

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

## **INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**31 MARCH 2017**

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

### Introduction

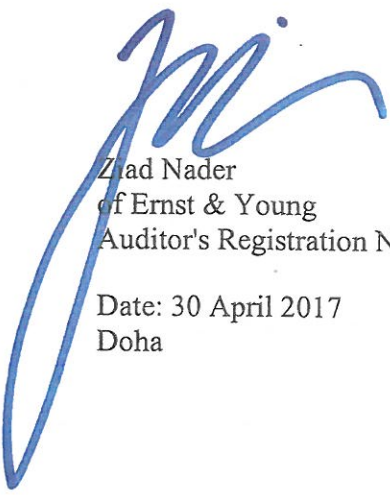
We have reviewed the accompanying interim consolidated statement of financial position of Ezdan Holding Group Q.S.C. (the "Company") and its subsidiaries (together referred to as the "Group") as at 31 March 2017 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended, and the related explanatory notes. The 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 April 2017  
Doha



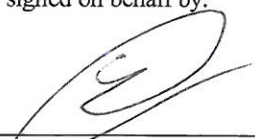
Ezdan Holding Group Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

	<i>Notes</i>	<b>31 March 2017 (Unaudited) QR'000</b>	<b>31 December 2016 (Audited) QR'000</b>
<b>ASSETS</b>			
Cash and bank balances	6	3,228,783	426,177
Receivables and prepayments	7	878,018	353,581
Inventories		23,506	19,208
Available-for-sale financial assets	8	4,123,868	6,553,307
Investments in associates and joint ventures	9	2,949,065	3,279,040
Investment properties	10	39,006,212	38,919,798
Property and equipment		70,119	41,756
Intangible assets and goodwill		235,925	235,925
<b>TOTAL ASSETS</b>		<b>50,515,496</b>	<b>49,828,792</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Payables and other liabilities	11	3,347,574	3,328,171
Sukuk and Islamic financing borrowings	13	15,671,132	15,926,929
<b>TOTAL LIABILITIES</b>		<b>19,018,706</b>	<b>19,255,100</b>
<b>EQUITY</b>			
Share capital		26,524,967	26,524,967
Legal reserve	17	1,403,358	1,403,358
Fair value reserves		307,948	329,580
Foreign currency translation reserve		1,954	1,954
Retained earnings		2,828,090	1,882,299
<b>Equity attributable to equity holders of the parent</b>		<b>31,066,317</b>	<b>30,142,158</b>
Non-controlling interests		430,473	431,534
<b>TOTAL EQUITY</b>		<b>31,496,790</b>	<b>30,573,692</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>50,515,496</b>	<b>49,828,792</b>

These interim condensed consolidated financial statements were approved by the Board of Directors on 30 April 2017 and were signed on behalf by:

  
 \_\_\_\_\_  
 Sheikh Abdullah Bin Thani Al-Thani  
 Vice Chairman

  
 \_\_\_\_\_  
 Ali Al-Obaidli  
 Group Chief Executive Officer

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

Ezdan Holding Group Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three months period ended 31 March 2017

	Notes	<i>For the three months ended 31 March</i>	
		<i>2017 (Unaudited) QR'000</i>	<i>2016 (Unaudited) QR'000</i>
Rental income		404,534	394,418
Dividends income from available-for-sale financial assets		166,382	227,068
Net gain on sale of available-for-sale financial assets		457,983	100,031
Net gain on sale of investments in associates		177,777	-
Other operating revenues		27,444	34,215
Operating expenses		(96,937)	(78,290)
<b>OPERATING PROFIT FOR THE PERIOD</b>		<b>1,137,183</b>	<b>677,442</b>
<i>Add (less):</i>			
Share of results of associates and joint ventures		42,534	62,556
Gain on acquisition of a subsidiary	5	-	41,241
Gain on revaluation of investment properties		-	6,361
Other income		2,023	2,012
General and administrative expenses		(80,309)	(51,351)
Depreciation		(2,633)	(2,686)
Impairment loss of available-for-sale financial assets		-	(7,409)
Finance costs		(154,068)	(143,269)
<b>PROFIT FOR THE PERIOD</b>		<b>944,730</b>	<b>584,897</b>
<i>Attributable to:</i>			
Equity holders of the parents		945,791	585,650
Non-controlling interest		(1,061)	(753)
		<b>944,730</b>	<b>584,897</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE</b>			
<i>(attributable to equity holders of the Parent expressed in QR per share)</i>	14	<b>0.36</b>	<b>0.22</b>

