

**SUPPLEMENT DATED 3 MAY 2016
TO THE BASE PROSPECTUS DATED 28 APRIL 2016**



EZDAN SUKUK COMPANY LIMITED

(incorporated with limited liability under the laws of the Cayman Islands)

**U.S.\$2,000,000,000
Trust Certificate Issuance Programme**

This Supplement (the **Supplement**) to the Base Prospectus (the **Base Prospectus**) dated 28 April 2016 which comprises a base prospectus for the purposes of Directive 2003/71/EC, as amended (including by Directive 2010/73/EU) (the **Prospectus Directive**), constitutes a supplement for the purposes of Article 16 of the Prospectus Directive and is prepared in connection with the U.S.\$2,000,000,000 Trust Certificate Issuance Programme (the **Programme**) established by Ezdan Sukuk Company Limited (the **Trustee**). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement has been approved by the Central Bank of Ireland as competent authority under the Prospectus Directive. The Central Bank of Ireland only approves this Supplement as meeting the requirements imposed under Irish and European Union law pursuant to the Prospectus Directive.

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus and any other supplements to the Base Prospectus issued by the Trustee.

Each of the Trustee and Ezdan Holding Group Q.S.C. (**Ezdan**) accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Trustee and Ezdan (each having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

No responsibility or liability is accepted by either of the Arrangers as to the accuracy or completeness of the information contained in this Supplement. Accordingly, no representation, warranty or undertaking, express or implied, is made by them in relation hereto.

Purpose of the Supplement

The purpose of this Supplement is (a) to include Ezdan's unaudited interim condensed consolidated financial statements as at, and for the three months ended, 31 March 2016, together with the review report prepared in connection therewith and (b) to include a new "significant/material adverse change" statement in the General Information section of the Base Prospectus.

Unaudited Interim Condensed Consolidated Financial Statements as at, and for the three months ended, 31 March 2016

On 1 May 2016, Ezdan published its unaudited interim condensed consolidated financial statements as at, and for the three months ended, 31 March 2016. Copies of those interim financial statements, together with the review report prepared in connection therewith, have been filed with the Central Bank of Ireland and, by virtue of this Supplement, those interim financial statements, together with the review report prepared in connection therewith, form part of the Base Prospectus.

Copies of all documents incorporated by reference in the Base Prospectus can be obtained from the office of the Principal Paying Agent as described on page 200 of the Base Prospectus.

If documents which are incorporated by reference themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement for the purposes of the Prospectus Directive.

Significant/material adverse change statement

The second paragraph of section (4) on page 199 of the Base Prospectus shall be deemed deleted and replaced with the following paragraph:

"There has been no significant change in the financial or trading position of the Obligor or of the Group since 31 March 2016 and there has been no material adverse change in the prospects of the Obligor or of the Group since 31 December 2015."

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information contained in the Base Prospectus since the publication of the Base Prospectus.

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

| | | 31 March 2016 (Unaudited) QR'000 | 31 December 2015 (Audited) QR'000 |
|--|-------|---|--|
| | Notes | | |
| 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 | | 48,455,551 | 46,938,764 |
| 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 | | 17,183,866 | 16,557,533 |
| 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 | | 30,824,469 | 29,977,240 |
| Non-controlling interest | | 447,216 | 403,991 |
| Total equity | | 31,271,685 | 30,381,231 |
| TOTAL LIABILITIES AND EQUITY | | 48,455,551 | 46,938,764 |

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>Note</i> | <i>For the three months ended 31 March</i> | |
|---|-------------|--|--|
| | | <i>2016 (Unaudited) QR'000</i> | <i>2015 (Unaudited) 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 | | (78,290) | (64,529) |
| 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 | | (143,269) | (69,680) |
| PROFIT FOR THE PERIOD | | 584,897 | 522,493 |
| <i>Attributable to:</i> | | | |
| Equity holders to the parents | | 585,650 | 522,493 |
| Non-controlling interest | | (753) | - |
| | | 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

| | | <i>For the three months ended 31 March</i> | |
|---|-------------|--|--|
| | | <i>2016 (Unaudited) QR'000</i> | <i>2015 (Unaudited) QR'000</i> |
| | <i>Note</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 | 260,084 | (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><u>846,476</u></u> | <u><u>450,525</u></u> |
| <i>Attributable to:</i> | | | |
| <i>Equity holders of the parent</i> | | 847,229 | 450,525 |
| <i>Non-controlling interest</i> | | <u>(753)</u> | <u>-</u> |
| | | <u><u>846,476</u></u> | <u><u>450,525</u></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

| | Attributable to the equity holders of the Parent | | | | | |
|--|--|--------------------------|-------------------------------|---|------------------------------|-------------------|
| | Share capital QR '000 | Legal reserve QR '000 | Fair value reserve QR '000 | Foreign currency translation reserve QR '000 | Retained earnings QR '000 | Total QR '000 |
| Balance at 1 January 2016 (Audited) | 26,524,967 | 1,222,112 | 605,559 | 1,954 | 1,622,648 | 29,977,240 |
| Profit for the period | - | - | - | - | 585,650 | 585,650 |
| Other comprehensive income for the period | - | - | 261,579 | - | - | 261,579 |
| Total comprehensive income for the period | - | - | 261,579 | - | 585,650 | 847,229 |
| Non-controlling interests arising on a business combination (Note 5) | - | - | - | - | - | - |
| Balance at 31 March 2016 (Unaudited) | 26,524,967 | 1,222,112 | 867,138 | 1,954 | 2,208,298 | 30,824,469 |
| | | | | | 403,991 | 30,381,231 |
| | | | | | (753) | 584,897 |
| | | | | | - | 261,579 |
| | | | | | (753) | 846,476 |
| | | | | | 43,978 | 43,978 |
| | | | | | 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

