

Ezdan Holding Group Q.S.C.

**INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**


30 September 2013

Ezdan Holding Group Q.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2013

		<i>30 September 2013 (Unaudited)</i>	<i>31 December 2012 (Audited) (Restated)</i>
	<i>Notes</i>	<i>QR'000</i>	<i>QR'000</i>
ASSETS			
Cash and bank balances	6	618,129	323,687
Receivables and prepayments		279,550	182,010
Inventory		8,318	8,477
Due from related parties	11	34,987	24,142
Available for sale financial assets	7	2,955,767	2,322,867
Investments in associates	8	2,637,806	2,609,712
Investment properties	9	34,069,000	33,203,145
Property, plant and equipment		<u>26,549</u>	<u>21,409</u>
TOTAL ASSETS		<u>40,630,106</u>	<u>38,695,449</u>
LIABILITIES AND EQUITY			
Payables and other liabilities	10	334,517	298,033
Due to related parties	11	61,839	693,610
Islamic financing borrowings	12	<u>12,323,012</u>	<u>10,140,724</u>
TOTAL LIABILITIES		<u>12,719,368</u>	<u>11,132,367</u>
EQUITY			
Share capital		26,524,967	26,524,967
Legal reserve	16	847,139	847,139
Revaluation reserve		(71,959)	(46,798)
Foreign currency translation reserve		3,192	3,192
Retained earnings		<u>607,399</u>	<u>234,582</u>
TOTAL EQUITY		<u>27,910,738</u>	<u>27,563,082</u>
TOTAL LIABILITIES AND EQUITY		<u>40,630,106</u>	<u>38,695,449</u>


 Dr. Khalid Bin Thani Al-Thani
 Chairman Of the Board of Directors


 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 Nine Months Ended 30 September 2013

		<i>For the nine months ended</i>	
		<i>30 September</i>	
		<i>2013</i>	<i>2012</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
<i>Note</i>		<i>QR'000</i>	<i>QR'000</i>
	Rental income	659,151	358,413
	Dividends income from available for sale financial assets	108,212	-
	Net gain on sale of available for sale financial assets	130,811	-
	Other operating revenues	41,666	9,766
	Operating expenses	(102,447)	(72,628)
	Operating profit for the period	837,393	295,551
	<i>Add / (Less):</i>		-
	Share from the results of associate companies	178,372	-
	Gain on sale of investment properties	-	106,767
	Other income	6,014	10,902
	General and administrative expenses	(118,099)	(49,160)
	Depreciation	(6,168)	(15,053)
	Impairment loss of available for sale financial assets	(25,000)	-
	Finance costs	(154,870)	(88,083)
	NET PROFIT FOR THE PERIOD	717,642	260,924
	BASIC AND DILUTED EARNINGS PER SHARE (QR)	0.27	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 Nine Months Ended 30 September 2013

	<i>For the nine months ended</i>	
	<i>30 September</i>	
	<i>2013</i>	<i>2012</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<i>Note</i>	<i>QR'000</i>	<i>QR'000</i>
Profit for the period	<u>717,642</u>	<u>260,924</u>
Other comprehensive loss		
Share of revaluation reserve of associate	(12,829)	
Revaluation reserve movement	14 <u>(12,332)</u>	<u>-</u>
Other comprehensive loss for the period	<u>(25,161)</u>	<u>-</u>
Total comprehensive income for the period	<u><u>692,481</u></u>	<u><u>260,924</u></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 Nine Months Ended 30 September 2013

	<i>Share capital QR'000</i>	<i>Legal reserve QR'000</i>	<i>Revaluation reserve QR'000</i>	<i>Revaluation surplus</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 – as previously stated	26,524,967	847,139	(96,592)	103,146	-	368,193	27,746,853
Prior period adjustments (Note 20)	-	-	49,794	(103,146)	3,192	(133,611)	(183,771)
Balance at 1 January 2013 – (Restated)	<u>26,524,967</u>	<u>847,139</u>	<u>(46,798)</u>	<u>-</u>	<u>3,192</u>	<u>234,582</u>	<u>27,563,082</u>
Profit for the period	-	-	-	-	-	717,642	717,642
Other comprehensive loss for the period	-	-	(25,161)	-	-	-	(25,161)
Total comprehensive (loss) income for the period	-	-	(25,161)	-	-	717,642	692,481
Dividends for 2012 (Note 15)	-	-	-	-	-	(344,825)	(344,825)
Balance at 30 September 2013 (Unaudited)	<u><u>26,524,967</u></u>	<u><u>847,139</u></u>	<u><u>(71,959)</u></u>	<u><u>-</u></u>	<u><u>3,192</u></u>	<u><u>607,399</u></u>	<u><u>27,910,738</u></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 Nine Months Ended 30 September 2013

