

Ezdan Holding Group Q.S.C.

**UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

31 MARCH 2016

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

Introduction

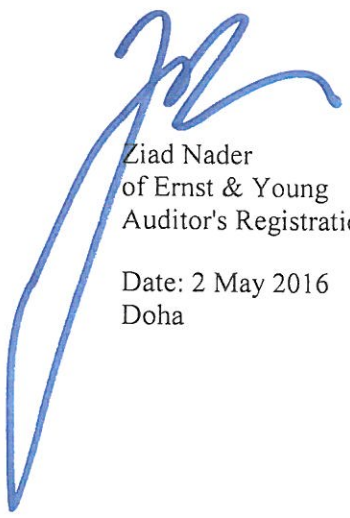
We have reviewed the accompanying interim consolidated statement of financial position of Ezdan Holding Group Q.S.C. (the "Company") and its subsidiaries (together referred to as the "Group") as at 31 March 2016 and the related interim consolidated statements of income, comprehensive income, changes 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.



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

Date: 2 May 2016
Doha



Ezdan Holding Group Q.S.C.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2016

	<i>Notes</i>	31 March 2016 (Unaudited) QR'000	31 December 2015 (Audited) QR'000
ASSETS			
Cash and bank balances	6	464,205	619,815
Receivables and prepayments	7	668,178	600,058
Inventories		22,988	20,280
Due from related parties	12	8,393	40,577
Available-for-sale financial assets	8	5,883,248	5,534,114
Investment properties	10	37,583,788	36,898,969
Investments in associates and joint ventures	9	3,519,943	3,202,656
Property, plant, and equipment		171,248	22,295
Goodwill	5	133,560	-
TOTAL ASSETS		<u>48,455,551</u>	<u>46,938,764</u>
LIABILITIES AND EQUITY			
LIABILITIES			
Payables and other liabilities	11	1,374,090	1,247,695
Due to related parties	12	768,156	350,231
Islamic financing borrowings	13	15,041,620	14,959,607
TOTAL LIABILITIES		<u>17,183,866</u>	<u>16,557,533</u>
EQUITY			
Share capital		26,524,967	26,524,967
Legal reserve	17	1,222,112	1,222,112
Fair value reserve		867,138	605,559
Foreign currency translation reserve		1,954	1,954
Retained earnings		2,208,298	1,622,648
Equity attributable to equity holders of the parent		<u>30,824,469</u>	<u>29,977,240</u>
Non-controlling interest		447,216	403,991
Total equity		<u>31,271,685</u>	<u>30,381,231</u>
TOTAL LIABILITIES AND EQUITY		<u>48,455,551</u>	<u>46,938,764</u>

These unaudited interim condensed consolidated financial statements were approved by the Board of Directors on 2 May 2016 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 22 form part of these unaudited interim condensed consolidated financial statements.

Ezdan Holding Group Q.S.C.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three month period ended 31 March 2016

	<i>For the three months ended</i>	
	<i>31 March</i>	
	<i>2016</i>	<i>2015</i>
<i>Note</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>QR'000</i>	<i>QR'000</i>
Rental income	394,418	362,936
Dividends income from available-for-sale financial assets	227,068	183,619
Net gain on sale of available-for-sale financial assets	100,031	52,146
Other operating revenues	19,594	10,781
Operating expenses	<u>(78,290)</u>	<u>(64,529)</u>
OPERATING PROFIT FOR THE PERIOD	662,821	544,953
<i>Add (less):</i>		
Share of results of associates and joint ventures	62,556	75,333
Gain on sale of investment properties held for sale	-	4,543
Gain on acquisition of a subsidiary	5 55,862	-
Gain on revaluation of investment properties	6,361	-
Other income	2,012	7,820
General and administrative expenses	(51,351)	(38,062)
Depreciation	(2,686)	(2,414)
Impairment loss of available-for-sale financial assets	(7,409)	-
Finance costs	<u>(143,269)</u>	<u>(69,680)</u>
PROFIT FOR THE PERIOD	584,897	522,493
<i>Attributable to:</i>		
Equity holders to the parents	585,650	522,493
Non-controlling interest	<u>(753)</u>	<u>-</u>
	584,897	522,493
BASIC AND DILUTED EARNINGS PER SHARE		
<i>(attributable to equity holders of the Parent expressed in QR per share)</i>	14 0.22	0.20