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

# Ezdan Holding Group Q.S.C.

## INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months period ended 31 March 2017

	Note	<i>For the three months ended</i>	
		<i>31 March</i>	
		<i>2017</i>	<i>2016</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
		<i>QR'000</i>	<i>QR'000</i>
Profit for the period		<u>944,730</u>	<u>584,897</u>
<b>Other comprehensive income</b>			
<i>Other comprehensive income to be reclassified to consolidated statement of income in subsequent periods:</i>			
Net (loss) gain on available-for-sale financial assets	15	(25,446)	260,084
Share of net movements in fair value reserves of associates and joint ventures	15	<u>3,814</u>	<u>1,495</u>
<b>Total other comprehensive (loss) income for the period</b>	15	<u>(21,632)</u>	<u>261,579</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u><b>923,098</b></u>	<u><b>846,476</b></u>
<i>Attributable to:</i>			
<i>Equity holders of the parent</i>		<u>924,159</u>	<u>847,229</u>
<i>Non-controlling interest</i>		<u>(1,061)</u>	<u>(753)</u>
		<u><b>923,098</b></u>	<u><b>846,476</b></u>

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

Ezdan Holding Group Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months period ended 31 March 2017

	<i>Attributable to the equity holders of the Parent</i>							<i>Total equity QR'000</i>
	<i>Share capital QR'000</i>	<i>Legal reserve QR'000</i>	<i>Fair value reserves QR'000</i>	<i>Foreign currency translation reserve QR'000</i>	<i>Retained earnings QR'000</i>	<i>Total QR'000</i>	<i>Non-controlling interest QR'000</i>	
Balance at 1 January 2017 (Audited)	26,524,967	1,403,358	329,580	1,954	1,882,299	30,142,158	431,534	30,573,692
Profit (loss) for the period	-	-	-	-	945,791	945,791	(1,061)	944,730
Other comprehensive loss for the period	-	-	(21,632)	-	-	(21,632)	-	(21,632)
Total comprehensive (loss) income for the period	-	-	(21,632)	-	945,791	924,159	(1,061)	923,098
Balance at 31 March 2017 (Unaudited)	<b>26,524,967</b>	<b>1,403,358</b>	<b>307,948</b>	<b>1,954</b>	<b>2,828,090</b>	<b>31,066,317</b>	<b>430,473</b>	<b>31,496,790</b>

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

Ezdan Holding Group Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the three months period ended 31 March 2017

	<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 reserves</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 (Audited)	26,524,967	1,222,112	605,559	1,954	1,622,648	29,977,240	403,991	30,381,231
Profit (loss) for the period	-	-	-	-	585,650	585,650	(753)	584,897
Other comprehensive income for the period	-	-	261,579	-	-	261,579	-	261,579
Total comprehensive income for the period	-	-	261,579	-	585,650	847,229	(753)	846,476
Net movement in non-controlling interests	-	-	-	-	-	-	43,978	43,978
Balance at 31 March 2016 ( <i>Unaudited</i> )	<u>26,524,967</u>	<u>1,222,112</u>	<u>867,138</u>	<u>1,954</u>	<u>2,208,298</u>	<u>30,824,469</u>	<u>447,216</u>	<u>31,271,685</u>

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

Ezdan Holding Group Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months period ended 31 March 2017

