

Ezdan Holding Group Q.P.S.C.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 June 2020

Ezdan Holding Group Q.P.S.C.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2020

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KPMG
25 C Ring Road
P.O Box 4473, Doha
State of Qatar
Telephone: +974 4457 6444
Fax: +974 4442 5626
Website: home.kpmg/qa

Independent auditor's report on review of condensed consolidated interim financial statements

To the Board of Directors of Ezdan Holding Group Q.P.S.C.
Doha, State of Qatar

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Ezdan Holding Group Q.P.S.C. (the "Company") and its subsidiaries (together with the Company, the "Group"), as at 30 June 2020, the condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the interim financial statements (the "condensed consolidated interim financial statements"). The Board of Directors of the Company is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements 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 condensed consolidated interim financial statements as at and for the six months ended 30 June 2020 are not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

Emphasis of Matter

We draw attention to Note 21 (i) to the condensed consolidated interim financial statements, which describes the uncertainty involved in the valuation of investment properties as of the reporting date due to the impact of Covid-19. Our conclusion is not modified in respect of this matter.

13 August 2020
Doha
State of Qatar



Yacoub Hobeika
Auditor's Registration No. 289
KPMG
Licensed by QFMA: External Auditor's
License No. 120153

EZDAN HOLDING GROUP Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

In thousands of Qatari Riyals

	Note	30 June 2020 (Reviewed)	31 December 2019 (Audited)
ASSETS			
Cash and bank balances	5	527,154	59,289
Trade and other receivables	6	131,283	315,188
Inventories		24,811	26,221
Equity investments	7	2,282,430	2,259,524
Equity-accounted investees and joint venture	8	819,471	834,173
Investment properties	9	44,371,868	43,933,362
Property and equipment		750,331	765,979
TOTAL ASSETS		48,907,348	48,193,736
LIABILITIES AND EQUITY			
LIABILITIES			
Trade and other payables	10	2,583,130	2,424,557
Sukuk and Islamic financing borrowings	12	14,721,651	14,365,348
TOTAL LIABILITIES		17,304,781	16,789,905
EQUITY			
Share capital		26,524,967	26,524,967
Legal reserve		1,646,982	1,646,982
Fair value reserves		614,809	591,918
Foreign currency translation reserve		3,186	(247)
Retained earnings		3,091,626	2,919,245
Equity attributable to owners of the Company		31,881,570	31,682,865
Non-controlling interests		(279,003)	(279,034)
TOTAL EQUITY		31,602,567	31,403,831
TOTAL LIABILITIES AND EQUITY		48,907,348	48,193,736

These condensed consolidated interim financial statements were authorized for issue by the Company's Board of Directors on 13 August 2020.



Abdulla Bin Thani Al-Thani
Vice Chairman



Tamer Fouad Mahmoud
Group Chief Financial Officer

The notes on pages 8 to 30 are an integral part of these condensed consolidated interim financial statements.

EZDAN HOLDING GROUP Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2020

In thousands of Qatari Riyals

	Note	<i>For the six months ended 30 June</i>	
		<i>2020</i> <i>(Reviewed)</i>	<i>2019</i> <i>(Reviewed)</i>
Rental income	13	595,041	644,554
Other operating revenues	13	30,421	53,724
Operating expenses	14	(104,550)	(113,757)
OPERATING PROFIT FROM MAIN OPERATIONS		520,912	584,521
Dividend income from equity investments	7	93,205	122,416
Net gain on sale of equity-accounted investees	15	-	58,185
Share of result of equity-accounted investees and joint venture	8	29,352	37,624
NET OPERATING PROFIT		643,469	802,746
Finance costs	12	(378,851)	(369,588)
Other income		5,346	37,915
General and administrative expenses	14	(62,414)	(38,088)
Depreciation of property and equipment		(16,383)	(16,938)
Impairment (loss) / reversal on trade and other receivables – net	6	(18,755)	4,768
PROFIT FOR THE PERIOD		172,412	420,815
<i>Profit attributable to:</i>			
Owners of the Company		172,381	420,707
Non-controlling interests		31	108
		172,412	420,815
BASIC AND DILUTED EARNINGS PER SHARE	16	0.006	0.016

The notes on pages 8 to 30 are an integral part of these condensed consolidated interim financial statements.

