standards 2015 (the "Red Book"). The management having experience and knowledge in the real estate industry, believes that the carrying values of the investment properties at 30 September 2015 are not materially differ from their fair vales at 30 September 2015 and an overall revaluation of all investment properties will be carried out at the year ended 31 December 2015.
- (ii) All investment properties are located in the State of Qatar.
- (iii) The mortgages on the investment properties are disclosed in Note 15.
- (iv) Tittle deeds of certain investment properties are in the name of one shareholder of the Group and the Group is in the process of transferring them to the Group's name.
- (v) Projects under development included bear lands amounted to QR 3,399,931(31 December 2014: 3,396,764) where no development activities started yet.

Ezdan Holding Group Q.S.C.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2015

12 INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES

The investments in equity accounted investees are represented as follows:

	<i>Country of incorporation</i>	<i>30 September 2015 QR'000</i>	<i>31 December 2014 QR'000</i>
Medicare Group Q.S.C.	Qatar	381,817	326,465
Qatar International Islamic Bank Q.S.C.	Qatar	2,070,862	2,059,807
Qatar Islamic Insurance Company Q.S.C.	Qatar	222,245	216,178
Dar Al-Sharq for Printing, Publishing, and Distribution W.L.L.	Qatar	223,403	208,573
Dar Al-Arab W.L.L.	Qatar	29,741	34,089
White Square Real Estate W.L.L.	Qatar	192,700	150,581
Islamic Holding Group Q.S.C.	Qatar	72,607	58,006
Emtedad for Real Estate Projects W.L.L.	Qatar	135	135
		<u>3,193,510</u>	<u>3,053,834</u>

Note:

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

13 PAYABLES AND OTHER LIABILITIES

	<i>30 September 2015 (Reviewed) QR'000</i>	<i>31 December 2014 (Audited) QR'000</i>
Tenants deposits	152,642	145,130
Unearned rents	80,622	76,203
Contractors and suppliers payable	59,000	53,555
Accrued expenses	39,100	65,734
Provision for end of services benefits	26,008	20,631
Provision for Social and Sports Activities Fund	12,552	46,562
Retention payable	12,353	11,593
Derivative financial liability (Note 16)	4,446	4,446
Advances from customers (Note 9)	4,178	19,308
Other payables	8,996	6,757
	<u>399,897</u>	<u>449,919</u>
<i>The maturity of payables and other liabilities are as follows:</i>		
Non-current	195,449	181,800
Current	204,448	268,119
	<u>399,897</u>	<u>449,919</u>

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2015

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 2015 (Reviewed) QR'000</i>	<i>31 December 2014 (Audited) QR'000</i>
Emtedad for Real Estate Projects W.L.L.	346,961	25,016
Dar Al Arab W.L.L.	38,088	32,893
SAK Holding Group Company W.L.L.	5,033	14,592
White Square Real Estate Company W.L.L.	802	46
Other related parties	1,055	15
	<u>391,939</u>	<u>72,562</u>

Due to a related party

<i>Name of related party</i>	<i>30 September 2015 (Reviewed) QR'000</i>	<i>31 December 2014 (Audited) QR'000</i>
SAK Trading and Contracting Company	<u>7,042</u>	<u>56,106</u>

	<i>30 September 2015 (Reviewed) QR'000</i>	<i>31 December 2014 (Audited) QR'000</i>
Islamic financing borrowings from an associate Bank	<u>2,788,546</u>	<u>2,686,669</u>

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2015

14 RELATED PARTY DISCLOSURES (CONTINUED)**Related party transactions**

Transactions with related parties during the period are as follows:

	<i>Three month period ended</i>		<i>Nine month period ended</i>	
	<i>30 September 2015 (Reviewed) QR'000</i>	<i>30 September 2014 (Reviewed) QR'000</i>	<i>30 September 2015 (Reviewed) QR'000</i>	<i>30 September 2014 (Reviewed) QR'000</i>
Construction of investment properties (i)	<u>143,694</u>	<u>36,597</u>	<u>143,694</u>	<u>157,592</u>
Finance costs capitalized to properties under development	<u>7,716</u>	<u>18,294</u>	<u>29,420</u>	<u>52,803</u>
Finance costs charged to the interim consolidated statement of income	<u>18,554</u>	<u>16,187</u>	<u>47,837</u>	<u>50,413</u>
Rental income	<u>1,512</u>	<u>1,512</u>	<u>4,536</u>	<u>4,536</u>