	<i>Notes</i>	<i>For the three months ended</i>	
		<i>31 March</i>	
		<i>2017</i>	<i>2016</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
		<i>QR '000</i>	<i>QR '000</i>
<b>OPERATING ACTIVITIES</b>			
Profit for the period		944,730	584,897
Adjustments for:			
Depreciation		2,633	2,686
Gain on revaluation of investment properties		-	(6,361)
Provision for end of services benefits		2,290	2,615
Share of results of associates and joint ventures		(42,534)	(62,556)
Gain on acquisition of a subsidiary	5	-	(41,241)
Allowance for impairment of receivables		8,842	-
Impairment loss of available-for-sale financial assets		-	7,409
Profit on Islamic bank accounts		(642)	(1,367)
Net gain on sale of available-for-sale financial assets		(457,983)	(100,031)
Net gain on sale of investments in associates		(177,777)	-
Finance costs		154,068	143,269
		<b>433,627</b>	<b>529,320</b>
Working capital changes:			
Receivables and prepayments		(533,278)	244,742
Inventories		(4,298)	(2,708)
Payables and other liabilities		1,387	111,116
		<b>(102,562)</b>	<b>882,470</b>
Cash (used in) from operations		(102,562)	882,470
Employees' end of service benefits paid		(617)	(1,153)
		<b>(103,179)</b>	<b>881,317</b>
Net cash flows (used in) from operating activities		<b>(103,179)</b>	<b>881,317</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(30,996)	(3,911)
Payments for development of investment properties		(57,088)	(662,663)
Proceeds from sale of available-for-sale financial assets		2,973,290	487,618
Proceeds from sale of investments in associates		530,466	-
Purchase of available-for-sale financial assets		(111,315)	(483,887)
Purchase of investments in associates and joint ventures		-	(351,455)
Acquisition of a subsidiary net of cash acquired	5	-	(151,766)
Dividends received from associates		23,633	204,820
Net movement in restricted bank balances		(180)	-
Profit on Islamic bank accounts		642	1,367
		<b>3,328,452</b>	<b>(959,877)</b>
Net cash flows from (used in) investing activities		<b>3,328,452</b>	<b>(959,877)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from Sukuk and Islamic financing borrowings		182,075	365,000
Payments for Sukuk and Islamic financing borrowings		(604,922)	(442,050)
		<b>(422,847)</b>	<b>(77,050)</b>
Net cash flows used in financing activities		<b>(422,847)</b>	<b>(77,050)</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents as of 1 January		2,802,426	(155,610)
		<b>423,072</b>	<b>618,292</b>
<b>CASH AND CASH EQUIVALENTS AS AT 31 MARCH</b>	6	<b>3,225,498</b>	<b>462,682</b>

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

# Ezdan Holding Group Q.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2017

### 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 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 interim condensed consolidated financial statements include the financial statements of the Company and its listed subsidiaries (together referred to as the “Group”) as at and for the three months ended 31 March 2017.

The principal subsidiaries of the Group are as follows:

<i>Name of the Company</i>	<i>Share capital</i>	<i>Country of incorporation</i>	<i>Effective percentage of ownership</i>		
			<i>31 March 2017</i>	<i>31 December 2016</i>	<i>31 March 2016</i>
Ezdan Hotels Company W.L.L.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Ezdan Mall Company W.L.L.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Ezdan Real Estate Company W.L.L.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Al Etkan Trading Co. W.L.L.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Al Ruba Al khali Trading Co. W.L.L.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Al Ekleem for Real Estate and Mediation Co. W.L.L.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Al Manara for Medical Equipment Co. W.L.L.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Al Taybin Trading Co. W.L.L.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Al Kara Trading Co. W.L.L.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Ethmar for Trading and Construction Co. W.L.L.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Al Namaa for Maintenance Co. W.L.L.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Shatea Al Nile Co. W.L.L.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Arkan for Import and Export Co. W.L.L.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Tareek Al Hak Trading Co. W.L.L.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Manazel Trading Co. W.L.L.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Een Jaloot Trading Co. W.L.L.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Tareek Al-Khair Trading Co. W.L.L.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Alkora Alzahbya Co. W.L.L.	QR 200,000	Qatar	<b>100%</b>	100%	100%
High Trade for Trading W.L.L.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Amaken for Electronic W.L.L.	QR 200,000	Qatar	<b>100%</b>	100%	100%
Gulf Imtiaz for Trading W.L.L.	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%	67.5%
Dar Al Arab W.L.L.	QR24,000,000	Qatar	<b>74.5%</b>	74.5%	74.5%

**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>31 March 2017</i>	<i>31 December 2016</i>	<i>31 March 2016</i>
			Ezdan World W.L.L.	QR 200,000	Qatar
Ezdan International Limited	GBP 10,000	Jersey	<b>100%</b>	100%	-

The Parent of the Group is Al-Tadawul Holding Group Q.S.C. (“Tadawul”) which aggregately owns directly and indirectly through its subsidiaries, approximately 54 % of the share capital of the Company as at 31 March 2017 (31 December 2016: 54%).

**2 BASIS OF PREPARATION**

The interim condensed consolidated financial statements for the three months ended 31 March 2017 have been prepared in accordance with IAS 34 – “Interim Financial Reporting” (“IAS 34”).