| | Attributable to the equity holders of the Parent | | | | | |
|--|--|--------------------------|--------------------------------|---|------------------------------|-------------------------|
| | Foreign | | | Non- | | |
| | Share capital QR '000 | Legal reserve QR '000 | Revaluation reserve QR '000 | currency translation reserve QR '000 | Retained earnings QR '000 | Total equity QR '000 |
| Balance at 1 January 2015 (Audited) | 26,524,967 | 1,055,927 | 1,264,808 | 1,954 | 1,229,525 | 30,077,181 |
| Profit for the period | - | - | - | - | 522,493 | 522,493 |
| Other comprehensive loss for the period | - | - | (71,968) | - | - | (71,968) |
| Total comprehensive (loss) income for the period | - | - | (71,968) | - | 522,493 | 450,525 |
| Dividends (Note 16) | - | - | - | - | (1,060,999) | (1,060,999) |
| Balance at 31 March 2015 (Unaudited) | 26,524,967 | 1,055,927 | 1,192,840 | 1,954 | 691,019 | 29,466,707 |

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

| | | Three months ended 31 March | |
|---|------|-----------------------------|-----------------------|
| | | 2016 | 2015 |
| | Note | (Unaudited) QR'000 | (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) |
| Cash from operations | | 880,606 | 232,891 |
| Employees' end of service benefits paid | | (1,153) | (1,025) |
| 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 |
| 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) |
| 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 | | (155,610) | 1,148,645 |
| | | 618,292 | 98,098 |
| 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.

| Name of the Company | Share capital QR | Country of incorporation | Effective percentage of ownership | | |
|---|---------------------|--------------------------------|--------------------------------------|---------------------|------------------|
| | | | 31 March 2016 | 31 December 2015 | 31 March 2015 |
| 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 Imtiaz for Trading S.O.C. | 200,000 | Qatar | 100% | 100% | 100% |
| Ezdan Palace Hotel.S.O.C. | 200,000 | Qatar | 100% | 100% | 100% |
| Emtidad 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% | - | - |

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 (CONTINUED)

| Name of the Company | Share capital QR | Country of incorporation | Effective percentage of ownership | | |
|---|---------------------|--------------------------------|--------------------------------------|---------------------|------------------|
| | | | 31 March 2016 | 31 December 2015 | 31 March 2015 |
| 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:

| Topic | Effective date |
|---|----------------|
| 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 |
| IFRS 5 Non-current Assets Held for Sale and Discontinued Operations | |
| IFRS 7 Financial Instruments: Disclosures | |
| IAS 34 Interim Financial Reporting | |

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.

Ezdan Holding Group Q.S.C.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2016

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.

Ezdan Holding Group Q.S.C.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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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> | <i>(1,523)</i> | <i>(9,687)</i> | <i>(1,523)</i> |
| Cash and cash equivalents | 462,682 | 1,246,743 | 618,292 |

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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 |
| <i>The maturity of receivables and prepayments are as follows:</i> | | |
| Non-current | 15,416 | 12,359 |
| Current | 652,762 | 587,699 |
| | 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:

- All available for sale financial assets of the Group are local shares listed at Qatar Exchange.
- The mortgages on available for sale financial assets are disclosed in Note 13.
- 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.

Ezdan Holding Group Q.S.C.

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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 (Unaudited) QR'000</i> | <i>31 December 2015 (Audited) QR'000</i> |
|---|---|-------------------------------|-------------------|---|--|
| | | <i>2016 %</i> | <i>2015 %</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 (Unaudited) QR'000</i> | <i>31 December 2015 (Audited) 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.

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11 PAYABLES AND OTHER LIABILITIES

| | 31 March 2016 (Unaudited) QR'000 | 31 December 2015 (Audited) QR'000 |
|---|---|--|
| 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 | <u>981,484</u> | <u>331,512</u> |
| | <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

| | 31 March 2016 (Unaudited) QR'000 | 31 December 2015 (Audited) QR'000 |
|---|---|--|
| 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 | <u>26</u> | <u>8</u> |
| | <u>8,393</u> | <u>40,577</u> |

Ezdan Holding Group Q.S.C.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2016

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 (Note 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.

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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> |

Ezdan Holding Group Q.S.C.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2016

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> |

Ezdan Holding Group Q.S.C.

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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> |

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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>5,883,248</u> | <u>-</u> | <u>-</u> | <u>5,883,248</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 : 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.

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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>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 2016 Unaudited)</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>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) | 34,461,927 | 9,674,588 | 4,977,753 | 1,265,887 | 349,425 | (2,274,029) | 48,455,551 |
| As of 31 December 2015 (Audited) | 32,442,155 | 8,812,028 | 4,911,265 | 1,728,404 | - | (955,088) | 46,938,764 |
| SEGMENT LIABILITIES | | | | | | | |
| As of 31 March 2016 (Unaudited) | 18,163,430 | 1,011,825 | 80,008 | 46,490 | 156,142 | (2,274,029) | 17,183,866 |
| As of 31 December 2015 (Audited) | 16,669,153 | 737,462 | 60,869 | 45,137 | - | (955,088) | 16,557,533 |

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.