Note:

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

Compensation of directors and other key management personnel

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

	<i>Three month period ended</i>		<i>Nine month period ended</i>	
	<i>30 September 2015 (Reviewed) QR'000</i>	<i>30 September 2014 (Reviewed) QR'000</i>	<i>30 September 2015 (Reviewed) QR'000</i>	<i>30 September 2014 (Reviewed) QR'000</i>
Total key management and executive committee benefits	<u>10,336</u>	<u>10,345</u>	<u>31,020</u>	<u>30,784</u>

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2015

15 ISLAMIC FINANCING BORROWINGS

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

	<i>30 September 2015 (Reviewed) QR'000</i>	<i>31 December 2014 (Audited) QR'000</i>
At 1 January	12,809,634	12,076,283
Additional facilities obtained during the period / year	3,162,748	1,825,000
Finance costs	430,467	602,217
Repayments of outstanding facilities during the period / year	(1,174,700)	(1,693,866)
At 30 September / 31 December	<u>15,228,149</u>	<u>12,809,634</u>
<i>The maturity of Islamic financing borrowings are as follows:</i>		
Current	1,242,748	1,234,220
Non-current	13,985,401	11,575,414
	<u>15,228,149</u>	<u>12,809,634</u>

Note:

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

As at 30 September 2015, the Group had secured borrowings against mortgages on different types of investment properties owned by the Group with a carrying value of QR 18,665,879 thousand (31 December 2014: QR 16,724,264 thousand) and mortgage against quoted shares included in the unaudited interim condensed consolidated financial statements within available-for-sale-financial assets and investments in equity accounted investees with carrying value of QR 4,476,358 thousand at 30 September 2015 (31 December 2014: QR 4,451,507 thousand).

16 DERIVATIVE FINANCIAL INSTRUMENTS

The Group entered into for profit rate swap contracts effective up to 2020 in order to hedge against the profit rate risk arising from certain Islamic financing borrowings obtained at variable profit rates. Under the terms of the profit rate swap contracts, the Group pays fixed rate of profit at an average of 1.05% to 1.36% per annum and will receive floating profit based on 3 months LIBOR. The terms of the profit rate swap contracts have been negotiated to match the terms of the Islamic financing borrowings.

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

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

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

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2015

17 BASIC AND DILUTED EARNINGS PER SHARE

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

	<i>Three month period ended</i>		<i>Nine month period ended</i>	
	<i>30 September 2015</i> <i>(Reviewed)</i>	<i>30 September 2014</i> <i>(Reviewed)</i>	<i>30 September 2015</i> <i>(Reviewed)</i>	<i>30 September 2014</i> <i>(Reviewed)</i>
Profit for the period (QR'000)	<u>363,959</u>	<u>296,908</u>	<u>1,222,125</u>	<u>1,015,023</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>0.14</u>	<u>0.11</u>	<u>0.46</u>	<u>0.38</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.

18 COMPONENTS OF OTHER COMPREHENSIVE INCOME

	<i>Three month period ended</i>		<i>Nine month period ended</i>	
	<i>30 September 2015</i> <i>(Reviewed)</i> <i>QR'000</i>	<i>30 September 2014</i> <i>(Reviewed)</i> <i>QR'000</i>	<i>30 September 2015</i> <i>(Reviewed)</i> <i>QR'000</i>	<i>30 September 2014</i> <i>(Reviewed)</i> <i>QR'000</i>
<i>Other comprehensive income to be reclassified to statement of income in subsequent periods:</i>				
Revaluation reserve				
Available for sale financial assets:				
Net (loss) gain arising during the period	(297,229)	1,304,608	195,636	2,204,878
Net (loss) gain on disposal of available-for-sale financial assets reclassified to consolidated statement of income	(132,176)	(30,637)	(202,706)	(82,126)
Reclassification adjustments for gain recognised in the consolidated statement of income (Note 6)	-	-	-	(8,461)
Net (loss) gain on available-for-sale financial assets	<u>(429,405)</u>	<u>1,273,971</u>	<u>(7,070)</u>	<u>2,114,291</u>
Cash flow hedges:				
Cash flow hedges	-	3,695	-	75
Foreign currency translation reserve				
Share of net movement in foreign currency translation reserve of equity accounted investees	<u>2,150</u>	<u>31</u>	<u>3,228</u>	<u>(96)</u>
Other comprehensive (loss) income for the period	<u>(427,255)</u>	<u>1,277,697</u>	<u>(3,842)</u>	<u>2,114,270</u>