The interim condensed consolidated financial statements are prepared in Qatar Riyals, which is the Company’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 2016. In addition, results for the three months ended 31 March 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

**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 financial statements for the year ended 31 December 2016, except for the adoption of new standards and interpretations effective as of 1 January 2017.

The following amended accounting standards became effective in 2017 and have been adopted by the Company in preparation of these interim condensed consolidated financial statements as applicable. Whilst they did not have any material impact on these interim condensed consolidated financial statements, they may require additional disclosures in the annual financial statements for the year ending 31 December 2017:

**New and amended standards and interpretations adopted by the Group**

During the current period, the Group adopted the below amendments and improvements to the International Financial Reporting Standards that are effective for annual periods beginning on 1 January 2017:

- *Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative*
- *Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrecognised Losses*
- *Annual Improvements Cycle - 2014-2016*
- *Amendments to IFRS 12 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12*

The adoption of the above amendments and improvements had no significant impact on the condensed consolidated interim financial statements.

**3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Standards issued but not yet effective**

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's interim condensed financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

**Topic**

IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 2 Classification and Measurement of Share-based Payment Transactions —	
Amendments to IFRS 2	1 January 2018
IFRS 16 Leases	1 January 2019
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

**4 USE OF JUDGMENTS AND ESTIMATES**

In preparing the interim condensed consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2016.

**Measurement of fair values**

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted market price (unadjusted) in active markets for an identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumption made in measuring fair values is included in Note 19 - Fair values of financial instruments.

**5 BUSINESS COMBINATIONS****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.

**5 BUSINESS COMBINATIONS (CONTINUED)****Dar Al Arab W.L.L. (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 Dar Al Arab W.L.L. PPA identifies the values paid for the tangible assets, intangible assets and the goodwill arising on the acquisition.

The total goodwill arising from the acquisition of Dar Al Arab W.L.L., amounting to QR 141,170 thousand, is recognised in the consolidated statement of financial position.

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

	<i>QR’000</i>
<b>Assets</b>	
Cash and bank balances	25,772
Receivables and prepayments	14,149
Investment in a joint venture	150,015
Property and equipment	5,669
Licence	94,755
	<u>290,360</u>
<b>Total assets</b>	<u>290,360</u>
<b>Liabilities</b>	
Payables and other liabilities	4,710
Due to related parties	139,383
Islamic financing borrowings	117
Employees’ end of service benefits	3,528
	<u>147,738</u>
<b>Total liabilities</b>	<u>147,738</u>
<b>Identifiable net assets at fair value</b>	<u>142,622</u>
Non-controlling interest measured at fair value	36,368
Goodwill arising on acquisition	141,170
	<u>177,538</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	69,885
	<u>247,423</u>
<b>Cost of subsidiary acquired</b>	<u>247,423</u>
<b>Net cash outflow on acquisition:</b>	
Net cash acquired with the subsidiary	(25,772)
Cash paid	177,538
	<u>151,766</u>

The gain on re-measuring the existing interest to fair value of QR 41,241 thousand is included in the Group’s interim consolidated statement of income for the period ended 31 March 2016.

**6 CASH AND CASH EQUIVALENTS**

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

	<b>31 March 2017 (Unaudited) QR'000</b>	<b>31 December 2016 (Audited) QR'000</b>	<b>31 March 2016 (Unaudited) QR'000</b>
Cash in hand	2,872	1,354	1,433
<i>Cash at banks and other financial institutions</i>			
Term deposits	-	10,054	198,472
Saving and call accounts	3,144,044	374,894	199,036
Current accounts	78,582	36,770	63,741
Margin accounts	3,285	3,105	1,523
<b>Cash and bank balances</b>	<b>3,228,783</b>	426,177	464,205
<i>Less: restricted bank balances</i>	<b>(3,285)</b>	(3,105)	(1,523)
<b>Cash and cash equivalents</b>	<b>3,225,498</b>	423,072	462,682

**7 RECEIVABLES AND PREPAYMENTS**

	<b>31 March 2017 (Unaudited) QR'000</b>	<b>31 December 2016 (Audited) QR'000</b>
Receivables from sales of funds (Note 8)	436,377	-
Advances to suppliers and contractors (Note i)	208,989	183,806
Prepaid expenses	97,450	89,215
Net tenant receivables	30,176	24,893
Due from related parties (Note 12)	28,582	9,627
Refundable deposits	18,830	18,555
Derivative financial assets	5,970	5,970
Accrued income	5,730	499
Notes receivable	1,980	378
Net other receivables and debit balances	43,934	20,638
	<b>878,018</b>	353,581
<i>The maturity of receivables and prepayments are as follows:</i>		
Current	859,188	335,026
Non-current	18,830	18,555
	<b>878,018</b>	353,581

Notes:

- (i) Due from related party balances included in advances to suppliers and contractors are disclosed in Note 12.