	<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 2012 (Audited)	<u>26,524,967</u>	<u>806,264</u>	<u>-</u>	<u>-</u>	<u>408,413</u>	<u>27,739,644</u>
Profit for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>260,924</u>	<u>260,924</u>
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>260,924</u>	<u>260,924</u>
Dividends for 2011 (Note 15)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(397,875)</u>	<u>(397,875)</u>
Balance at 30 September 2012 (Unaudited)	<u><u>26,524,967</u></u>	<u><u>806,264</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>271,462</u></u>	<u><u>27,602,693</u></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 Nine Months Ended 30 September 2013

		<i>Nine months ended 30 September</i>	
		2013	2012
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>Notes</i>	QR'000	QR'000
OPERATING ACTIVITIES			
Profit for the period		717,642	260,924
Adjustment for:		-	-
Depreciation		6,168	15,053
Gains from disposal of property, plant and equipment		-	(44)
Provision for employees' end of service benefits		3,550	-
Share from the results of associate companies		(178,372)	-
Allowance for impairment of doubtful receivables		4,442	6,541
Reversal of allowance for impairment of doubtful receivables		(3,425)	(2,723)
Impairment loss of available for sale financial assets		25,000	-
Dividends income		(108,212)	-
Profit on Islamic bank accounts		(2,589)	(4,180)
Net gain on sale of available for sale financial assets and associates		(130,811)	-
Finance costs		154,870	88,083
		488,263	363,654
Working capital changes:			
Receivables and prepayments		(98,557)	(245)
Inventory		159	(27,347)
Due from/to related parties		(642,616)	841,463
Payables and other liabilities		34,381	28,325
Receivables written-off			(2,638)
Cash (used in) from operations		(218,370)	1,203,212
Employees' end of service benefits paid		(1,447)	
Net cash flows (used in) from operating activities		(219,817)	1,203,212
INVESTING ACTIVITIES			
Payments for purchase of property, plant and equipment		(11,308)	(9,429)
Proceeds from disposal of property, plant and equipment		0	56
Payments for purchase and development of investment properties		(626,050)	(498,184)
Proceeds from sale of available for sale financial assets		785,373	-
Payments for purchase of available for sale financial assets		(1,324,988)	-
Payments for purchase of investments in associates		(39,784)	-
Dividends received from available for sale financial assets and associates		285,639	-
Profits on Islamic bank accounts		2,589	4,180
Net cash used in investing activities		(928,529)	(503,377)
FINANCING ACTIVITIES			
Proceeds from Islamic financing borrowings		2,609,000	221,548
Payments for Islamic financing borrowings		(821,387)	(1,176,883)
Dividends paid	15	(344,825)	(397,875)
Net cash flows from (used in) financing activities		1,442,788	(1,353,210)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
		294,442	(653,375)
Cash and cash equivalents as of 1 January		323,687	762,769
CASH AND CASH EQUIVALENTS AS OF 30 SEPTEMBER	6	618,129	109,394

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 30 September 2013

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Ezdan Holding Group Q.S.C. (“the Company”) (formally, 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 subsidiaries (together referred to as “the Group”) as at and for the period ended 30 September 2013, include the following subsidiaries:

