

Ezdan Holding Group Q.S.C.

**INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

31 March 2014

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

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of Ezdan Holding Group (Q.S.C.) ("the Company") and its subsidiaries (together referred to as the "Group") as at 31 March 2014, and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-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

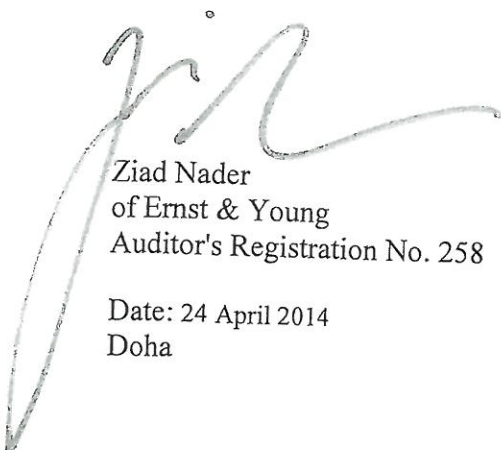
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial 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.

Other matter

The Group has prepared internal interim consolidated financial statements in the past for submission for regulatory purposes only. Therefore the comparative information for the three-month period ended 31 March 2014 included in the accompanying interim consolidated statements of income, comprehensive income, cash flows, changes in equity and related notes are presented for information purpose only and have neither been reviewed nor audited.



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


Date: 24 April 2014
Doha


Ezdan Holding Group Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2014

	Notes	31 March 2014 (Unaudited) QR'000	31 December 2013 (Audited) QR'000
ASSETS			
Cash and bank balances	7	152,523	450,490
Receivables and prepayments	8	140,019	182,154
Inventory		12,444	13,158
Due from related parties	13	44,253	43,292
Available for sale financial assets	9	4,608,736	3,799,004
Investments in equity accounted investees	10	2,796,419	2,832,202
Investment properties	11	34,041,838	33,855,075
Property, plant and equipment		27,672	27,538
TOTAL ASSETS		41,823,904	41,202,913
LIABILITIES AND EQUITY			
LIABILITIES			
Payables and other liabilities	12	405,415	417,496
Due to a related party	13	61,651	64,863
Islamic financing borrowings	14	11,635,260	12,076,283
TOTAL LIABILITIES		12,102,326	12,558,642
EQUITY			
Share capital		26,524,967	26,524,967
Legal reserve	18	919,890	919,890
Revaluation reserve		952,614	335,980
Foreign currency translation reserve		1,954	1,954
Retained earnings		1,322,153	861,480
TOTAL EQUITY		29,721,578	28,644,271
TOTAL LIABILITIES AND EQUITY		41,823,904	41,202,913


Dr. Khalid Bin Thani Al-Thani
Chairman


Ali Al-Obaidli
Group Chief Executive Officer

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



Ezdan Holding Group Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the Three Months Ended 31 March 2014

	<i>Notes</i>	<i>For the three months ended 31 March</i>	
		<i>2014</i>	<i>2013</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
		<i>QR'000</i>	<i>QR'000</i>
Rental income		296,920	180,502
Dividends income from available for sale financial assets		161,653	106,432
Net gain on sale of available for sale financial assets		51,637	773
Other operating revenues		38,901	11,811
Operating expenses		(55,734)	(24,393)
Operating profit for the period		493,377	275,125
<i>Add / (Less):</i>			
Share from the results of equity accounted investees	10	64,534	62,575
Gain on acquisition of an associate	6	8,461	-
Other income		5,311	2,475
General and administrative expenses		(35,434)	(34,985)
Depreciation		(1,834)	(3,046)
Finance costs		(73,742)	(49,425)
PROFIT FOR THE PERIOD		460,673	252,719
BASIC AND DILUTED EARNINGS PER SHARE (QR)	15	0.17	0.10

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

Ezdan Holding Group Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Three Months Ended 31 March 2014

	<i>For the three months ended</i>	
	<i>31 March</i>	
	<i>2014</i>	<i>2013</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>(Unreviewed)</i>	<i>(Unreviewed)</i>
<i>Note</i>	<i>QR'000</i>	<i>QR'000</i>
Profit for the period	<u>460,673</u>	<u>252,719</u>
Other comprehensive income		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Net gain / (loss) on available for sale financial assets	16 <u>616,634</u>	<u>(100,406)</u>
Other comprehensive income (loss) for the period	<u>616,634</u>	<u>(100,406)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>1,077,307</u>	<u>152,313</u>