**8 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>31 March 2017 (Unaudited) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>
Banks and financial institutions	<b>3,969,549</b>	3,970,379
Industries	<b>79,317</b>	26,008
Telecommunication	<b>36,640</b>	25,260
Transportation	<b>33,674</b>	20,975
Insurance	<b>4,688</b>	5,645
Consumer goods and services	<b>-</b>	2,173
	<b>4,123,868</b>	4,050,440
Funds ( <i>Note iii</i> )	<b>-</b>	2,502,867
	<b>4,123,868</b>	6,553,307

*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 13.
- (iii) During the period the Group through its subsidiaries sold units held in Funds located in the Cayman Islands for QR 3,344,377 thousand, out of which QR 436,377 thousand was receivable at the period end.

**9 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES**

The investments in associates and joint ventures represents the following:

	<i>Country of incorporation</i>	<i>Ownership interest</i>		<i>31 March 2017 QR'000</i>	<i>31 December 2016 QR'000</i>
		<i>2017 %</i>	<i>2016 %</i>		
Qatar International Islamic Bank Q.S.C.	Qatar	<b>14.88%</b>	20.00%	<b>1,597,290</b>	1,910,973
Medicare Group Q.S.C.	Qatar	<b>13.25%</b>	13.25%	<b>257,830</b>	266,859
Qatar Islamic Insurance Company Q.S.C.	Qatar	<b>10.00%</b>	10.00%	<b>110,801</b>	114,464
Dar Al-Sharq for Printing, Publishing, and Distribution W.L.L.	Qatar	<b>44.78%</b>	44.78%	<b>538,996</b>	536,684
Widam Food Company Q.S.C.	Qatar	<b>3.01%</b>	3.01%	<b>34,613</b>	35,849
White Square Real Estate W.L.L.	Qatar	<b>32.50%</b>	32.50%	<b>184,954</b>	185,663
Islamic Holding Group Q.S.C.	Qatar	<b>21.55%</b>	21.55%	<b>74,793</b>	75,740
Al Waraq for Printing Press W.L.L.	Qatar	<b>51.00%</b>	51.00%	<b>149,788</b>	152,808
				<b>2,949,065</b>	3,279,040

*Note:*

- (i) The mortgages on investments in associate and joint ventures are disclosed in Note 13.

**10 INVESTMENT PROPERTIES**

	<i>31 March 2017 (Unaudited) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>
At 1 January	<b>38,919,798</b>	36,898,969
Development costs during the period / year	<b>72,345</b>	1,853,213
Capitalised finance costs on properties under development during the period/year	<b>12,983</b>	44,483
Foreign exchange adjustment	<b>1,086</b>	-
Purchase of completed investment properties	-	151,306
Loss on revaluation of investment properties	-	(28,173)
	<b><u>39,006,212</u></b>	<b><u>38,919,798</u></b>

*Notes:*

- (i) The Group conducts a revaluation of its investment properties on a semi annual basis. The Group did not appoint an independent valuer to value its investment properties as of the reporting date (31 December 2016: The Company carried out a valuation of all the investment properties as at 31 December 2016. 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) Investment properties are located in the State of Qatar, and the United Kindom.
- (iii) The mortgages on the investment properties are disclosed in Note 13.