<i>Name of the Company</i>	<i>Share capital QR</i>	<i>Effective percentage of ownership</i>		
		<i>30 September 2013</i>	<i>30 September 2012</i>	<i>31 December 2012</i>
Ezdan Trading and Contracting Company S.O.C.	200,000	-	100%	-
Ezdan Hotel and Suites Company S.O.C	200,000	100%	100%	100%
Ezdan Mall Company S.O.C	200,000	100%	100%	100%
Ezdan Facility Management Company S.O.C	200,000	100%	100%	100%
Ezdan Partnership Co. S.O.C	200,000	100%	-	100%
Itkan Trading Co. S.O.C	200,000	100%	-	100%
Alrobe Alkhale Trading Co. S.O.C	200,000	100%	-	100%
Al Iklim Real Estate Co. S.O.C	200,000	100%	-	100%
Almnara Medical Equipment Co. S.O.C	200,000	100%	-	100%
Al Taybeen Trading Co. S.O.C	200,000	100%	-	100%
Al Kara Trading Co. S.O.C	200,000	100%	-	100%
Ethmar Construction and Trading Co. S.O.C	200,000	100%	-	100%
Al Namaa Maintenance Services Co. S.O.C	200,000	100%	-	100%
Shatee Alneel Co. S.O.C	200,000	100%	-	100%
Arkan Import and Export Co. S.O.C	200,000	100%	-	100%
Tarek Al Haq Trading Co. S.O.C	200,000	100%	-	100%
Manazel Trading Co. S.O.C	200,000	100%	-	100%
Een Jaloot Trading Co. S.O.C	200,000	100%	-	100%
Tareek Alkher Trading Co. S.O.C	200,000	100%	-	100%
Alkora Alzahbya Co. S.O.C	200,000	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 30 September 2013.

2 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the nine months ended 30 September 2013 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 2012. In addition, results for the nine months ended 30 September 2013 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 2012, except for the adoption of new standards and interpretations effective as of 1 January 2013.

During the period, the Group has adopted the following standards effective for the annual period beginning on or after 1 January 2013.

IAS 1 Presentation of Items of Other Comprehensive Income - Amendments to IAS 1

The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g., net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (e.g., actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affected presentation only and had no impact on the Group’s financial position or performance.

IAS 34 Interim financial reporting and segment information for total assets and liabilities (Amendment)

The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 Operating Segments. Total assets and liabilities for a reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity’s previous annual consolidated financial statements for that reportable segment. The Group provides this disclosure in Note 19.

IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replaces the parts of previously existing IAS 27 “Consolidated and Separate Financial Statements” that dealt with consolidated financial statements and SIC-12 Consolidation - Special Purpose Entities. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in IFRS 10, all three criteria must be met, including: (a) an investor has power over an investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investor’s returns. IFRS 10 had no impact on the consolidation of investments held by the Group.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group.

IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 Financial Instruments: Disclosures. Some of these disclosures are specifically required for financial instruments by IAS 34.16A(j), thereby affecting the interim condensed consolidated financial statements period. The Group provides these disclosures in Note 18.

In addition to the above-mentioned amendments and new standards, IFRS 1 First-time Adoption of International Financial Reporting Standards was amended with effect for reporting periods starting on or after 1 January 2013. The Group is not a first-time adopter of IFRS, therefore, this amendment is not relevant to the Group.

The following amendments to standards became effective in 2013, but did not have any impact on the accounting policies, financial position or performance of the Group.

<i>Standards</i>	<i>Contents</i>
IFRS 7	Financial Instruments: Disclosures Offsetting Financial Assets and Financial Liabilities Amendments to IFRS 7
IFRS 11	Joint Arrangements and IAS 28 Investment in Associates and Joint Ventures
IFRS 12	Disclosure of Interests in Other Entities
IAS 1	Clarification of the requirement for comparative information (Amendment)

The Group is currently considering the implications of the new IFRS which are effective for future accounting periods and has not early adopted any of the new standards as listed below:

<i>Standards</i>	<i>Contents</i>	<i>Effective date</i>
IFRS 9	Financial instruments	1 January 2015
IAS 32	Amendment to IAS 32, 'Financial instruments: Presentation', on asset and liability offsetting	1 January 2014

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

In preparing these unaudited interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation of uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2012.

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 2012.

At 30 September 2013

6 CASH AND CASH EQUIVALENTS

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

	<i>30 September 2013 (Unaudited) QR'000</i>	<i>30 September 2012 (Unaudited) QR'000</i>	<i>31 December 2012 (Audited) QR'000</i>
Cash on hand	983	1,032	105
<i>Cash at banks</i>			
Short term deposits	550,000	42,000	-
Current accounts	14,065	8,863	280,057
Saving and call accounts	53,081	54,277	43,525
Margin bank accounts	-	3,222	-
	<u>618,129</u>	<u>109,394</u>	<u>323,687</u>
Total cash and bank balances	618,129	109,394	323,687

7 AVAILABLE FOR SALE FINANCIAL ASSETS**Concentration of investment portfolio**

Concentration of investment portfolio arises when a number of investments are made in entities engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would be affected by changes in economic, political or other conditions. The Group manages this risk through diversification of investments in terms of industry concentration. The industry concentration of the investment portfolio is as follows:

	<i>30 September 2013 (Unaudited) QR'000</i>	<i>31 December 2012 (Audited) (Restated) QR'000</i>
Banks and financial institutions	2,434,619	2,169,750
Industry	326,482	92,923
Transportation	156,816	28,381
Real Estate	13,064	15,833
Services	16,939	4,075
Telecommunication	7,847	11,780
Insurance	-	125
	<u>2,955,767</u>	<u>2,322,867</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 12

8 INVESTMENTS IN ASSOCIATES

The following table illustrates the summarised financial information of the Group's investments in associates:

	<i>30 September 2013 (Unaudited)</i>	<i>31 December 2012 (Audited) (Restated)</i>
	<i>QR'000</i>	<i>QR'000</i>
<i>Group's share of the associates' statement of financial position:</i>		
Total assets	8,075,053	7,078,933
Total liabilities	(6,554,982)	(5,550,149)
Net assets	1,520,071	1,528,784
Goodwill	1,117,735	1,080,928
Carrying amount of the investments	2,637,806	2,609,712
<i>For the nine months ended 30 September</i>		
	<i>2013</i>	<i>2012</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>QR'000</i>	<i>QR'000</i>
<i>Group's share of associates' revenues and results:</i>		
Revenues	1,608,034	-
Results	178,372	-

Note:

(i) The mortgages on investments in associates are disclosed in Note 12

At 30 September 2013

9 INVESTMENT PROPERTIES

	<i>30 September 2013 (Unaudited) QR'000</i>	<i>31 December 2012 (Audited) QR'000</i>
At 1 January	33,203,145	31,276,622
Development costs and acquired land during the period / year	626,050	653,708
Capitalized finance costs on properties under development	239,805	173,553
Disposal of property	-	(515,302)
Acquired properties	-	1,583,320
Fair value adjustment on investment properties	-	31,244
	<u>34,069,000</u>	<u>33,203,145</u>

Notes:

- (i) All investment properties are located in the State of Qatar.
- (ii) The mortgages on the investment properties are disclosed in Note 12.

10 PAYABLES AND OTHER LIABILITIES

	<i>30 September 2013 (Unaudited) QR'000</i>	<i>31 December 2012 (Audited) (Restated) QR'000</i>
Unearned rent	112,345	36,858
Tenants deposits	107,131	74,388
Contractors and suppliers payable	38,772	24,575
Provision for Social and Sports Activities Fund	31,407	31,407
Retention payable	10,863	10,429
Refundable deposits	11,198	13,352
Accrued expenses	7,241	99,022
Provision for end of service benefits	11,174	6,177
Other payables	4,386	1,825
	<u>334,517</u>	<u>298,033</u>
<i>The maturity of payables and other liabilities are as follows:</i>		
Non-current	22,372	19,529
Current	312,145	278,504
	<u>334,517</u>	<u>298,033</u>

11 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.

Due from related parties

<i>Name of related party</i>	<i>30 September 2013 (Unaudited) QR'000</i>	<i>31 December 2012 (Audited) (Restated) QR'000</i>
Dar Al-Arab W.L.L.	32,893	-
Al-Abdulwahab for Real Estate Development W.L.L.	1,246	4,096
Sak Group for Investment Properties S.O.C.	-	16,418
Other related parties	848	3,628
	<u>34,987</u>	<u>24,142</u>

Due to related parties

<i>Name of related party</i>	<i>30 September 2013 (Unaudited) QR'000</i>	<i>31 December 2012 (Audited) (Restated) QR'000</i>
Al-Tadawul Holding Group Q.S.C.	-	693,610
Sak Group for Investment Properties S.O.C.	61,839	-
	<u>61,839</u>	<u>693,610</u>

	<i>30 September 2013 (Unaudited) QR'000</i>	<i>31 December 2012 (Audited) (Restated) QR'000</i>
Islamic financing borrowings from an associate Bank	<u>2,872,460</u>	<u>2,943,644</u>

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

Transactions with related parties during the period are as follows:

	<i>For the nine months ended 30 September</i>	
	<i>2013 (Unaudited) QR'000</i>	<i>2012 (Unaudited) QR'000</i>
Construction of investment properties (i)	<u>513,636</u>	<u>476,340</u>
Finance costs capitalized to properties under development	<u>61,404</u>	<u>34,189</u>
Finance costs charged to the consolidated statement of income	<u>39,756</u>	<u>24,860</u>
Gain on sale of investment properties (ii)	<u>-</u>	<u>106,767</u>

Notes:

- (i) The Group entered into a construction agreement with Sak Group for Investment Properties S.O.C. to construct all of its investment properties.
- (ii) During the nine months ended 30 September 2012, the Group has entered into a contract to sell investment property to Al-Tadawul Holding Group Q.S.C. (Parent of the Group) for an amount of QR 610,584 thousand. The transaction has resulted in recognition of gain on sale amounting to QR 106,767 thousand.