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

Ezdan Holding Group Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Three Months Ended 31 March 2014

	<i>Share capital QR'000</i>	<i>Legal reserve QR'000</i>	<i>Revaluation reserve QR'000</i>	<i>Foreign currency translation reserve QR'000</i>	<i>Retained earnings QR'000</i>	<i>Total equity QR'000</i>
Balance at 1 January 2014 (Audited)	<u>26,524,967</u>	<u>919,890</u>	<u>335,980</u>	<u>1,954</u>	<u>861,480</u>	<u>28,644,271</u>
Profit for the period	-	-	-	-	460,673	460,673
Other comprehensive income for the period	-	-	616,634	-	-	616,634
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>616,634</u>	<u>-</u>	<u>460,673</u>	<u>1,077,307</u>
Balance at 31 March 2014 (Unaudited)	<u>26,524,967</u>	<u>919,890</u>	<u>952,614</u>	<u>1,954</u>	<u>1,322,153</u>	<u>29,721,578</u>

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

Ezdan Holding Group Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the Three Months Ended 31 March 2014

	<i>Share capital QR'000</i>	<i>Legal reserve QR'000</i>	<i>Revaluation reserve QR'000</i>	<i>Foreign currency translation reserve QR'000</i>	<i>Retained earnings QR'000</i>	<i>Total equity QR'000</i>
Balance at 1 January 2013 (Audited)	<u>26,524,967</u>	<u>847,139</u>	<u>(46,798)</u>	<u>3,192</u>	<u>234,582</u>	<u>27,563,082</u>
Profit for the period	-	-	-	-	252,719	252,719
Other comprehensive loss for the period	-	-	(100,406)	-	-	(100,406)
Total comprehensive (loss) income for the period	-	-	(100,406)	-	252,719	152,313
Balance at 31 March 2013 (<i>Unaudited</i>)(<i>Unreviewed</i>)	<u>26,524,967</u>	<u>847,139</u>	<u>(147,204)</u>	<u>3,192</u>	<u>487,301</u>	<u>27,715,395</u>

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

Ezdan Holding Group Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the Three Months Ended 31 March 2014

	Notes	Three months ended 30 March	
		2014 (Unaudited) QR'000	2013 (Unaudited) (Unreviewed) QR'000
OPERATING ACTIVITIES			
Profit for the period		460,673	252,719
Adjustment for:			
Depreciation		1,834	3,046
Provision for employees' end of service benefits		2,914	1,049
Share from the results of equity accounted investees	10	(64,534)	(62,575)
Gain on acquisition of an associate		(8,461)	-
Allowance for impairment of doubtful receivables		1,223	-
Reversal of allowance for impairment of doubtful receivables		(1,742)	(217)
Profit on Islamic bank accounts		(852)	(504)
Net gain on sale of available for sale financial assets		(51,637)	(773)
Finance costs		73,742	49,425
		413,160	241,121
Working capital changes:			
Receivables and prepayments		42,654	71,159
Inventory		714	(129)
Due from/to related parties		(4,173)	(261,091)
Payables and other liabilities		(14,687)	(126,729)
		437,668	(74,620)
Cash from (used in) operations		437,668	(74,620)
Employees' end of service benefits paid		(308)	-
		437,360	(74,620)
INVESTING ACTIVITIES			
Payments for purchase of property, plant and equipment		(1,968)	(2,399)
Payments for development of investment properties		(106,197)	(267,645)
Proceeds from sale of available for sale financial assets		(426,879)	234,511
Payments for purchase of available for sale financial assets		281,025	(223,247)
Payments for purchase of investments in associates		(49,650)	(1,062)
Dividends received from associates		162,821	130,378
Net movement in short term deposits maturing after three months		350,000	-
Net movement in restricted bank accounts		3,234	-
Profits on Islamic bank accounts		852	504
		213,238	(128,960)
FINANCING ACTIVITIES			
Proceeds from Islamic financing borrowings		-	364,000
Payments for Islamic financing borrowings		(595,331)	(229,613)
		(595,331)	134,387
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
		55,267	(69,193)
Cash and cash equivalents as of 1 January		85,817	323,687
CASH AND CASH EQUIVALENTS AS AT 31 March	7	141,084	254,494

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

Ezdan Holding Group Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2014

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Ezdan Holding Group Q.S.C. (“the Company”) (formerly, Ezdan Real Estate Company Q.S.C.) is a Qatari public shareholding company registered in the State of Qatar under the commercial registration number 15466. The Company was established on 24 May 1993 as a Limited Liability Company, and was publicly listed on Qatar Exchange on 18 February 2008.