**11 PAYABLES AND OTHER LIABILITIES**

	<i>31 March 2017 (Unaudited) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>
Due to related parties (Note 12)	1,781,899	1,537,886
Contractors and suppliers payable (Note i)	470,117	711,249
Dividends payables	349,160	389,160
Retention payable (Note i)	316,546	298,723
Tenants deposits	154,408	154,289
Unearned rents	105,961	51,248
Accrued expenses	58,704	77,382
Provision for Social and Sports Activities Fund	45,311	45,311
Provision for end of services benefits	40,849	39,176
Notes payable	569	2,826
Advances from customers	2,698	2,698
Other payables	21,352	18,223
	<u>3,347,574</u>	<u>3,328,171</u>
<i>The maturity of payables and other liabilities are as follows:</i>		
Non-current	2,695,933	2,636,578
Current	651,641	691,593
	<u>3,347,574</u>	<u>3,328,171</u>

*Note:*

- (i) Due to related party balances included in retention payable and contractor and supplier payable balances are disclosed in Note 12.

**12 RELATED PARTIES 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.

Related party balances included in the statement of financial position are as follows:

**Due from related parties**

	<i>Relationship</i>	<i>31 March 2017 (Unaudited) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>
The Curve Hotel Company W.L.L.	Other related party	13,950	8,909
White Square Real Estate Company W.L.L.	Joint venture	14,096	65
Other related parties		536	653
		<u>28,582</u>	<u>9,627</u>

**12 RELATED PARTIES DISCLOSURES (CONTINUED)****Due to related parties**

	<i>Relationship</i>	<i>31 March 2017 (Unaudited) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>
SAK Holding Group W.L.L.*	Other related party	<b>1,725,797</b>	1,479,631
Haloul for Real Estate Investment W.L.L	Other related party	<b>30,979</b>	30,979
Dar Al-Sharq for Printing, Publishing and Distribution W.L.L.	Associate	<b>16,647</b>	16,651
Al Waraq for Printing Press W.L.L.	Joint venture	<b>8,476</b>	10,625
		<b><u>1,781,899</u></b>	<b><u>1,537,886</u></b>

\*This amount represents a development costs paid for a subsidiary of the Group during the period/ year by a related party and the balance is non-current.

Balances due to related parties included in Islamic financing borrowings, payables and other liabilities, and receivables and prepayments are as follows:

	<i>31 March 2017 (Unaudited) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>
Islamic financing borrowings from an associate bank	<b><u>2,894,458</u></b>	<b><u>2,894,458</u></b>
Contractor and suppliers	<b><u>402,230</u></b>	<b><u>633,780</u></b>
Retention payable	<b><u>289,091</u></b>	<b><u>289,091</u></b>
Advances to suppliers and contractors	<b><u>79,410</u></b>	<b><u>79,410</u></b>

**Related party transactions**

Transactions with related parties during the period are as follows:

	<i>For the three months ended 31 March</i>	
	<i>2017 (Unaudited) QR'000</i>	<i>2016 (Unaudited) QR'000</i>
Development cost of investment properties ( <i>Note i</i> )	<b><u>16,343</u></b>	<b><u>589,314</u></b>
Finance costs capitalized to properties under development	<b><u>2,113</u></b>	<b><u>1,673</u></b>
Finance costs charged to the interim consolidated statement of income	<b><u>25,072</u></b>	<b><u>24,791</u></b>
Rental income	<b><u>1,930</u></b>	<b><u>1,521</u></b>

(*Note i*)

The Group has entered into a construction agreement with SAK Trading and Contracting Company W.L.L. to construct its investment properties.

**12 RELATED PARTIES DISCLOSURES (CONTINUED)****Compensation of key management personnel**

	<i>For the three months ended 31 March</i>	
	<i>2017 (Unaudited) QR'000</i>	<i>2016 (Unaudited) QR'000</i>
Key management and executive committee benefits	<u>10,300</u>	<u>11,000</u>

**13 SUKUK AND ISLAMIC FINANCING BORROWINGS**

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

	<i>31 March 2017 (Unaudited) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>
At 1 January	<b>15,926,929</b>	14,959,607
Additional facilities obtained during the period / year	<b>182,075</b>	3,821,699
Finance costs	<b>167,050</b>	667,736
Repayments of outstanding facilities during the period / year	<u><b>(604,922)</b></u>	<u>(3,522,113)</u>
<b>At the end of the period/ year</b>	<u><b>15,671,132</b></u>	<u>15,926,929</u>

Islamic financing borrowings are segregated between current and non-current maturity period/year as follows:

	<i>31 March 2017 (Unaudited) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>
Current portion	<b>2,315,766</b>	2,001,203
Non-current portion	<u><b>13,355,366</b></u>	<u>13,925,726</u>
	<u><b>15,671,132</b></u>	<u>15,926,929</u>