The attached notes 1 to 22 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 three month period ended 31 March 2016

	Note	<i>For the three months ended</i>	
		<i>31 March</i>	
		<i>2016</i>	<i>2015</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
		<i>QR'000</i>	<i>QR'000</i>
Profit for the period		<u>584,897</u>	<u>522,493</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	15	<u>260,084</u>	(72,371)
Share of net movements in revaluation reserve of associates and joint ventures	15	<u>1,495</u>	<u>403</u>
Other comprehensive income (loss) for the period	15	<u>261,579</u>	<u>(71,968)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>846,476</u>	<u>450,525</u>
<i>Attributable to:</i>			
<i>Equity holders of the parent</i>		<u>847,229</u>	<u>450,525</u>
<i>Non-controlling interest</i>		<u>(753)</u>	<u>-</u>
		<u>846,476</u>	<u>450,525</u>

The attached notes 1 to 22 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 three month period ended 31 March 2016

	<i>Attributable to the equity holders of the Parent</i>						<i>Non-controlling interest</i> <i>QR'000</i>	<i>Total equity</i> <i>QR'000</i>
	<i>Share capital</i> <i>QR'000</i>	<i>Legal reserve</i> <i>QR'000</i>	<i>Fair value reserve</i> <i>QR'000</i>	<i>Foreign currency translation reserve</i> <i>QR'000</i>	<i>Retained earnings</i> <i>QR'000</i>	<i>Total</i> <i>QR'000</i>		
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 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
Non-controlling interests arising on a business combination (Note 5)	-	-	-	-	-	-	43,978	43,978
Balance at 31 March 2016 (Unaudited)	26,524,967	1,222,112	867,138	1,954	2,208,298	30,824,469	447,216	31,271,685

The attached notes 1 to 22 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 three month period ended 31 March 2016

	<i>Attributable to the equity holders of the Parent</i>					<i>Non-controlling interest</i>	<i>Total equity</i>	
	<i>Share capital</i>	<i>Legal reserve</i>	<i>Revaluation reserve</i>	<i>Foreign currency translation reserve</i>	<i>Retained earnings</i>			<i>Total equity</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>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	-	30,077,181
Profit for the period	-	-	-	-	522,493	522,493	-	522,493
Other comprehensive loss for the period	-	-	(71,968)	-	-	(71,968)	-	(71,968)
Total comprehensive (loss) income for the period	-	-	(71,968)	-	522,493	450,525	-	450,525
Dividends (Note 16)	-	-	-	-	(1,060,999)	(1,060,999)	-	(1,060,999)
Balance at 31 March 2015 (<i>Unaudited</i>)	<u>26,524,967</u>	<u>1,055,927</u>	<u>1,192,840</u>	<u>1,954</u>	<u>691,019</u>	<u>29,466,707</u>	<u>-</u>	<u>29,466,707</u>

The attached notes 1 to 22 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 three month period ended 31 March 2016

	Note	Three months ended 31 March	
		2016 (Unaudited) QR'000	2015 (Unaudited) QR'000
OPERATING ACTIVITIES			
Profit for the period		584,897	522,493
Adjustment for:			
Depreciation		2,686	2,414
Gain on revaluation of investment properties		(6,361)	-
Gain on sale of investment properties held for sale		-	(4,543)
Provision for employees' end of service benefits		2,615	2,949
Share from the results of associates and joint ventures		(62,556)	(75,333)
Gain on acquisition of an subsidiary	5	(55,862)	-
Reversal of allowance for impairment of doubtful receivables		-	(6,207)
Impairment loss of available for sale financial assets		7,409	-
Profit on Islamic bank accounts		(1,367)	(3,903)
Net gain on sale of available-for-sale financial assets		(100,031)	(52,146)
Finance costs		143,269	69,680
		514,699	455,404
Working capital changes:			
Receivables and prepayments		(49,724)	(56,873)
Inventories		(2,708)	(3,074)
Due from/to related parties		307,223	(126,602)
Payables and other liabilities		111,116	(35,964)
		880,606	232,891
Cash from operations		880,606	232,891
Employees' end of service benefits paid		(1,153)	(1,025)
		879,453	231,866
Net cash flows from operating activities		879,453	231,866
INVESTING ACTIVITIES			
Payments for purchase of property and equipment		(3,911)	(707)
Payments for development of investment properties		(662,663)	(55,512)
Proceeds from sale of investment properties held for sale		-	14,488
Proceeds from sale of available for sale financial assets		487,618	240,035
Payments for purchase of available for sale financial assets		(483,887)	(224,088)
Payments for purchase of investments in associates and joint ventures		(351,455)	(82)
Payments for acquisition of a subsidiary net of cash	5	(151,766)	-
Dividends received from associates		204,820	198,068
Net movement in short term deposits maturing after three months		-	190,000
Profits on Islamic bank accounts		3,231	3,903
		(958,013)	366,105
Net cash flows (used in) from investing activities		(958,013)	366,105
FINANCING ACTIVITIES			
Proceeds from Islamic financing borrowings		365,000	900,000
Payments for Islamic financing borrowings		(442,050)	(348,951)
Dividends paid		-	(375)
		(77,050)	550,674
Net cash flows (used in) from financing activities		(77,050)	550,674
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as of 1 January		618,292	98,098
		(155,610)	1,148,645
CASH AND CASH EQUIVALENTS AS AT 31 MARCH	6	462,682	1,246,743