Ezdan Holding Group Q.S.C.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2015

19 DIVIDENDS

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

20 CONTINGENT LIABILITIES

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

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

21 FINANCIAL INSTRUMENTS

Fair values

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

	<i>Carrying amounts</i>		<i>Fair values</i>	
	<i>30 September 2015 (Reviewed) QR'000</i>	<i>31 December 2014 (Audited) QR'000</i>	<i>30 September 2015 (Reviewed) QR'000</i>	<i>31 December 2014 (Audited) QR'000</i>
Financial assets				
Bank balances (excluding cash)	1,388,545	297,494	1,388,545	297,494
Available-for-sale-financial assets	5,836,474	5,190,446	5,836,474	5,190,446
Due from related parties	391,939	72,562	391,939	72,562
Receivables	<u>70,892</u>	<u>56,719</u>	<u>70,892</u>	<u>56,719</u>
	<u>7,687,850</u>	<u>5,617,221</u>	<u>7,687,850</u>	<u>5,617,221</u>
Financial liabilities				
Islamic financing borrowings	15,228,149	12,809,634	15,228,149	12,809,634
Due to a related party	7,042	56,106	7,042	56,106
Payables and other liabilities	<u>237,437</u>	<u>229,104</u>	<u>237,437</u>	<u>229,104</u>
	<u>15,472,628</u>	<u>13,094,844</u>	<u>15,472,628</u>	<u>13,094,844</u>

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2015

21 FINANCIAL INSTRUMENTS (CONTINUED)**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:

<i>At 30 September 2015 (Reviewed)</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 held for sale	-	-	288,640	288,640
Investment properties	-	-	34,545,715	34,545,715
Available-for-sale-financial assets	5,836,474	-	-	5,836,474
<i>At 31 December 2014 (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 held for sale	-	-	299,537	299,537
Investment properties	-	-	34,216,539	34,216,539
Available-for-sale- financial assets	5,190,446	-	-	5,190,446

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

22 SEGMENTAL INFORMATION

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

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

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

Ezdan Holding Group Q.S.C.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2015

22 SEGMENTAL INFORMATION (CONTINUED)

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

<i>For the period ended 30 September 2015 (Reviewed)</i>	<i>Residential and commercial property QR'000</i>	<i>Investments QR'000</i>	<i>Hotels and suites QR'000</i>	<i>Malls QR'000</i>	<i>Total QR'000</i>
<i>Segment revenues</i>	933,979	643,301	200,173	81,409	1,858,862
<i>Segment expenses</i>	(550,602)	(457)	(61,131)	(24,547)	(636,737)
<i>Segment profit</i>	383,377	642,844	139,042	56,862	1,222,125
<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 and 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>	(499,606)	(232)	(56,644)	(33,999)	(590,481)
<i>Segment profit</i>	310,848	538,435	123,163	42,577	1,015,023

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

	<i>Residential and commercial property QR'000</i>	<i>Investments QR'000</i>	<i>Hotels and suites QR'000</i>	<i>Malls QR'000</i>	<i>Total QR'000</i>
SEGMENT ASSETS					
As of 30 September 2015 (Reviewed)	30,571,867	9,110,704	4,533,073	1,653,909	45,869,553
As of 31 December 2014 (Audited)	28,973,097	8,367,942	4,502,327	1,549,474	43,392,840
SEGMENT LIABILITIES					
As of 30 September 2015 (Reviewed)	15,563,661	-	28,301	43,126	15,635,088
As of 31 December 2014 (Audited)	13,244,231	-	32,636	38,792	13,315,659

23 COMPARATIVE FIGURES

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