

**ISLAMIC HOLDING GROUP (Q.P.S.C.)**

**UNAUDITED INTERIM CONDENSED CONSOLIDATED**  
**FINANCIAL STATEMENTS**  
**FOR THE THREE MONTH PERIOD ENDED**  
**31 MARCH 2018**

**ISLAMIC HOLDING GROUP (Q.P.S.C.)**  
**UNAUDITED INTERIM CONDENSED CONSOLIDATED**  
**FINANCIAL STATEMENTS**  
**FOR THE THREE MONTH PERIOD ENDED**  
**31 MARCH 2018**

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## **INDEPENDENT AUDITOR’S REVIEW REPORT**

**TO THE BOARD OF DIRECTORS  
ISLAMIC HOLDING GROUP (Q.P.S.C.)  
DOHA – STATE OF QATAR**

### **Introduction**

We have reviewed the accompanying interim consolidated statement of financial position of Islamic Holding Group (Q.P.S.C) (the “Company”) and its subsidiaries (together referred to as the “Group”) as of March 31 2018, and the related interim consolidated statements of income, comprehensive income, changes in shareholders’ equity and cash flows for the three-month period then ended and the related explanatory notes on these interim condensed financial statements. The Board of directors of the Group is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 – Interim Financial Reporting. 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 audited interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – “Interim Financial Reporting”.

**Rödl & Partner – Qatar branch  
Certified Public Accountants**

**Doha – Qatar  
April 23, 2018**

**Hikmat Mukhaimer, FCCA (UK)  
License No. 297  
QFMA Registration Auditor's No. 120151**

**ISLAMIC HOLDING GROUP (Q.P.S.C.)****INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION****As at March 31, 2018**

		<b>March 31, 2018</b>	<b>December 31, 2017</b>
	<b>Notes</b>	<b>(Unaudited) QR</b>	<b>(Audited) QR</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Bank balances	3	119,303,896	114,371,203
Bank balances - customers' funds	4	109,847,561	51,996,217
Due from Qatar Central Securities Depository (QCSD)		--	13,514,804
Prepayments and other debit balances	5	5,545,695	3,625,974
Due from customers		250,282	--
<b>Total current assets</b>		<b>234,947,434</b>	<b>183,508,198</b>
<b>Non-current assets</b>			
Investment properties	6	8,636,356	8,636,356
Financial assets	7	6,913,711	7,246,486
Property and equipment	8	785,133	821,151
<b>Total non-current assets</b>		<b>16,335,200</b>	<b>16,703,993</b>
<b>Total assets</b>		<b>251,282,634</b>	<b>200,212,191</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Due to customers		106,770,121	60,358,147
Due to Qatar Central Securities Depository (QCSD)		3,015,284	--
Accrued expenses and other credit balances	9	4,269,125	2,564,539
<b>Total current liabilities</b>		<b>114,054,530</b>	<b>62,922,686</b>
<b>Non-current liability</b>			
Employees' end of service benefits	10	1,310,337	1,275,969
<b>Total liabilities</b>		<b>115,364,867</b>	<b>64,198,655</b>
<b>Shareholders' equity</b>			
Share capital	11	56,635,810	56,635,810
Legal reserve	12	78,780,322	78,780,322
Fair value reserve	7	(887,759)	(554,984)
Retained earnings		1,389,394	1,152,388
<b>Total shareholders' equity</b>		<b>135,917,767</b>	<b>136,013,536</b>
<b>Total liabilities and shareholders' equity</b>		<b>251,282,634</b>	<b>200,212,191</b>

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Dr. Youseef ahmed Al-Neema  
Head of Board of Directors

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Khalid Mohamed Al-Emadi  
Board Member

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

**ISLAMIC HOLDING GROUP (Q.P.S.C.)****INTERIM CONSOLIDATED STATEMENT OF INCOME  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2018**