EZDAN HOLDING GROUP Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2020

In thousands of Qatari Riyals

	<i>Note</i>	<i>For the six months ended 30 June</i>	
		<i>2020</i>	<i>2019</i>
		<i>(Reviewed)</i>	<i>(Reviewed)</i>
Profit for the period		172,412	420,815
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Equity investments at FVOCI - net change in fair value	7	22,906	84,036
Equity-accounted investees - share of OCI	8	(15)	357
		22,891	84,393
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Cash flow hedges - effective portion of changes in fair value		-	(45,955)
Foreign operations - foreign currency translation differences		3,433	(117)
		3,433	(46,072)
Other comprehensive income for the period		26,324	38,321
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		198,736	459,136
<i>Attributable to:</i>			
Owners of the Company		198,705	459,028
Non-controlling interests		31	108
		198,736	459,136

The notes on pages 8 to 30 are an integral part of these condensed consolidated interim financial statements.

EZDAN HOLDING GROUP Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2020

In thousands of Qatari Riyals

	<i>Attributable to owners of the Company</i>					<i>Total</i>	<i>Non-controlling interest</i>	<i>Total equity</i>
	<i>Share capital</i>	<i>Legal reserve (1)</i>	<i>Fair value reserves</i>	<i>Foreign currency translation reserve</i>	<i>Retained earnings</i>			
Balance at 31 December 2019 (Audited)	26,524,967	1,646,982	591,918	(247)	2,919,245	31,682,865	(279,034)	31,403,831
Total comprehensive income for the period								
Profit for the period	-	-	-	-	172,381	172,381	31	172,412
Other comprehensive income for the Period	-	-	22,891	3,433	-	26,324	-	26,324
Total comprehensive income for the period	-	-	22,891	3,433	172,381	198,705	31	198,736
Balance at 30 June 2020 (Reviewed)	<u>26,524,967</u>	<u>1,646,982</u>	<u>614,809</u>	<u>3,186</u>	<u>3,091,626</u>	<u>31,881,570</u>	<u>(279,003)</u>	<u>31,602,567</u>

The notes on pages 8 to 30 are an integral part of these condensed consolidated interim financial statements.

EZDAN HOLDING GROUP Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2020

In thousands of Qatari Riyals

	<i>Attributable to owners of the Company</i>					<i>Total</i>	<i>Non-controlling interests</i>	<i>Total Equity</i>
	<i>Share capital</i>	<i>Legal Reserve (1)</i>	<i>Fair value reserves</i>	<i>Foreign currency translation reserve</i>	<i>Retained earnings</i>			
Balance at 31 December 2018 (Audited)	26,524,967	1,616,053	719,779	1,827	2,542,036	31,404,662	(287,988)	31,116,674
Total comprehensive income for the period								
Profit for the period	-	-	-	-	420,707	420,707	108	420,815
Other comprehensive income for the period	-	-	38,438	(117)	-	38,321	-	38,321
Total comprehensive income for the period	-	-	38,438	(117)	420,707	459,028	108	459,136
Other movement:								
Transfer of reserves on disposal of subsidiaries	-	-	(106,577)	-	106,577	-	-	-
Balance at 30 June 2019 (Reviewed)	<u>26,524,967</u>	<u>1,616,053</u>	<u>651,640</u>	<u>1,710</u>	<u>3,069,320</u>	<u>31,863,690</u>	<u>(287,880)</u>	<u>31,575,810</u>

- (1) 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 six months ended 30 June 2020 as the Group will transfer the total required amount by 31 December 2020.