12 ISLAMIC FINANCING BORROWINGS

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

	<i>30 September 2013 (Unaudited) QR'000</i>	<i>31 December 2012 (Audited) (Restated) QR'000</i>
At 1 January	10,140,724	4,841,985
Additional facilities obtained during the period / year	2,609,000	5,932,584
Finance costs	394,675	351,248
Repayments of outstanding facilities during the period / year	<u>(821,387)</u>	<u>(985,093)</u>
At 30 September / 31 December	<u>12,323,012</u>	<u>10,140,724</u>
<i>The maturity of Islamic financing borrowings are as follows:</i>		
Current	2,113,292	722,344
Non-current	<u>10,209,720</u>	<u>9,418,380</u>
	<u>12,323,012</u>	<u>10,140,724</u>

Note:

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

As at 30 September 2013, the Group had secured borrowings against mortgages on different types of investment properties owned by the Group with a carrying value of QR 15,170,202 thousand (31 December 2012: QR 14,888,572 thousand) and mortgage against quoted shares included in the interim condensed consolidated financial statements within available for sale financial assets and investments in associates with carrying value of QR 3,036,919 thousand at 30 September 2013 (31 December 2012: QR 3,817,931 thousand).

At 30 September 2013

13 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.

	<i>30 September 2013 (Unaudited)</i>	<i>30 September 2012 (Unaudited)</i>
Profit for the period (QR'000)	<u>717,642</u>	<u>260,924</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>0.27</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.

14 REVALUATION RESERVE MOVEMENT

	<i>For the nine months ended 30 September</i>	
	<i>2013</i>	<i>2012</i>
	<i>(Unaudited)</i>	
	<i>QR'000</i>	<i>QR'000</i>
<i>Revaluation reserve</i>		
Net movement in revaluation reserve during the period	(37,332)	-
Reclassification adjustments for impairments charged to the income statement	25,000	-
Revaluation reserve movement for the period	<u>(12,332)</u>	<u>-</u>

15 DIVIDENDS

At the General Assembly meeting held on 7 April 2013, the shareholders approved a cash dividend of QR 0.13 per share amounting to a total of QR 344,827 thousand for the year ended 31 December 2012 (2012: QR 0.15 per share amounting to a total of QR 397,875 for the year ended 31 December 2011).

16 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 nine month period ended 30 September 2013 as the Company will transfer the total required amount by 31 December 2013.

17 CONTINGENT LIABILITIES

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

	<i>30 September 2013 (Unaudited) QR'000</i>	<i>31 December 2012 (Audited) QR'000</i>
Bank guarantees	<u>3,220</u>	<u>3,220</u>

At 30 September 2013

18 FINANCIAL INSTRUMENTS**Fair values**

Set out below is a comparison of the carrying amounts and fair value of the Group's financial instruments as at 30 September 2013 and 31 December 2012:

	<i>Carrying amounts</i>		<i>Fair values</i>	
	<i>30 September 2013</i> <i>(Unaudited)</i>	<i>31 December 2012</i> <i>(Audited)</i> <i>(Restated)</i>	<i>30 September 2013</i> <i>(Unaudited)</i>	<i>31 December 2012</i> <i>(Audited)</i> <i>(Restated)</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Financial assets				
Bank balances (excluding cash)	617,146	323,582	617,146	323,582
Receivables	192,414	74,283	192,414	74,283
Due from related parties	34,987	24,142	34,987	24,142
Available for sale financial assets	2,955,767	2,322,867	2,955,767	2,322,867
	3,800,314	2,744,874	3,800,314	2,744,874
Financial liabilities				
Payables and other liabilities	115,040	186,787	115,040	186,787
Due to related parties	61,839	693,610	61,839	693,610
Islamic financing borrowings	12,323,012	10,140,724	12,323,012	10,140,724
	12,499,891	11,021,121	12,499,891	11,021,121

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:

At 30 September 2013 (Unaudited)	<i>Level 1</i> <i>QR'000</i>	<i>Level 2</i> <i>QR'000</i>	<i>Level 3</i> <i>QR'000</i>	<i>Total</i> <i>QR'000</i>
Available for sale financial assets	2,955,767	-	-	2,955,767
	2,955,767	-	-	2,955,767
<i>At 31 December 2012 (Audited)</i> <i>(Restated)</i>	<i>Level 1</i> <i>QR'000</i>	<i>Level 2</i> <i>QR'000</i>	<i>Level 3</i> <i>QR'000</i>	<i>Total</i> <i>QR'000</i>
Available for sale financial assets	2,322,867	-	-	2,322,867
	2,322,867	-	-	2,322,867

During the period/year ended 30 September 2013 and 31 December 2012, 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.

Ezdan Holding Group Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2013

19 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.
- Hotel & Suites : The segment includes managing hotels, suites, and restaurants.
- Investments : The segment is engaged in investing activities including shares and bonds.

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 an expense regarding the Group's operating segments for the periods ended 30 September 2013 and 2012.

	<i>Residential and commercial property QR'000</i>	<i>Hotels & Suites QR'000</i>	<i>Investments QR'000</i>	<i>Total QR'000</i>
<i>For the period ended 30 September 2013 (Unaudited)</i>				
<i>Segment revenues</i>	555,200	148,658	420,369	1,124,227
<i>Segment expenses</i>	<u>(336,640)</u>	<u>(44,723)</u>	<u>(25,222)</u>	<u>(406,585)</u>
<i>Segment profit</i>	<u>218,560</u>	<u>103,935</u>	<u>395,147</u>	<u>717,642</u>
<i>For the period ended 30 September 2012 (Unaudited)</i>				
<i>Segment revenues</i>	354,453	131,395	-	485,848
<i>Segment expenses</i>	<u>(187,363)</u>	<u>(37,561)</u>	<u>-</u>	<u>(224,924)</u>
<i>Segment profit</i>	<u>167,090</u>	<u>93,834</u>	<u>-</u>	<u>260,924</u>

The following table presents assets and liabilities information regarding the Group's operating segments as of 30 September 2013 and 31 December 2012.

	<i>Residential and commercial property QR'000</i>	<i>Hotels & Suites QR'000</i>	<i>Investments QR'000</i>	<i>Total QR'000</i>
SEGMENT ASSETS				
As of 30 September 2013 (Unaudited)	<u>34,840,456</u>	<u>34,316</u>	<u>5,755,334</u>	<u>40,630,106</u>
As of 31 December 2012 (Audited) (Restated)	<u>33,729,684</u>	<u>31,827</u>	<u>4,933,938</u>	<u>38,695,449</u>
SEGMENT LIABILITIES				
As of 30 September 2013 (Unaudited)	<u>12,696,037</u>	<u>23,331</u>	<u>-</u>	<u>12,719,368</u>
As of 31 December 2012 (Audited) (Restated)	<u>11,084,157</u>	<u>48,210</u>	<u>-</u>	<u>11,132,367</u>

20 PRIOR PERIOD ADJUSTMENTS

The consolidated financial statements for the year ended 31 December 2012 have been restated due to the following:

- a) At 31 December 2012, the Group did not recognize impairment loss on its quoted available for sale financial assets amounting to QR 72,528 thousand. The management decided to restate the consolidated financial statements for the year ended 31 December 2012 to reflect this correction.
- b) At 31 December 2012, the Group adjusted the carrying value of its investments in associates based on its share from the balance of other comprehensive income of the investees as at 31 December 2012 instead of its share from changes in other comprehensive income of the investees after the date of acquisition. The opening balances were restated to reflect these corrections by an amount of QR 122,688 thousand.
- c) At 31 December 2012, the Group recognized rent revenue amounting to QR 28,810 thousand which should have been recognized during the nine month period ended 30 September 2013. The consolidated financial statements for the year ended 31 December 2012 have been restated by the same amount to reflect this correction.
- d) At 31 December 2012, the Group did not measure certain Islamic financing borrowings at amortized cost using the effective borrowing rate method. Accordingly the consolidated financial statements for the year ended 31 December 2012 have been restated to reflect this correction by an amount of QR 32,273 thousand.

These adjustments did not have any effect on the interim consolidated statements of income and comprehensive income for the nine month period ended 30 September 2012.

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 except for what is disclosed in Note 20.