		Three-Month Period Ended March 31,	
		2018	2017
		(Unaudited)	(Unaudited)
	Notes	QR	QR
Brokerage and commission income		1,367,720	3,960,090
Brokerage and commission expense	14	(351,756)	(1,182,141)
<b>Net Brokerage and commission income</b>		<b>1,015,964</b>	<b>2,777,949</b>
<b>Add:</b>			
Income from saving and deposit accounts with Islamic banks		842,473	527,141
Net profit from financial assets		--	70,165
Rental income		61,625	--
Gain from shares		290,000	--
<b>Net operating income</b>		<b>2,210,062</b>	<b>3,375,255</b>
<b>Less:</b>			
General and administrative expenses	15	(1,829,408)	(1,911,211)
Depreciation	8	(87,518)	(92,010)
Bank Charges		(56,130)	(62,225)
<b>Net Profit for the period</b>		<b>237,006</b>	<b>1,309,809</b>
Basic and diluted earnings per share	16	<b>0.04</b>	<b>0.23</b>

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

**ISLAMIC HOLDING GROUP (Q.P.S.C.)****INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2018**

	<u>Notes</u>	Three-Month Period Ended	
		March 31,	
		<u>2018</u>	<u>2017</u>
		(Unaudited)	(Unaudited)
		QR	QR
<b>Net Profit for the period</b>		<b>237,006</b>	<b>1,309,809</b>
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>			
Net change in fair value of financial assets	7	<u>(332,775)</u>	<u>(39,669)</u>
<b>Total comprehensive (Loss)/income for the period</b>		<b><u>(95,769)</u></b>	<b><u>1,270,140</u></b>

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

**ISLAMIC HOLDING GROUP (Q.P.S.C.)**

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2018**

	Share capital	Legal reserve	Fair value reserve	Retained earnings	Total
	QR	QR	QR	QR	QR
<b>As at 1 January 2017 (Audited)</b>	<b>56,635,810</b>	<b>78,780,322</b>	<b>--</b>	<b>7,346,343</b>	<b>142,762,475</b>
Profit for the period	--	--	--	1,309,809	1,309,809
Change in fair value	--	--	(39,669)	--	(39,669)
<b>Total comprehensive income for the period</b>	<b>--</b>	<b>--</b>	<b>(39,669)</b>	<b>1,309,809</b>	<b>1,270,140</b>
Dividends paid to shareholders (Note 13)	--	--	--	(5,663,581)	(5,663,581)
<b>As at 31 March 2017 (Unaudited)</b>	<b>56,635,810</b>	<b>78,780,322</b>	<b>(39,669)</b>	<b>2,992,571</b>	<b>138,369,034</b>

	Share capital	Legal reserve	Fair value reserve	Retained earnings	Total
	QR	QR	QR	QR	QR
<b>As at 1 January 2018 (Audited)</b>	<b>56,635,810</b>	<b>78,780,322</b>	<b>(554,984)</b>	<b>1,152,388</b>	<b>136,013,536</b>
Profit for the period	--	--	--	237,006	237,006
Change in fair value	--	--	(332,775)	--	(332,775)
<b>Total comprehensive loss for the period</b>	<b>--</b>	<b>--</b>	<b>(332,775)</b>	<b>237,006</b>	<b>(95,769)</b>
<b>As at 31 March 2018 (Unaudited)</b>	<b>56,635,810</b>	<b>78,780,322</b>	<b>(887,759)</b>	<b>1,389,394</b>	<b>135,917,767</b>