EZDAN HOLDING GROUP Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2020

In thousands of Qatari Riyals

	Note	For the six months ended 30 June	
		2020 (Reviewed)	2019 (Reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		172,412	420,815
<i>Adjustments for:</i>			
Provision / (reversal) for impairment of trade and other receivables	6	18,755	(4,768)
Net gain on sale of equity-accounted investees	15	-	(58,185)
Share of result of equity-accounted investees and joint venture	8	(29,352)	(37,624)
Depreciation of property and equipment		16,383	16,938
Gain on sale of property and equipment		(127)	(113)
Impairment loss of property and equipment		-	9
Provision for employees' end of services benefits	14	1,638	1,653
Dividend income from equity investments	7	(93,205)	(122,416)
Finance income		(3,122)	(127)
Finance costs	12	378,851	369,588
Waive-off of payable to a related party		-	(35,400)
		<u>462,233</u>	<u>550,370</u>
<i>Changes in:</i>			
Trade and other receivables		155,287	(314,879)
Inventories		1,410	(63)
Trade and other payables		(204,421)	315,377
Cash from operating activities		<u>414,509</u>	<u>550,805</u>
Employees' end of service benefits paid		(297)	(18,529)
Net cash flows from operating activities		<u>414,212</u>	<u>532,276</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property and equipment		139	117
Payments for development of investment property	9	(42,439)	(92,870)
Additions to property and equipment		(749)	(780)
Net movement in restricted bank balances		2,378	(150)
Dividends received		137,272	197,855
Profit on Islamic bank accounts received		3,122	127
Net cash flows from investing activities		<u>99,723</u>	<u>104,299</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Sukuk and Islamic financing borrowings	12	2,284,891	454,023
Payments for Sukuk and Islamic financing	12	(2,276,787)	(1,081,302)
Movement in transaction cost		(30,652)	19,096
Dividends paid		(31,400)	(19,850)
Net cash flows used in financing activities		<u>(53,948)</u>	<u>(628,033)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		<u>459,987</u>	<u>8,542</u>
Net foreign exchange differences		10,256	1,369
Cash and cash equivalents as of 1 January		54,086	21,937
CASH AND CASH EQUIVALENTS AT 30 JUNE	5	<u>524,329</u>	<u>31,848</u>
Non-cash transactions			
Development costs of investment property ((Note 11 (a)))		<u>393,053</u>	-

The notes on pages 8 to 30 are an integral part of these condensed consolidated interim financial statements.

EZDAN HOLDING GROUP Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2020

1 REPORTING ENTITY

Ezdan Holding Group Q.P.S.C. (the “Company”) 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 at Qatar Stock Exchange on 18 February 2008. The Company is domiciled in the State of Qatar and its registered office is at Ezdan Towers, West Bay Doha, State of Qatar.

These condensed consolidated interim financial statements comprise the Company and its subsidiaries (collectively referred as the “Group” and individually as the “Group entities”) and the Group’s interests in equity accounted investees.

The principal activity of the Group is management and rentals of real estate properties. The Group is engaged in exerting significant influence and or joint control over other Companies. The Group is also engaged in controlling the subsidiaries by exposing the Company, or having rights, to variable returns from the Company’s involvement with the company and has the ability to affect those returns from the Company’s involvement with the company and has the ability to affect those returns through its power over the Company or more by owning at least 51% of its shares, investment in shares, Sukuk, financial securities and other investments inside and outside the State of Qatar.

The principal subsidiaries of the Group are as follows:

<i>Name of the subsidiary</i>	<i>Country of incorporation</i>	<i>Effective percentage of ownership</i>		
		<i>30 June 2020</i>	<i>31 December 2019</i>	<i>30 June 2019</i>
1 Ezdan Hotels Company W.L.L.	Qatar	100%	100%	100%
2 Ezdan Mall Company W.L.L.	Qatar	100%	100%	100%
3 Ezdan Real Estate Company W.L.L.	Qatar	100%	100%	100%
4 Ezdan Palace Hotel Company W.L.L.	Qatar	100%	100%	100%
5 Al Ekleem for Real Estate and Mediation Co. W.L.L.	Qatar	100%	100%	100%
6 Al Taybin Trading Company W.L.L.	Qatar	100%	100%	100%
7 Al Namaa for Maintenance Company W.L.L.	Qatar	100%	100%	100%
8 Shatea Al Nile Company W.L.L.	Qatar	100%	100%	100%
9 Arkan for Import and Export Company W.L.L.	Qatar	100%	100%	100%
10 Tareek Al Hak Trading Company W.L.L.	Qatar	100%	100%	100%
11 Een Jaloot Trading Company W.L.L.	Qatar	100%	100%	100%
12 Ezdan World W.L.L.	Qatar	70%	70%	70%
13 Emtedad Real Estate for Projects W.L.L.	Qatar	67.50%	67.50%	67.50%
14 Ezdan International Limited	Jersey	100%	100%	100%
15 Haloul Ezdan For Trading and Construction Company W.L.L.	Qatar	100%	100%	100%
16 Ezdan for Partnership Company W.L.L.	Qatar	100%	100%	100%
17 Ezdan for Cleaning Company W.L.L.	Qatar	100%	100%	100%
18 Ezdan for Landscape Company W.L.L.	Qatar	100%	100%	100%
19 Alraed for Sewerage Company W.L.L.	Qatar	100%	100%	100%
20 Ezdan for Transactions Clearance Company W.L.L.	Qatar	100%	100%	100%