Terms and conditions of the outstanding facilities were as follows:

<i>Type of facilities</i>	<i>Currency</i>	<i>Profit rates charged by banks</i>	<i>31 March 2017 (Unaudited) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>
Secured Murabaha	QR	REPO rate	<b>4,914,407</b>	5,121,466
Secured Ijara	QR	REPO rate	<b>4,010,522</b>	3,996,516
Secured Murabaha	USD	1 Y/3 M LIBOR	<b>784,920</b>	649,314
Secured Ijara	USD	1-3 M LIBOR	<b>4,119,939</b>	4,338,517
Sukuk financing	USD	4.375%	<u><b>1,841,344</b></u>	<u>1,821,116</u>
			<u><b>15,671,132</b></u>	<u>15,926,929</u>

**13 SUKUK AND ISLAMIC FINANCING BORROWINGS (CONTINUED)***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 2017, the Group had secured borrowings against mortgages on different types of investment properties owned by the Group with a carrying value of QR 15,525,486 thousand (31 December 2016: QR 15,525,486 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 1,389,255 thousand at 31 March 2017 (31 December 2016: QR 1,237,419 thousand).

**14 BASIS OF DILUTED EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the profit attributable to equity holders to the parent for the period by the weighted average number of shares outstanding during the period.

	<i>31 March 2017 (Unaudited)</i>	<i>31 March 2016 (Unaudited)</i>
Profit for the period (QR'000)	<u>945,791</u>	<u>585,650</u>
Weighted average number of shares outstanding during the period (thousands of share)	<u>2,652,497</u>	<u>2,652,497</u>
Basic earnings per share (QR)	<u>0.36</u>	<u>0.22</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.

**15 COMPONENTS OF OTHER COMPREHENSIVE INCOME**

	<i>For the three months ended 31 March</i>	
	<i>2017 (Unaudited) QR'000</i>	<i>2016 (Unaudited) QR'000</i>
<b>Fair value reserve</b>		
<b>Available- for- sale financial assets</b>		
Net gain on available- for-sale financial assets	117,390	376,093
Net loss on disposal of available-for-sale financial assets reclassified to interim consolidated statement of income	(142,836)	(123,418)
Reclassification of impairment loss recognised in the interim consolidated statement of income	-	7,409
Net (loss) gain on available- for-sale financial assets	<u>(25,446)</u>	<u>260,084</u>
Share of net movements in fair value reserves of associates and joint ventures	<u>3,814</u>	<u>1,495</u>
<b>Other comprehensive (loss) income for the period</b>	<u>(21,632)</u>	<u>261,579</u>

**16 DIVIDENDS**

At the General Assembly meeting held on 16 April 2017, the shareholders approved a cash dividend of QR 0.50 per share totaling to QR 1,326,248 thousand for the year ended 2016 (2015: QR 0.50 per share totaling to QR 1,326,248 thousand for the year ended 2015).

**17 LEGAL RESERVE**

In accordance with the requirements of the Qatar Commercial Companies Law No. 11 of 2015, and the Company's Article of Association, a minimum of 10% of the annual profit should be transferred to legal reserve until the reserve equals 50% of the share capital. The reserve is not available for distribution except in the circumstances stipulated in the above law and the Company's Article of Association.

No transfer has been made for the three months ended 31 March 2017 as the Group will transfer the total required amount by 31 December 2017.

**18 CONTINGENT LIABILITIES AND COMMITMENTS****Contingent liabilities**

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

	<i>31 March 2017 (Unaudited) QR'000</i>	<i>31 December 2016 (Audited) QR'000</i>
Bank guarantees	<u>3,285</u>	<u>3,105</u>

**Commitments**

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

	<i>31 March 2017 QR'000</i>	<i>31 December 2016 QR'000</i>
Contractual commitments to contractors and suppliers for development of projects	<u>418,657</u>	<u>478,110</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 31 March 2017 and 31 December 2016:

	<i>31 March 2017</i>		<i>31 December 2016</i>	
	<i>Carrying Values (Unaudited) QR'000</i>	<i>Fair values (Unaudited) QR'000</i>	<i>Carrying values (Audited) QR'000</i>	<i>Fair Values (Audited) QR'000</i>
<b>Financial assets</b>				
Bank balances (except cash)	3,225,911	3,225,911	424,823	424,823
Available for- sale- financial assets	4,123,868	4,123,868	6,553,307	6,553,307
Due from related parties	28,582	28,582	9,627	9,627
Receivables, refundable deposits and other receivables	537,267	537,267	70,056	70,056
	<b>7,915,628</b>	<b>7,915,628</b>	<b>7,057,813</b>	<b>7,057,813</b>
<b>Financial liabilities</b>				
Islamic financing borrowings	15,671,132	15,671,132	15,926,929	15,926,929
Due to related parties	1,781,899	1,781,899	1,537,886	1,537,886
Payables and other liabilities	1,457,016	1,457,016	1,736,337	1,736,337
	<b>18,910,047</b>	<b>18,910,047</b>	<b>19,201,152</b>	<b>19,201,152</b>

**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 assets 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>
<b>At 31 March 2017 (Unaudited)</b>				
Available for sale financial assets	<b>4,123,868</b>	-	-	<b>4,123,868</b>
	<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 December 2016 (Audited)				
Available for- sale- financial assets	4,050,440	2,502,867	-	6,553,307

During the period /year ended 31 March 2017 and 31 December 2016, 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 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.
- Distribution and publishing of news : The segment includes printing, publishing, and distribution of papers

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 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2017

20 SEGMENTAL INFORMATION (CONTINUED)

The following table presents revenues and expenses of the Group's operating segments for the periods ended 31 March 2017 and 31 March 2016.

	<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>
<i>For the three months ended 31 March 2017 Unaudited)</i>							
<i>Segment revenues</i>	<b>316,851</b>	<b>845,595</b>	<b>70,592</b>	<b>47,206</b>	<b>8,870</b>	<b>(10,436)</b>	<b>1,278,678</b>
<i>Segment expenses</i>	<b>(279,005)</b>	<b>(348)</b>	<b>(27,843)</b>	<b>(27,254)</b>	<b>(10,268)</b>	<b>10,770</b>	<b>(333,948)</b>
<i>Segment profit</i>	<b>37,846</b>	<b>845,247</b>	<b>42,749</b>	<b>19,952</b>	<b>(1,398)</b>	<b>334</b>	<b>944,730</b>
<i>For the three months ended 31 March 2016(Unaudited)</i>							
<i>Segment revenues</i>	320,042	446,452	75,435	29,010	5,536	(8,575)	867,900
<i>Segment expenses</i>	(241,519)	(7,816)	(24,990)	(9,012)	(8,241)	8,575	(283,003)
<i>Segment profit</i>	<b>78,523</b>	<b>438,636</b>	<b>50,445</b>	<b>19,998</b>	<b>(2,705)</b>	<b>-</b>	<b>584,897</b>

**20 SEGMENTAL INFORMATION (CONTINUED)**

The following table presents assets and liabilities information of the Group's operating segments as of 31 March 2017 and 31 December 2016.

	<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>							
As of 31 March 2017 (Unaudited)	<u>34,045,212</u>	<u>9,950,150</u>	<u>4,988,467</u>	<u>1,328,692</u>	<u>57,221</u>	<u>145,754</u>	<u>50,515,496</u>
As of 31 December 2016 (Audited)	<u>34,164,159</u>	<u>9,967,387</u>	<u>5,040,065</u>	<u>1,305,403</u>	<u>53,117</u>	<u>(701,339)</u>	<u>49,828,792</u>
<b>SEGMENT LIABILITIES</b>							
As of 31 March 2017 (Unaudited)	<u>18,873,085</u>	<u>-</u>	<u>22,175</u>	<u>59,742</u>	<u>154,210</u>	<u>(90,506)</u>	<u>19,018,706</u>
As of 31 December 2016 (Audited)	<u>19,105,062</u>	<u>840,782</u>	<u>27,952</u>	<u>56,314</u>	<u>156,278</u>	<u>(931,288)</u>	<u>19,255,100</u>

**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.

**22 SUBSEQUENT EVENT AFTER THE REPORTING PERIOD**

In continuation 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"), the Group issued on 5 April 2017 the second tranche of USD 500,000 thousand (QAR 1,821,000 thousand). The Sukuks were issued at an annual fixed profit rate of 4.875% paid semi-annually with a tenor of 5 years maturing in April 2022. The Sukuks are listed on the Irish Stock Exchange and were issued on a capacity of assets' backed Sukuks. 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.