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

**ISLAMIC HOLDING GROUP (Q.P.S.C.)****INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2018**

	<u>Notes</u>	Three-Month Period Ended	
		March 31,	
		2018	2017
		(Unaudited)	(Unaudited)
		QR	QR
<b>Operating activities</b>			
Profit for the period		237,006	1,309,809
<b>Adjustments for:</b>			
Depreciation expense	8	87,518	92,010
Bank charges		56,130	62,225
Income from saving accounts and deposits with Islamic banks		(842,473)	(527,141)
Net gain from financial assets		--	(70,165)
Dividends income from financial assets		(290,000)	--
Provision for employees' end of service benefits	10	34,368	38,524
		<b>(717,451)</b>	<b>905,262</b>
<b>Working capital changes:</b>			
Bank balances – customers' funds		(57,851,344)	22,243,771
Due from customers		(250,282)	--
Due from Qatar Central Securities Depository (QCSD)		13,514,804	8,235,491
Prepayments and other debit balances		(1,919,721)	(130,785)
Due to customers		46,411,974	(33,111,061)
Due to Qatar Central Securities Depository (QCSD)		3,015,284	2,556,156
Accrued expenses and other credit balances		1,704,586	883,246
<b>Cash flows generated from operating activities</b>		<b>3,907,850</b>	<b>1,582,080</b>
Bank charges		(56,130)	(62,225)
<b>Net cash flows generated from operating activities</b>		<b>3,851,720</b>	<b>1,519,855</b>
<b>Investing activities</b>			
Purchase of property and equipment	8	(51,500)	(77,101)
Acquisition of available-for-sale financial assets		--	(3,762,631)
Proceeds from sales of financial assets		--	1,087,377
Dividends income		290,000	--
Income from savings accounts and deposits with Islamic banks received		842,473	527,141
<b>Cash flows generated from / used in investing activities</b>		<b>1,080,973</b>	<b>(2,225,214)</b>
<b>Financing activity</b>			
Dividend paid to shareholders	13	--	(5,663,581)
<b>Cash flows used in financing activity</b>		<b>--</b>	<b>(5,663,581)</b>
Net increase (decrease) in cash and cash equivalents		4,932,693	(6,368,940)
Cash and cash equivalents at 1 January		114,371,203	130,189,069
<b>Cash and cash equivalents at 31 March</b>	3	<b>119,303,896</b>	<b>123,820,129</b>

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

## **ISLAMIC HOLDING GROUP (Q.P.S.C.)**

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2018**

#### **1 GENERAL INFORMATION**

Islamic Holding Group (Q.P.S.C) "Previously Islamic Financial Securities (Q.S.C) was established as a Qatari Private Shareholding Company and registered under the Commercial Registration under No. 26337. The principal activities of the Company are investing in shares, bonds and brokerage services in Qatar Exchange according to the Islamic Sharea'a. The Company is governed by the provisions of Qatar Commercial Companies' Law No.11 of 2015 and the regulations of Qatar Financial Market Authority and Qatar Exchange.

Upon the recommendation of the Board of Directors on 28 December 2009 and the Extraordinary General Assembly Resolution of 22 August 2010, it was agreed to change the name and legal form of the Company from the Islamic Securities Company (a Qatari public shareholding company) to the Islamic Holding Group (a Qatari public shareholding company) The change was made on the basis of the decision of the Qatar Financial Markets Authority and the approval of the Ministry of Economy and Trade on 19 July 2010.

These consolidated financial statements include the financial statements of the Company and its subsidiaries "Islamic Financial Securities Company (W.L.L.) and Ajyad Real Estate Company (W.L.L) (hereinafter referred to as the "Group").

Islamic Financial Securities Company (W.L.L.) was registered in the State of Qatar under Commercial Registration No. 46645 on 19 Jul 2010. It is fully owned by the Islamic Holding Group (Q.S.C.) ("the Company" or "the Parent"), the principal activities of the Company are brokerage services.

Ajyad Real Estate Company (W.L.L.) was incorporated in the state of Qatar under Commercial Registration No. 56091 dated 4 June 2012. The Company is fully owned by the parent Company, Islamic Holding Group (Q.S.C) (the "Company" or the "Parent"), the principal activities of the Company are real estate trading and brokerage activities.

The interim condensed consolidated financial statements of the Group for the three month period ended March 31, 2018 were authorised for issue in accordance with a resolution of the Board of Directors on 23 April 2018.

#### **2 BASIS OF PREPARATION AND CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES**

##### **2.1 Basis of preparation**

The interim condensed consolidated financial statements of the Company and its subsidiaries for the three months ended 31 March 2018 have been prepared in accordance with the International Accounting Standard 34 - "Interim Financial Reporting".

The interim condensed consolidated financial statements do not contain 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 2017. In addition, results for the three months ended 31 March 2018 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2018.