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

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

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

These interim condensed consolidated financial statements include the financial statements of the Company and its below listed subsidiaries (together referred to as “the Group”) as at and for the period ended 31 March 2014:

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

The Parent of the Group is Al-Tadawul Holding Group Q.S.C. (“Tadawul”) which aggregately owns directly and indirectly through its subsidiaries, 54 % of the share capital of the Company as at 31 March 2014.

These interim condensed consolidated financial statements of the Group were authorized for issue by the Board of Directors of the Group on 24 April 2014.

2 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the three months ended 31 March 2014 have been prepared in accordance with International Financial Reporting Standards, IAS 34 – “Interim Financial Reporting” (“IAS 34”).

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

The interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2013. In addition, results for the three months ended 31 March 2014 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2013.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2013, except for the adoption of new standards and interpretations effective as of 1 January 2014.

The nature and the impact of each new standard or amendment is described below:

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

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

Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32

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

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

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

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, 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 2013.

5 FINANCIAL RISK MANAGEMENT

The aspects of the Group’s financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2013.

6 ACQUISITION OF AN ASSOCIATE

On 5 March 2014, the Group acquired additional 28.75% interest in Islamic Holding Group (Q.S.C.) and obtained significant influence over financial and operating policy decisions of Islamic Holding Group (Q.S.C.) with 36.03% interest.

Islamic Holding Group Q.S.C. was established as a Qatari Private shareholding Company and registered under the Commercial Registration under No. 26337. The principal activities of Islamic Holding Group Q.S.C. are investing in shares, bonds and brokerage services in Qatar Exchange according to the Islamic Shari'a. Islamic Holding Group Q.S.C. is governed by the provisions of Qatar Commercial Companies' Law No.5 of 2002 and the regulations of Qatar Financial Market Authority and Qatar Exchange.

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

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

	<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	314,052
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	258,858
NET ASSETS	55,194
Fair value of net assets	19,886
Goodwill arising on acquisition	42,148
Cost of an associate acquired	62,034
Cash considerations	49,515
Fair value of the Group's equity interest in Islamic Holding Group held before acquisition	12,519
	62,034

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

The Group recognised a gain of QR 8,461 thousand as a result of measuring at fair value its 7.28% equity interest in Islamic Holding Group Q.S.C. before acquisition. The gain represents fair value reserve of available for sale at date of acquisition which has been transferred to the consolidated statement of income. The gain are included in "Gain on acquisition of an associate" in the Group's consolidated statement of income for the period ended 31 March 2014.

7 CASH AND CASH EQUIVALENTS

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

	31 March 2014 (Unaudited) QR'000	31 March 2013 (Unaudited) (Unreviewed) QR'000	31 December 2013 (Audited) QR'000
Cash on hand	702	1,184	253
<i>Cash at banks and other financial institutions</i>			
Term deposits	50,000	42,000	400,000
Saving and call accounts	82,866	190,616	25,032
Current accounts	7,516	20,694	10,532
Margin accounts	11,439	-	14,673
Total cash and bank balances	152,523	254,494	450,490
Less: restricted bank balances	(11,439)	-	(14,673)
Less: short term bank deposits maturing after 3 months	-	-	(350,000)
Cash and cash equivalents	141,084	254,494	85,817

8 RECEIVABLES AND PREPAYMENTS

	31 March 2014 (Unaudited) QR'000	31 December 2013 (Audited) QR'000
Tenants receivable	78,098	114,886
Less: Allowance for impairment of tenants receivable	(39,544)	(37,644)
	38,554	77,242
Advances to suppliers	35,190	40,134
Prepaid expenses	33,700	25,645
Refundable deposits	9,067	8,914
Advances to contractors	4,001	4,001
Notes receivable	2,771	12,394
Accrued income	946	1,597
Other receivables and debit balances	15,790	12,227
	140,019	182,154
<i>The maturity of receivables and prepayments are as follows:</i>		
Non-current	13,068	18,898
Current	126,951	163,256
	140,019	182,154