The attached notes 1 to 22 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 31 March 2016

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

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

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

The Company’s registered office is located at P.O. Box 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 three months ended 31 March 2016.

<i>Name of the Company</i>	<i>Share capital QR</i>	<i>Country of incorporation</i>	<i>Effective percentage of ownership</i>		
			<i>31 March 2016</i>	<i>31 December 2015</i>	<i>31 March 2015</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%
Al Ruba Al khali Trading Co. S.O.C.	200,000	Qatar	100%	100%	100%
Al Ekleem for Real Estate and Mediation Co. S.O.C.	200,000	Qatar	100%	100%	100%
Al Manara for Medical Equipment Co. S.O.C.	200,000	Qatar	100%	100%	100%
Al Taybin 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 for Trading and Construction Co.S.O.C.	200,000	Qatar	100%	100%	100%
Al Namaa for Maintenance Co. S.O.C.	200,000	Qatar	100%	100%	100%
Shatea Al Nile Co. S.O.C.	200,000	Qatar	100%	100%	100%
Arkan for Import and Export Co. S.O.C.	200,000	Qatar	100%	100%	100%
Tareek Al Hak 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 Al-Khair 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%	100%	100%
Amaken for Electronic S.O.C.	200,000	Qatar	100%	100%	100%
Gulf Intiaz for Trading S.O.C.	200,000	Qatar	100%	100%	100%
Ezdan Palace Hotel.S.O.C.	200,000	Qatar	100%	100%	100%
Emtedad Real Estate for Projects W.L.L.	200,000	Qatar	67.5%	67.5%	-
Dar Al Arab W.L.L. (Note 5)	24,000,000	Qatar	74.5%	-	-
Ezdan Cleaning Company W.L.L.	200,000	Qatar	100%	-	-

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES (CONTINUED)

<i>Name of the Company</i>	<i>Share capital QR</i>	<i>Country of incorporation</i>	<i>Effective percentage of ownership</i>		
			<i>31 March 2016</i>	<i>31 December 2015</i>	<i>31 March 2015</i>
Ezdan Maintenance Company W.L.L.	200,000	Qatar	100%	-	-
Ezdan Landscape Company W.L.L.	200,000	Qatar	100%	-	-
Ezdan Transaction Clearance Company W.L.L.	200,000	Qatar	100%	-	-
Al Raed Sewage Company W.L.L.	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, approximately 54 % of the share capital of the Company as at 31 March 2016 (31 December 2015: 54%).

2 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the three months ended 31 March 2016 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 2015. In addition, results for the three months ended 31 March 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2015, except for the adoption of new standards and interpretations effective as of 1 January 2016. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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

<i>Topic</i>	<i>Effective date</i>
Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisition of Interests	1 January 2016
Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to IAS 27: Equity Method in Separate Financial Statements	1 January 2016
Amendments to IAS 1: Disclosure Initiative	1 January 2016
Amendments to IFRS 10, IFRS 12 and IAS 28 investment Entities: Applying the Consolidation Exception	1 January 2016
Annual Improvements 2012 - 2014 Cycle	1 January 2016
<i>IFRS 5 Non-current Assets Held for Sale and Discontinued Operations</i>	
<i>IFRS 7 Financial Instruments: Disclosures</i>	
<i>IAS 34 Interim Financial Reporting</i>	

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Topic

Disclosure initiative (Amendment to IAS 7)	1 January 2017
Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)	1 January 2017
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 16 Leases	1 January 2019

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 2015.