## ISLAMIC HOLDING GROUP (Q.P.S.C.)

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2018

## 2 BASIS OF PREPARATION AND CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTUNUED)

### 2.2 Basis of consolidation

The interim condensed consolidated financial statements comprise the interim financial statement of the Company and its subsidiaries as at 31 March 2018.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The interim condensed financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Where the ownership of a subsidiary is less than 100% and, therefore, a non-controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income of the period, even if that results in a deficit balance.

The Group's subsidiaries included in these interim condensed consolidated financial statements are:

<b>Company's name</b>	<b>Country of incorporation</b>	<b>Company's activities</b>	<b>Percentage of ownership March 31, 2018</b>	<b>Percentage of ownership December 31, 2017</b>
Islamic Financial Securities Company (W.L.L.)	Qatar	Brokerage services	100%	100%
Ajyad Real Estate Company (W.L.L.)	Qatar	Real Estate	100%	100%

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interest;
- Derecognizes the cumulative translation differences, recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss;
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

## ISLAMIC HOLDING GROUP (Q.P.S.C.)

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2018

## 2 BASIS OF PREPARATION AND CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTUNUED)

### 2.2 Basis of consolidation (Continued)

#### New standards, interpretation and amendments

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 2017, except for the adoption of new standards and interpretations effective as of 1 January 2018. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments, they do not have a material impact on the consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group. The nature and the impact of each new standard or amendment is described below:

#### • IFRS 9 "Financial Instruments"

IFRS 9 published in July 2014, replaces the existing IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018. As disclosed in Note 7 to these interim condensed consolidated financial statements which may result in additional disclosures at the end of the year.

#### • IFRS 15 "Revenue from Contracts with Customers" (Effective for year ended 31 December 2018)

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contracts
- Recognise revenue when (or as) the entity satisfies a performance obligation.

#### Adoption amendment

<u>Effective date</u>	<u>Description</u>
January 1, 2018	<ul style="list-style-type: none"><li>• Amendments to IFRS 2 "on classification and measurement of share based payment transactions".</li><li>• Amendments to IAS 40 "Investment Properties".</li><li>• IFRIC 22 "Foreign Currency Transactions and Advance Considerations".</li></ul>

## ISLAMIC HOLDING GROUP (Q.P.S.C.)

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2018

## 2 BASIS OF PREPARATION AND CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTUNUED)

### 2.2 Basis of consolidation (Continued)

#### New standards, interpretation and amendments (Continued)

##### Adoption not expected to impact the Group's consolidated financial statements

The following accounting standards have been issued but have not yet become binding. The Group is currently assessing the impact and will apply them under the relevant dates.

<u>Effective date</u>	<u>Description</u>
January 1,2019	<ul style="list-style-type: none"><li>• IFRS 16 "Leases".</li><li>• Amendments to IAS 28 "Investment in Associates and Joint ventures".</li><li>• Amendments resulting from annual Improvements to IFRS Standards 2015–2017 Cycle.</li></ul>
January 1, 2021	<ul style="list-style-type: none"><li>• IFRS 17 Insurance Contracts</li></ul>
Effective date to be determined	<ul style="list-style-type: none"><li>• Amendments to IFRS 10 and IAS 28" on sale or contribution of assets between an investor and its associate or joint venture"</li></ul>

Management expects to adopt these new standards and their interpretations in future periods that will not have a material impact on the Group's financial statements in the initial application periods other than certain specific elements of the presentation and disclosure.

## 3 BANK BALANCES

	<b>March 31, 2018</b>	<b>December 31, 2017</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>QR</b>	<b>QR</b>
Current Accounts	5,885	5,885
Saving Accounts	9,596,812	5,521,438
Term deposits	109,701,199	108,843,880
	<b>119,303,896</b>	<b>114,371,203</b>

## 4 BANK BALANCES – CUSTOMERS' FUND

Represent bank balances for the customers, which the Group holds in trust until the customers commit those funds to the purchase of shares, following which the Group transfers the committed funds to the Group's bank accounts and settles the same to the Authority which carry out the settlement.