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:

	31 March 2014 (Unaudited) QR'000	31 December 2013 (Audited) QR'000
Banks and financial institutions	3,174,839	2,735,735
Industry	1,305,283	891,590
Consumer goods and services	103,380	16,239
Telecommunication	18,278	13,645
Real estate	6,536	8,414
Transportation	420	133,381
	<u>4,608,736</u>	<u>3,799,004</u>

Notes:

- (i) All available for sale financial assets of the Group are local shares listed at Qatar Exchange.
- (ii) The mortgages on available for sale financial assets are disclosed in Note 14

10 INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

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

	31 March 2014 (Unaudited) QR'000	31 December 2013 (Audited) QR'000
<i>Group's share of the equity accounted investees' statement of financial position:</i>		
Total assets	8,639,326	8,612,203
Total liabilities	(6,972,395)	(6,867,341)
Net assets	1,666,931	1,744,862
Goodwill	1,129,488	1,087,340
Carrying amount of the investments	2,796,419	2,832,202
<i>For the three months ended 31 March</i>		
	2014 (Unaudited) QR'000	2013 (Unaudited) (Unreviewed) QR'000
<i>Group's share of equity accounted investees' revenues and results:</i>		
Revenues	106,925	106,358
Results	64,534	62,575

Note:

(i) The mortgages on investments in equity accounted investees are disclosed in Note 14.

11 INVESTMENT PROPERTIES

	<i>31 March 2014 (Unaudited) QR'000</i>	<i>31 December 2013 (Audited) QR'000</i>
At 1 January	33,855,075	33,203,145
Development costs and acquired land during the period / year	106,197	738,923
Capitalized finance costs on properties under development	80,566	333,248
Disposal of property	-	(465,476)
Acquired properties	-	28,647
Fair value adjustment on investment properties	-	16,588
	34,041,838	33,855,075

Notes:

- (i) The Group did not appoint an independent valuer to revalue its investment properties as of the reporting date (31 December 2013: The Company carried out a valuation of all the investment properties as at 31 December 2013. The valuation was prepared 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"). Management, having the experience and knowledge in the real estate industry, believes that the carrying values of the investment properties are not materially different from their fair values and an overall revaluation to all the investment properties will be carried out at year end.
- (ii) All investment properties are located in the State of Qatar.
- (iii) The mortgages on the investment properties are disclosed in Note 14.

12 PAYABLES AND OTHER LIABILITIES

	<i>31 March 2014 (Unaudited) QR'000</i>	<i>31 December 2013 (Audited) QR'000</i>
Tenants deposits	140,638	131,639
Unearned rents	112,993	130,343
Provision for Social and Sports Activities Fund	49,552	49,552
Contractors and suppliers payable	33,312	44,946
Accrued expenses	26,943	34,048
Provision for end of services benefits	16,029	13,423
Retention payable	10,863	10,863
Other payables	15,085	2,682
	405,415	417,496
<i>The maturity of payables and other liabilities are as follows:</i>		
Non-current	167,530	155,925
Current	237,885	261,571
	405,415	417,496

13 RELATED PARTIES DISCLOSURES

Related parties represent the Parent of the Group (Al-Tadawul Holding 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>31 March 2014 (Unaudited) QR'000</i>	<i>31 December 2013 (Audited) QR'000</i>
Dar Al Arab W.L.L.	32,893	32,893
Sak Holding Group Company W.L.L.	10,850	9,565
Other related parties	510	834
	<u>44,253</u>	<u>43,292</u>

Due to a related party

<i>Name of related party</i>	<i>31 March 2014 (Unaudited) QR'000</i>	<i>31 December 2013 (Audited) QR'000</i>
Sak Trading and Contracting Company S.O.C.	<u>61,651</u>	<u>64,863</u>

	<i>31 March 2014 (Unaudited) QR'000</i>	<i>31 December 2013 (Audited) QR'000</i>
Islamic financing borrowings from an associate Bank	<u>2,757,604</u>	<u>2,840,659</u>

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

Transactions with related parties during the period are as follows:

	<i>For the three months ended 31 March</i>	
	<i>2014</i>	<i>2013</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>QR'000</i>	<i>(Unreviewed)</i>
		<i>QR'000</i>
Construction of investment properties (i)	56,824	157,471
Finance costs capitalized to properties under development	18,119	9,068
Finance costs charged to the consolidated statement of income	16,584	11,417

Note:

- (i) The Group has entered into a construction agreement with Sak Trading and Contracting Company S.O.C. (related party) to construct its investment properties

Compensation of key management personnel

	<i>For the three months ended 31 March</i>	
	<i>2014</i>	<i>2013</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>QR'000</i>	<i>(Unreviewed)</i>
		<i>QR'000</i>
Total key management and executive committee benefits	9,030	8,155

14 ISLAMIC FINANCING BORROWINGS

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

	31 March 2014 (Unaudited) QR'000	31 December 2013 (Audited) QR'000
At 1 January	12,076,283	10,225,395
Additional facilities obtained during the period / year	-	2,622,000
Finance costs	154,308	545,706
Repayments of outstanding facilities during the period / year	(595,331)	(1,316,818)
At 31 March / 31 December	<u>11,635,260</u>	<u>12,076,283</u>
<i>The maturity of Islamic financing borrowings are as follows:</i>		
Current	1,670,180	1,540,682
Non-current	9,965,080	10,535,601
	<u>11,635,260</u>	<u>12,076,283</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 31 March 2014, the Group had secured borrowings against mortgages on different types of investment properties owned by the Group with a carrying value of QR 16,724,264 thousand (31 December 2013: QR 16,724,264 thousand) and mortgage against quoted shares included in the interim condensed consolidated financial statements within available for sale financial assets and investments in equity accounted investees with carrying value of QR 4,405,937 thousand at 31 March 2014 (31 December 2013: QR 3,881,109 thousand).

15 BASIS OF 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.

	31 March 2014 (Unaudited)	31 March 2013 (Unaudited) (Unreviewed)
Profit for the period (QR'000)	<u>460,673</u>	<u>252,719</u>
Weighted average number of shares outstanding during the period (thousands of share)	<u>2,652,497</u>	<u>2,652,967</u>
Basic earnings per share (QR)	<u>0.17</u>	<u>0.10</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.

16 COMPONENTS OF OTHER COMPREHENSIVE INCOME

	<i>For the three months ended 31 March</i>	
	<i>2014</i> <i>(Unaudited)</i> <i>QR'000</i>	<i>2013</i> <i>(Unaudited)</i> <i>(Unreviewed)</i> <i>QR'000</i>
<i>Revaluation reserve</i>		
Gain/(loss) arising during the period	624,759	(101,412)
Reclassification adjustments for gain recognised in the consolidated statement of income (<i>Note 6</i>)	(8,461)	-
Share of revaluation reserve of equity accounted investees	336	1,006
Other comprehensive income (loss) for the period	616,634	(100,406)

17 DIVIDENDS

The Board of Directors has proposed cash dividends of QR 0.31 per share totalling to QR 822,274 thousand for the year ended 31 December 2013. At the General Assembly meeting held on 1 April 2014 the shareholders approved a cash dividend of QR 0.31 per share amounting to QR 822,274 thousand for the year ended 31 December 2013 (2012: QR 0.13 per share amounting to QR 344,826 for the year ended 31 December 2012).

18 LEGAL RESERVE

In accordance with the requirements of the Qatar Commercial Companies Law No. 5 of 2002, 10% of the annual profit should be transferred to legal reserve until the reserve equals 50% of the share capital.

No transfer has been made for the three-month period ended 31 March 2014 as the Company will transfer the total amount by 31 December 2014.