4 FINANCIAL RISK MANAGEMENT

The aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2015.

5 BUSINESS COMBINATIONS

5.1 Dar Al Arab W.L.L.

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-Aarab W.L.L. was incorporated in the State of Qatar as a Limited Liability Company on 9 September 2004. The main activities of Dar Al-Arab Company W.L.L. include the publication of Al Arab newspaper.

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

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

5 BUSINESS COMBINATIONS (CONTINUED)**5.1 Dar Al Arab W.L.L. (continued)**

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

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

From the date of acquisition, Dar Al Arab W.L.L. contributed QR 5,536 thousand and QR 8,241 thousand to the operating revenue and total expenses respectively, resulting to have a negative contribution of QR 2,705 thousand to the Group profit for the period ended 31 March 2016.

The gain on the acquisition of QR 55,862 thousand is included in the Group's unaudited interim consolidated statement of income for the three months ended 31 March 2016.

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

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

Dar Al-Sharq for Printing, Publishing and Distribution W.L.L. was incorporated in the State of Qatar as Limited Liability Company on 24 October 1985. The main activities of Dar Al-Sharq for Printing, Publishing and Distribution Company W.L.L. is the publication of two daily newspapers, Al Sharq newspaper (Arabic Language) and Peninsula Newspaper (English Language) and the operation of a printing press.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2016

5 BUSINESS COMBINATIONS (CONTINUED)**5.2 Additional investment in Dar Al-Sharq for Printing, Publishing and Distribution W.L.L. (continued)**

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

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

6 CASH AND CASH EQUIVALENTS

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

	<i>31 March 2016 (Unaudited) QR'000</i>	<i>31 March 2015 (Unaudited) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
Cash in hand	1,433	967	409
<i>Cash at banks and other financial institutions</i>			
Term deposits	198,472	140,000	475,000
Saving and call accounts	199,036	1,077,636	87,501
Current accounts	63,741	28,140	55,382
Margin accounts	1,523	9,687	1,523
Cash and bank balances	464,205	1,256,430	619,815
<i>Less: restricted bank balances</i>	(1,523)	(9,687)	(1,523)
Cash and cash equivalents	462,682	1,246,743	618,292

Ezdan Holding Group Q.S.C.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2016

7 RECEIVABLES AND PREPAYMENTS

	<i>31 March 2016 (Unaudited) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
Tenants receivable	127,210	114,163
Allowance for impairment of tenants receivable	(64,801)	(65,534)
	62,409	48,629
Advances to suppliers and contractors (*)	493,891	460,809
Prepaid expenses	82,243	59,036
Refundable deposits	15,416	12,359
Accrued income	1,365	3,229
Notes receivable	-	4,062
Other receivables and debit balances	12,854	11,934
	668,178	600,058
	15,416	12,359
<i>The maturity of receivables and prepayments are as follows:</i>		
Non-current	652,762	587,699
Current	668,178	600,058

*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 2016 (Unaudited) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
Banks and financial institutions	4,124,107	4,323,366
Industries	1,492,663	948,288
Consumer goods and services	239,113	233,629
Telecommunication	20,528	20,903
Insurance	6,837	7,928
	5,883,248	5,534,114

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) At 31 March 2016, the Group's ownership interest in Widam Food Company Q.S.C. and Qatar Investors Group Q.S.C. were 24.06% and 20% respectively (31 December 2015: 24.15% 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.

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9 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

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

	<i>Country of incorporation</i>	<i>Ownership interest</i>		<i>31 March 2016</i>	<i>31 December 2015</i>
		<i>2016</i>	<i>2015</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
		<i>%</i>	<i>%</i>	<i>QR'000</i>	<i>QR'000</i>
Qatar International Islamic Bank Q.S.C.	Qatar	22.65%	22.65%	1,998,482	2,083,000
Medicare Group Q.S.C.	Qatar	25.79%	25.79%	356,333	388,358
Qatar Islamic Insurance Company Q.S.C.	Qatar	23.82%	23.82%	213,473	222,676
Dar Al-Sharq for Printing, Publishing, and Distribution W.L.L.	Qatar	44.78%	30.00%	503,964	211,110
White Square Real Estate W.L.L.	Qatar	32.50%	32.50%	191,785	192,678
Islamic Holding Group Q.S.C.	Qatar	35.03%	33.33%	105,993	75,516
Al Waraq for Printing Press W.L.L.	Qatar	50.00%	-	136,852	-
Magical Festival Company W.L.L.	Qatar	29.00%	-	13,061	-
Dar Al-Arab W.L.L. (Note 5)	Qatar	-	49.00%	-	29,318
				3,519,943	3,202,656