**ISLAMIC HOLDING GROUP (Q.P.S.C.)****NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2018****5 PREPAYMENTS AND OTHER DEBIT BALANCES**

	<b>March 31, 2018</b>	<b>December 31, 2017</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>QR</b>	<b>QR</b>
Refundable deposits	2,002,550	2,000,250
Prepaid expenses	2,428,715	418,619
Accrued revenue	669,794	695,716
Notes receivable	366,000	429,000
Other assets	78,636	82,389
<b>Total</b>	<b>5,545,695</b>	<b>3,625,974</b>

**6 INVESTMENT PROPERTIES**

	<b>March 31, 2018</b>	<b>December 31, 2017</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>QR</b>	<b>QR</b>
At 1, January	8,636,356	8,934,858
loss from revaluation of investment properties	--	(298,502)
<b>Balance</b>	<b>8,636,356</b>	<b>8,636,356</b>

(A) Real estate investments are located in the State of Qatar.

(B) The fair value of investment properties is measured on the basis of valuation made by an authorized Independent property appraiser and property valuation specialists and similar activities. The fair value of the land is determined by reference to the market and the fair value of the buildings is determined based on the recent transaction prices of similar properties. In assessing the fair value of properties, the current use of real estate is the lowest and best use.

**7 FINANCIAL ASSETS**

Financial assets include the following

	<b>March 31, 2018</b>	<b>December 31, 2017</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>QR</b>	<b>QR</b>
Financial assets in listed local companies by Other Comprehensive income (*)	3,625,725	--
Financial assets in Unlisted local companies by Other Comprehensive income	3,287,986	--
Investments in listed local companies (*)	--	3,958,500
Investments in unlisted local companies	--	3,287,986
<b>Total</b>	<b>6,913,711</b>	<b>7,246,486</b>

**ISLAMIC HOLDING GROUP (Q.P.S.C.)****NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2018****7 FINANCIAL ASSETS (CONTINUED)**

(\*) Movements on Investments in listed local companies:

	<b>March 31, 2018</b>	<b>December 31, 2017</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>QR</b>	<b>QR</b>
Balance at 1, January	3,958,500	--
Additions during the period / year	--	5,530,697
Disposal during the period / year	--	(1,083,071)
Gain on sale of financial assets during the period / year	--	65,858
Change in fair value during the period / year	(332,775)	(554,984)
Balance	<b>3,625,725</b>	<b>3,958,500</b>

ISLAMIC HOLDING GROUP (Q.P.S.C.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2018

8 PROPERTY AND EQUIPMENT

	Computers, software and office equipment	Furniture and fixtures	Leasehold improvements	Motor vehicles	Total
	QR	QR	QR	QR	QR
<b>Cost:</b>					
<b>As at 1 January 2018 (Audited)</b>	8,956,666	672,973	2,013,671	72,777	11,716,087
Additions for the period	1,500	50,000	--	--	51,500
<b>As at 31 March 2018 (Unaudited)</b>	<b>8,958,166</b>	<b>722,973</b>	<b>2,013,671</b>	<b>72,777</b>	<b>11,767,587</b>
<b>Depreciation:</b>					
<b>As at 1 January 2018 (Audited)</b>	8,450,312	668,714	1,703,135	72,775	10,894,936
Charge for the period	50,257	1,393	35,868	--	87,518
<b>As at 31 March 2018 (Unaudited)</b>	<b>8,500,569</b>	<b>670,107</b>	<b>1,739,003</b>	<b>72,775</b>	<b>10,982,454</b>
<b>Net book value:</b>					
<b>As at 31 March 2018 (Unaudited)</b>	<b>457,597</b>	<b>52,866</b>	<b>274,668</b>	<b>2</b>	<b>785,133</b>
	Computers, software and office equipment	Furniture and fixtures	Leasehold improvements	Motor vehicles	Total
	QR	QR	QR	QR	QR
<b>Cost:</b>					
<b>As at 1 January 2017 (Audited)</b>	8,766,970	672,973	2,013,671	72,777	11,526,391
Additions for the year	189,696	-	-	-	189,696
<b>As at 31 December 2017 (Audited)</b>	<b>8,956,666</b>	<b>672,973</b>	<b>2,013,671</b>	<b>72,777</b>	<b>11,716,087</b>
<b>Depreciation:</b>					
<b>As at 1 January 2017 (Audited)</b>	8,248,470	665,219	1,559,668	72,775	10,546,132
Charge for the year	201,842	3,495	143,467	--	348,804
<b>As at 31 December 2017 (Audited)</b>	<b>8,450,312</b>	<b>668,714</b>	<b>1,703,135</b>	<b>72,775</b>	<b>10,894,936</b>
<b>Net book value:</b>					
<b>As at 31 December 2017 (Audited)</b>	<b>506,354</b>	<b>4,259</b>	<b>310,536</b>	<b>2</b>	<b>821,151</b>