19 CONTINGENT LIABILITIES

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

	<i>31 March</i> <i>2014</i> <i>(Unaudited)</i> <i>QR'000</i>	<i>31 December</i> <i>2013</i> <i>(Audited)</i> <i>QR'000</i>
Bank guarantees	7,067	9,787
Letters of credit	4,372	4,886

20 FINANCIAL INSTRUMENTS**Fair values**

Set out below is a comparison of the carrying amounts and fair value of the Group's financial instruments as at 31 March 2014 and 31 December 2013:

	<i>Carrying amounts</i>		<i>Fair values</i>	
	<i>31 March 2014 (Unaudited) QR'000</i>	<i>31 December 2013 (Audited) QR'000</i>	<i>31 March 2014 (Unaudited) QR'000</i>	<i>31 December 2013 (Audited) QR'000</i>
Financial assets				
Bank balances (excluding cash)	151,821	450,237	151,821	450,237
Receivables	67,128	112,374	67,128	112,374
Due from related parties	44,253	43,292	44,253	43,292
Available for sale financial assets	4,608,736	3,799,004	4,608,736	3,799,004
	4,871,938	4,404,907	4,871,938	4,404,907
Financial liabilities				
Payables and other liabilities	124,892	224,178	124,892	224,178
Due to a related party	61,651	64,863	61,651	64,863
Islamic financing borrowings	11,635,260	12,076,283	11,635,260	12,076,283
	11,821,803	12,365,324	11,821,803	12,365,324

Fair value hierarchy

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

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

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

	<i>Level 1 QR'000</i>	<i>Level 2 QR'000</i>	<i>Level 3 QR'000</i>	<i>Total QR'000</i>
At 31 March 2014 (Unaudited)				
Investment properties	-	-	34,041,838	34,041,838
Available for sale financial assets	4,608,736	-	-	4,608,736
<i>At 31 December 2013 (Audited)</i>	<i>Level 1 QR'000</i>	<i>Level 2 QR'000</i>	<i>Level 3 QR'000</i>	<i>Total QR'000</i>
Investment properties	-	-	33,855,075	33,855,075
Available for sale financial assets	3,799,004	-	-	3,799,004

During the period /year ended 31 March 2014 and 31 December 2013, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

21 SEGMENTAL INFORMATION

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

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

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

The following table presents revenues and expenses regarding the Group's operating segments for the periods ended 31 March 2014 and 2013.

<i>For the period ended 31 March 2014 (Unaudited)</i>	<i>Residential and commercial property QR'000</i>	<i>Investments QR'000</i>	<i>Hotels & Suites QR'000</i>	<i>Malls</i>	<i>Total QR'000</i>
<i>Segment revenues</i>	258,827	287,136	57,965	23,489	627,417
<i>Segment expenses</i>	<u>(144,378)</u>	<u>(108)</u>	<u>(15,066)</u>	<u>(7,192)</u>	<u>(166,744)</u>
<i>Segment profit</i>	<u>114,449</u>	<u>287,028</u>	<u>42,899</u>	<u>16,297</u>	<u>460,673</u>
<i>For the period ended 31 March 2013 (Unaudited)(Unreviewed)</i>	<i>Residential and commercial property QR'000</i>	<i>Investments QR'000</i>	<i>Hotels & Suites QR'000</i>	<i>Malls</i>	<i>Total QR'000</i>
<i>Segment revenues</i>	138,545	169,780	56,243	-	364,568
<i>Segment expenses</i>	<u>(98,084)</u>	<u>(725)</u>	<u>(13,040)</u>	<u>-</u>	<u>(111,849)</u>
<i>Segment profit</i>	<u>69,271</u>	<u>169,055</u>	<u>43,203</u>	<u>-</u>	<u>252,719</u>

The following table presents assets and liabilities information regarding the Group's operating segments as of 31 March 2014 and 31 December 2013.

	<i>Residential and commercial property QR'000</i>	<i>Investments QR'000</i>	<i>Hotels & Suites QR'000</i>	<i>Malls QR'000</i>	<i>Total QR'000</i>
SEGMENT ASSETS					
As of 31 March 2014 (Unaudited)	<u>28,391,773</u>	<u>7,456,168</u>	<u>4,482,266</u>	<u>1,493,697</u>	<u>41,823,904</u>
As of 31 December 2013 (Audited)	<u>28,536,620</u>	<u>6,692,908</u>	<u>4,477,146</u>	<u>1,495,239</u>	<u>41,202,913</u>
SEGMENT LIABILITIES					
As of 31 March 2014 (Unaudited)	<u>12,039,510</u>	<u>-</u>	<u>28,570</u>	<u>34,246</u>	<u>12,102,326</u>
As of 31 December 2013 (Audited)	<u>12,492,313</u>	<u>-</u>	<u>29,694</u>	<u>36,635</u>	<u>12,558,642</u>