Note:

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

10 INVESTMENT PROPERTIES

	<i>31 March 2016</i>	<i>31 December 2015</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>QR'000</i>	<i>QR'000</i>
At 1 January	36,898,969	34,216,539
Development costs during the period / year	662,663	1,599,665
Transferred from investment properties held for sale	-	287,709
Capitalised finance costs on properties under development	15,795	194,267
Gain on revaluation of investment properties	6,361	600,789
	37,583,788	36,898,969

Notes:

(i) Investment properties are stated at fair value, which has been determined based on a valuation performed by an accredited independent valuer as at 31 March 2016 and 31 December 2015. The valuer has a recognised and relevant professional qualifications and with recent experience in the location and category of those investment properties being valued. In arriving at estimated market values the valuers have used their market knowledge and professional judgment and not only relied on historical transactions comparable. 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").

(ii) All investment properties are located in the State of Qatar.

(iii) The mortgages on the investment properties are disclosed in Note 13.

Ezdan Holding Group Q.S.C.

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11 PAYABLES AND OTHER LIABILITIES

	<i>31 March 2016 (Unaudited) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
Contractors and suppliers payable (*)	777,969	720,408
Retention payable (*)	207,380	151,170
Tenants deposits	153,117	153,175
Unearned rents	97,487	66,686
Provision for Social and Sports Activities Fund	54,098	54,098
Accrued expenses	37,603	68,336
Provision for end of services benefits	31,812	26,870
Advances from customers	2,700	2,698
Derivative financial liabilities	297	297
Other payables	11,627	3,957
	<u>1,374,090</u>	<u>1,247,695</u>
<i>The maturity of payables and other liabilities are as follows:</i>		
Non-current	392,606	916,183
Current	981,484	331,512
	<u>1,374,090</u>	<u>1,247,695</u>

* 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>31 March 2016 (Unaudited) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
Sak Trading and Contracting S.O.C	1,884	-
White Square Real Estate Company W.L.L.	6,483	2,481
Dar Al Arab W.L.L.	-	38,088
Other related parties	26	8
	<u>8,393</u>	<u>40,577</u>

Ezdan Holding Group Q.S.C.

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12 RELATED PARTIES DISCLOSURES (CONTINUED)

Due to related parties

	<i>31 March 2016 (Unaudited) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
SAK Holding Group S.O.C.*	701,387	350,231
Dar Al-Sharq for Printing, Publishing, and Distribution W.L.L.	26,081	-
Haloul For Real Estate Investment W.L.L.	26,462	-
Al Waraq for Printing Press W.L.L.	12,473	-
Speed For Trading and Contracting Company S.O.C	1,753	-
	<u>768,156</u>	<u>350,231</u>

*This amount represents a related party loan obtained by a subsidiary of the Group from SAK Holding Group Company S.O.C. under financing agreements with an interest rate of 4.225% per annum and this is non-current.

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

	<i>31 March 2016 (Unaudited) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
Islamic financing borrowings from an associate Bank	<u>2,788,629</u>	<u>2,788,629</u>
	<i>31 March 2016 (Unaudited) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
Contractor and suppliers	<u>739,848</u>	<u>672,128</u>
Retention payable	<u>197,748</u>	<u>138,816</u>
Advances to suppliers and contractors	<u>259,298</u>	<u>377,161</u>

Related party transactions

Transactions with related parties during the period are as follows:

	<i>For the three months ended 31 March</i>	
	<i>2016 (Unaudited) QR'000</i>	<i>2015 (Unaudited) QR'000</i>
Development cost of investment properties (<i>Note i</i>)	<u>589,314</u>	<u>-</u>
Finance costs capitalized to properties under development	<u>1,673</u>	<u>12,167</u>
Finance costs charged to the interim consolidated statement of income	<u>24,791</u>	<u>13,305</u>
Rental income	<u>1,521</u>	<u>1,512</u>

(*Note i*)