**ISLAMIC HOLDING GROUP (Q.P.S.C.)****NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2018****9 ACCRUED EXPENSES AND OTHER CREDIT BALANCES**

	<b>March 31, 2018</b>	<b>December 31, 2017</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>QR</b>	<b>QR</b>
Payable to shareholders from sale of shares	1,533,718	1,587,705
Dividend payable	258,993	258,993
Accrued expenses	29,979	126,504
Notes payable	1,881,000	--
Due to shareholders from subscription surplus	39,793	40,205
Un-earned revenue	358,667	420,292
Other payables	166,975	130,840
<b>Total</b>	<b>4,269,125</b>	<b>2,564,539</b>

**10 EMPLOYEES' END OF SERVICE BENEFITS**

	<b>March 31, 2018</b>	<b>December 31, 2017</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>QR</b>	<b>QR</b>
Provision as at 1 January	1,275,969	1,318,309
Provided during the period/year	34,368	166,623
Paid during the period / year	-	(208,963)
<b>Total</b>	<b>1,310,337</b>	<b>1,275,969</b>

**11 SHARE CAPITAL**

	<b>March 31, 2018</b>	<b>December 31, 2017</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>QR</b>	<b>QR</b>
Authorised and paid up 5,663,581 shares with a nominal value of QR 10 per share (31 December 2017: 5,663,581 shares with value of 10 QR per share)	<b>56,635,810</b>	<b>56,635,810</b>

During the year 2016, the group has increased the authorised capital from 4,000,000 shares to 5,663,581 shares after completing subscription in the right issue process and amending the commercial register.

At the shareholder meeting on 15 March 2015, the Board of Directors proposed a 50% increase in the Company's capital and increase the total number of shares to 6,000,000 shares. At the meeting held on May 4, 2015, the share price was determined by the Board of Directors based on a fair value study conducted by an independent valuer of QR10 per unit plus QR40 issued premium. As a result of the rights issue in 2016, the capital increased by QR 16,635,810 to 1,663,581 shares to 5,663,581 shares. The issue premium was QR 66,142,115 and was included in the statutory reserve in accordance with the Companies Law No. 11 For the year 2015.

## ISLAMIC HOLDING GROUP (Q.P.S.C.)

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2018

#### 12 LEGAL RESERVE

In accordance with the provisions of Qatar Commercial Companies Law No. 11 of 2015 and the Articles of Association of the Company, 10% of the Company's annual net profit must be transferred to the statutory reserve each year until the statutory reserve equals 50% of the paid-up share capital. The legal reserve is not available for distribution except in the cases stipulated in the Commercial Companies Law above.

Where the reserve has exceeded 50% of the capital, the management has decided not to transfer any amounts to the statutory reserve balance as at 31 December 2016 and for subsequent years.

#### 13 DIVIDENDS

The Annual General Assembly Meeting of the Company that was held on 1 April 2018 and approved no dividends to be related to 2017.

The Annual General Assembly Meeting of the Company that was held on 20 February 2017 approved QR 1 per share totalling to QR 5,663,581 as cash dividends relating to 2016.

#### 14 BROKERAGE AND COMMISSION EXPENSE

	Three-Month Period Ended	
	March 31,	
	2018	2017
	(Unaudited)	(Unaudited)
	QR	QR
Commission paid to Qatar Central Securities Depository (QCSD)	351,756	1,182,141

#### 15 GENERAL AND ADMINISTRATIVE EXPENSES

	Three-Month Period Ended	
	March 31,	
	2018	2017
	(Unaudited)	(Unaudited)
	QR	QR
Staff costs	833,783	972,165
Rent	359,040	438,104
Telephone and postage	160,319	148,727
Repair and maintenance	91,788	81,994
Brokerage fees	110,295	61,298
Professional fees	54,650	61,501
Annual leave	13,557	--
Provision for employees' end of service benefits (Note 10)	34,368	38,525
Advertising and Marketing Expenses	25,000	--
Air Tickets	8,630	2,785
Stationery and printings	4,349	1,551
Government fees	10,270	18,720
Car expense	1,658	2,962
Miscellaneous expenses	121,701	82,879
	<b>1,829,408</b>	<b>1,911,211</b>

**ISLAMIC HOLDING GROUP (Q.P.S.C.)****NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2018****16 BASIC AND DILUTED EARNINGS PER SHARE**

Basic and diluted earnings per share are calculated by dividing profit for the period by the weighted average number of ordinary shares outstanding during the period as follows:

	Three-Month Period Ended March 31,	
	2018 (Unaudited) QR	2017 (Unaudited) QR
Profit for the period (QR)	237,006	1,309,809
Weighted average number of shares	5,663,581	5,663,581
Basic and diluted earnings per share (QR)	<b>0.04</b>	<b>0.23</b>

There were no potentially dilutive shares outstanding at any time during the period and therefore, the diluted earnings per share is equal to the basic earnings per share.

**17 CONTINGENT LIABILITIES**

	March 31, 2018	December 31, 2017
	(Unaudited) QR	(Audited) QR
Letters of guarantee	<b>125,000,000</b>	<b>125,000,000</b>

**18 RELATED PARTIES TRANSACTIONS**

Related parties represent major shareholders, directors and key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by those parties.

Transactions with related parties included in the interim consolidated statement of income are as follows:

	Three-Month Period Ended March 31,	
	2018 (Unaudited) QR	2017 (Unaudited) QR
Income from saving accounts and deposits with Islamic banks	<b>842,473</b>	<b>527,141</b>
Brokerage and commission income, net	<b>52,535</b>	<b>624,295</b>
Returned commissions	<b>(34,979)</b>	<b>(621,622)</b>

## ISLAMIC HOLDING GROUP (Q.P.S.C.)

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2018

#### 18 RELATED PARTIES TRANSACTIONS (CONTINUED)

Balances with related parties included in the interim consolidated statement of financial position are as follows:

	<u>March 31, 2018</u> (Unaudited) QR	<u>December 31, 2017</u> (Audited) QR
Bank balances – customers’ funds	<u>107,014,509</u>	<u>51,945,037</u>
Bank Balances – Company Fund	<u>119,303,163</u>	<u>114,370,690</u>

#### Key management remuneration

The remuneration of directors and other members of key management during the period were as follows:

	<u>Three-Month Period Ended March 31,</u>	
	<u>2018</u> (Unaudited) QR	<u>2017</u> (Unaudited) QR
Short term benefits	<u>333,000</u>	<u>342,900</u>

#### 19 FINANCIAL INSTRUMENTS

##### Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial investments 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 value that are not based on observable market data

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**ISLAMIC HOLDING GROUP (Q.P.S.C.)****NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2018****19 FINANCIAL INSTRUMENTS (CONTINUED)**

As at 31 March 2018, the Group held the following financial instruments measured at fair value:

	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>31 March 2018 (Unaudited)</b>	<b>QR</b>	<b>QR</b>	<b>QR</b>	<b>QR</b>
Available for sale financial assets	<u>6,913,711</u>	<u>3,625,725</u>	<u>--</u>	<u>3,287,986</u>
Investment properties	<u>8,636,356</u>	<u>--</u>	<u>--</u>	<u>8,636,356</u>
<b>31 December 2017 (Audited)</b>	<b>QR</b>	<b>QR</b>	<b>QR</b>	<b>QR</b>
Available for sale financial assets	<u>7,246,486</u>	<u>3,958,500</u>	<u>--</u>	<u>3,287,986</u>
Investment properties	<u>8,636,356</u>	<u>--</u>	<u>--</u>	<u>8,636,356</u>

During the period ended 31 March 2018, 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 SEGMENT INFORMATION**

For management purposes, the Group is organized into business units based on their nature of activities and has nine reportable segments and other activities. The nine reportable segments are as follows:

- Brokerage – this segment includes financial brokerage services provided to customers;
- Real Estate – this segment includes providing property management, marketing and sales services for real estate
- Others – represents the Holding Company, which provides corporate services to the subsidiaries in the Group.