The Group has entered into a construction agreement with SAK Trading and Contracting Company S.O.C. 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>2016 (Unaudited) QR'000</i>	<i>2015 (Unaudited) QR'000</i>
Key management and executive committee benefits	<u>11,000</u>	<u>10,332</u>

13 ISLAMIC FINANCING BORROWINGS

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

	<i>31 March 2016 (Unaudited) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
At 1 January	14,959,607	12,809,634
Additional facilities obtained during the period / year	365,000	3,160,000
Finance costs	159,064	593,180
Repayments of outstanding facilities during the period / year	<u>(442,051)</u>	<u>(1,603,207)</u>
At the end of the period/ year	<u>15,041,620</u>	<u>14,959,607</u>

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

	<i>31 March 2016 (Unaudited) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
Current portion	1,750,203	1,485,616
Non-current portion	<u>13,291,417</u>	<u>13,473,991</u>
	<u>15,041,620</u>	<u>14,959,607</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 2016 (Unaudited) QR'000</i>	<i>31 December 2015 (Audited) QR'000</i>
Secured Murabaha	QR	REPO rate	7,071,936	7,208,446
Secured Ijara	QR	REPO rate	3,975,395	3,981,440
Secured Murabaha	USD	1-3 M LIBOR	764,393	1,490,667
Secured Ijara	USD	1-3 M LIBOR	<u>3,229,896</u>	<u>2,279,054</u>
			<u>15,041,620</u>	<u>14,959,607</u>

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13 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 2016, the Group had secured borrowings against mortgages on different types of investment properties owned by the Group with a carrying value of QR 15,437,660 thousand (31 December 2015: QR 15,437,660 thousand) and mortgage against quoted shares included in the interim condensed consolidated financial statements within available for sale financial assets and investments in associates with carrying value of QR 1,367,046 thousand at 31 March 2016 (31 December 2015: QR 4,444,942 thousand).

14 BASIC AND 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 2016 (Unaudited)</i>	<i>31 March 2015 (Unaudited)</i>
Profit for the period (QR'000)	<u>585,650</u>	<u>522,493</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>0.22</u>	<u>0.20</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>2016 (Unaudited) QR'000</i>	<i>2015 (Unaudited) QR'000</i>
Fair value reserve		
Available- for- sale financial assets		
Net gain (loss) on available- for-sale financial assets	376,093	(29,259)
Net loss on disposal of available-for-sale financial assets reclassified to unaudited interim consolidated statement of income	(123,418)	(43,112)
Reclassification of impairment loss recognised in the unaudited interim consolidated statement of income	<u>7,409</u>	<u>-</u>
Net gain on available- for-sale financial assets	<u>260,084</u>	<u>(72,371)</u>
Share of revaluation reserve of revaluation reserve of investment in associates	<u>1,495</u>	<u>403</u>
Other comprehensive income (loss) for the period	<u>261,579</u>	<u>(71,968)</u>

16 DIVIDENDS

The Board of Directors has proposed cash dividends of QR 0.5 per share totalling to QR 1,326,248 thousand for the year ended 31 December 2015 (2015: QR 0.40 per share totaling to QR 1,060,999 thousand for the year ended 2014).

The proposed dividends for the year ended 31 December 2015 have been approved at the General Assembly meeting held on 11 April 2016.

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 2016 as the Group will transfer the total required amount by 31 December 2016.

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

Commitments

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

	<i>2015 QR'000</i>	<i>2014 QR'000</i>
Contractual commitments to contractors and suppliers for development of projects	<u>1,051,996</u>	<u>1,714,659</u>

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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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 2016 and 31 December 2015:

	<i>31 March 2016</i>		<i>31 December 2015</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>
Financial assets				
Bank balances (except cash)	462,772	462,772	619,406	619,406
Available for- sale- financial assets	5,883,248	5,883,248	5,534,114	5,534,114
Due from related parties	8,393	8,393	40,577	40,577
Receivables, refundable deposits and other receivables	90,679	90,679	72,922	72,922
	<u>6,445,092</u>	<u>6,445,092</u>	<u>6,267,019</u>	<u>6,267,019</u>
Financial liabilities				
Islamic financing borrowings	15,041,620	15,041,620	14,959,607	14,959,607
Due to related parties	768,156	768,156	350,231	350,231
Payables and other liabilities	1,187,696	1,187,696	1,151,441	1,151,441
	<u>16,997,472</u>	<u>16,997,472</u>	<u>16,461,279</u>	<u>16,461,279</u>