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. Transfer pricing between operating segments are on arm's length basis in a manner similar to transactions with third parties.

ISLAMIC HOLDING GROUP (Q.P.S.C.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2018

20 SEGMENT INFORMATION (CONTINUED)

Three Month Ended March 31, 2018 (Unaudited)	Brokerage Service	Real estate	Other	Total	Adjustments and eliminations	Consolidated
	QR	QR	QR	QR	QR	QR
Net brokerage and commission income	1,015,964	--	--	1,015,964	--	1,015,964
Others	604,064	377,273	257,933	1,239,270	(45,172)	1,194,098
Segment revenue	<u>1,620,028</u>	<u>377,273</u>	<u>257,933</u>	<u>2,255,234</u>	<u>(45,172)</u>	<u>2,210,062</u>
Segment profit / loss	<u>96,583</u>	<u>309,963</u>	<u>(169,540)</u>	<u>237,006</u>	<u>--</u>	<u>237,006</u>
Depreciation	<u>77,295</u>	<u>--</u>	<u>10,223</u>	<u>87,518</u>	<u>--</u>	<u>87,518</u>
Three Month Ended March 31, 2017 (Unaudited)	Brokerage Service	Real estate	Other	Total	Adjustments and eliminations	Consolidated
	QR	QR	QR	QR	QR	QR
Net brokerage and commission income	2,777,949	--	--	2,777,949	--	2,777,949
Others	162,789	257,527	327,610	747,926	(150,620)	597,306
Segment revenue	<u>2,940,738</u>	<u>257,527</u>	<u>327,610</u>	<u>3,525,875</u>	<u>(150,620)</u>	<u>3,375,255</u>
Segment profit / loss	<u>1,150,380</u>	<u>205,204</u>	<u>(45,775)</u>	<u>1,309,809</u>	<u>--</u>	<u>1,309,809</u>
Depreciation	<u>80,269</u>	<u>--</u>	<u>11,741</u>	<u>92,010</u>	<u>--</u>	<u>92,010</u>

**ISLAMIC HOLDING GROUP (Q.P.S.C.)**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2018**

**20 SEGMENT INFORMATION (CONTIUNED)**

The following table presents the segment assets and liabilities:

	<u>Brokerage Service</u> QR	<u>Real estate</u> QR	<u>Other</u> QR	<u>Total</u> QR	<u>Adjustments and eliminations</u> QR	<u>Consolidated</u> QR
<b>At 31 March 2018 (Unaudited)</b>						
Segment assets	<u>164,792,285</u>	<u>51,100,069</u>	<u>135,108,437</u>	<u>351,000,791</u>	<u>(99,718,157)</u>	<u>251,282,634</u>
Segment liabilities	<u>111,045,617</u>	<u>393,107</u>	<u>3,971,315</u>	<u>115,410,039</u>	<u>(45,172)</u>	<u>115,364,867</u>
<b>At 31 December 2017 (Audited)</b>						
Segment assets	<u>115,600,233</u>	<u>51,420,475</u>	<u>133,463,506</u>	<u>300,484,214</u>	<u>(100,272,023)</u>	<u>200,212,191</u>
Segment liabilities	<u>61,617,373</u>	<u>490,266</u>	<u>2,156,844</u>	<u>64,264,483</u>	<u>(65,828)</u>	<u>64,198,655</u>

The Group's operations are located in the State of Qatar.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2018**

**21 COMPARATIVE FIGURES**

Comparative figures for the previous period / year have been reclassified, where appropriate, to conform with the presentation of the financial statements for the current period. This reclassification has no impact on previously reported net profit or equity.