Fair value hierarchy

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

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

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>
At 31 March 2016 (Unaudited)				
Investment properties	-	-	37,583,788	37,583,788
Available for sale financial assets	5,883,248	-	-	5,883,248
	<u>-</u>	<u>-</u>	<u>36,898,969</u>	<u>36,898,969</u>
At 31 December 2015 (Audited)				
Investment properties	-	-	36,898,969	36,898,969
Available for- sale- financial assets	5,534,114	-	-	5,534,114
	<u>5,534,114</u>	<u>-</u>	<u>-</u>	<u>5,534,114</u>

During the period /year ended 31 March 2016 and 31 December 2015, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

20 SEGMENTAL INFORMATION

For management purposes, the Group is divided into 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 papers : The segment includes printing, publishing, and distribution of newspapers

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.

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20 SEGMENTAL INFORMATION (CONTINUED)

The following table presents revenues and expenses of the Group's operating segments for the periods ended 31 March 2016 and 31 March 2015.

<i>For the three months ended 31 March 2016 Unaudited)</i>	<i>Residential and commercial property QR'000</i>	<i>Investments QR'000</i>	<i>Hotel and suites QR'000</i>	<i>Malls QR'000</i>	<i>Distribution and publishing of news papers QR'000</i>	<i>Adjustments and eliminations QR'000</i>	<i>Total QR'000</i>
<i>Segment revenues</i>	320,038	446,452	75,437	29,014	5,536	(8,575)	867,902
<i>Segment expenses</i>	(241,519)	(7,816)	(24,991)	(9,013)	(8,241)	8,575	(283,005)
<i>Segment profit</i>	78,519	438,636	50,446	20,001	(2,705)	-	584,897
<i>For the three months ended 31 March 2015(Unaudited)</i>	<i>Residential and commercial property QR'000</i>	<i>Investments QR'000</i>	<i>Hotel and suites QR'000</i>	<i>Malls QR'000</i>	<i>Distribution and publishing QR'000</i>	<i>Adjustments and eliminations QR'000</i>	<i>Total QR'000</i>
<i>Segment revenues</i>	290,185	311,601	74,524	26,613	-	(5,746)	697,178
<i>Segment expenses</i>	(151,706)	(40)	(20,187)	(8,497)	-	5,746	(174,685)
<i>Segment profit</i>	138,479	311,561	54,337	18,116	-	-	522,493

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20 SEGMENTAL INFORMATION (CONTINUED)

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

	<i>Residential and commercial property QR'000</i>	<i>Investments QR'000</i>	<i>Hotel and suites QR'000</i>	<i>Malls QR'000</i>	<i>Distribution and publishing of news papers QR'000</i>	<i>Adjustments and eliminations QR'000</i>	<i>Total QR'000</i>
SEGMENT ASSETS							
As of 31 March 2016 (Unaudited)	<u>34,461,927</u>	<u>9,674,588</u>	<u>4,977,753</u>	<u>1,265,887</u>	<u>349,425</u>	<u>(2,274,029)</u>	<u>48,455,551</u>
As of 31 December 2015 (Audited)	<u>32,442,155</u>	<u>8,812,028</u>	<u>4,911,265</u>	<u>1,728,404</u>	<u>-</u>	<u>(955,088)</u>	<u>46,938,764</u>
SEGMENT LIABILITIES							
As of 31 March 2016 (Unaudited)	<u>18,163,430</u>	<u>1,011,825</u>	<u>80,008</u>	<u>46,490</u>	<u>156,142</u>	<u>(2,274,029)</u>	<u>17,183,866</u>
As of 31 December 2015 (Audited)	<u>16,669,153</u>	<u>737,462</u>	<u>60,869</u>	<u>45,137</u>	<u>-</u>	<u>(955,088)</u>	<u>16,557,533</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 EVENTS

- On 11 April 2016, the Ordinary General Assembly Meeting approved the recommendation of the Board of Directors to issue Sukuk compatible with Shariah amounting to two billion US dollars or the equivalent in other currencies, either in part or several parts, through a single issue or a series of versions.
- On 17 April 2016, the Group gain significant influence over Widam Food Company Q.S.C. through representation of the Group in Board of Directors of Widam Food Company Q.S.C.
- On 27 April 2016, the Group has obtained credit ratings by S&P and Moody's (BBB-) and (Ba1), respectively.