The Parent of the Group is Al-Tadawul Trading Group Q.P.S.C. (“Tadawul”) which aggregately owns directly and indirectly through its subsidiaries, approximately 54% of the share capital of the Group as at 30 June 2020 and 31 December 2019.

The structure of the Group has not changed since the last annual consolidated financial statements as at and for the year ended 31 December 2019 (the “latest annual financial statements”).

These condensed consolidated interim financial statements were authorized for issue by the Company’s Board of Directors on 13 August 2020.

2 BASIS OF ACCOUNTING

These condensed consolidated interim financial statements for the six months ended 30 June 2020 have been prepared in accordance with IAS 34 “Interim Financial Reporting” and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2019 (the “last annual financial statements”). They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

3 USE OF JUDGEMENTS AND ESTIMATES

In preparing these condensed consolidated interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the last annual consolidated financial statements.

Measurement of fair values

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team who has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports significant valuation issues directly to the Group’s Chief Financial Officer and audit committee.

The Group’s Chief Financial Officer and audit committee together with the valuation team regularly reviews valuation adjustments. If third party information is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

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

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

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

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

The Group has considered potential impacts of the current economic volatility in determination of the reported amounts of the financial and non-financial assets and these are considered to represent management's best assessment based on observable information. Markets however remain volatile and the recorded amounts remain sensitive to market fluctuations.

Further information about the assumptions made in measuring the fair values is included in Note 19.

Management has carried its equity investments at fair value. For other financial assets and liabilities management believes that as at the reporting date their fair values approximated their carrying amounts. For investment property, the management has valued it at 31 December 2019 and believes that there will be no significant changes in its fair valuation at the interim reporting date except for impact due to Covid 19 as disclosed in Note 21.

4 SIGNIFICANT ACCOUNTING POLICIES

A) The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019.

B) New standards and interpretations effective for annual periods beginning on or after 1 January 2020:

Amendments to IFRS 3	Amendments to clarify the definition of a business
Amendments to IFRS 7	Amendments regarding pre-replacement issues in the context of the IBOR reform
Amendments to IFRS 9	Amendments regarding pre-replacement issues in the context of the IBOR reform
Amendments to IAS 1, IAS 8	Amendments regarding the definition of material
Amendments to References to the Conceptual Framework	Amendments to References to the Conceptual Framework in IFRS Standards

Effective for annual periods beginning on or after 1 June 2020

Amendments to IFRS 16	Amendments to Rent Concessions (Covid-19-Related)
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The above standards are not expected to have a significant impact on the Group's condensed consolidated interim financial statements.

C) New and revised standards and interpretations but not yet effective: Effective for annual periods beginning on or after 1 January 2022

- Amendments regarding the classification of liabilities
- Amendments regarding IAS 16 Property, Plant and Equipment — Proceeds before Intended Use
- Annual improvement 2018-2020 Cycle • Reference to the Conceptual Framework (Amendments to IFRS 3)
- Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)
- Original issue regarding IFRS 17 Insurance contracts
- Amendments regarding IFRS 17

5 CASH AND BANK BALANCES

For the purpose of the condensed consolidated interim statement of cash flows, cash and bank balances comprised of the following:

	<i>30 June</i> 2020 <i>(Reviewed)</i>	<i>31 December</i> 2019 <i>(Audited)</i>
Cash on hand	2,558	292
<i>Cash at banks and other financial institutions</i>		
Saving and call accounts (1)	465,522	10,239
Current accounts	56,249	43,555
Margin accounts	2,825	5,203
<i>Total cash at banks and other financial institutions</i>	524,596	58,997
Cash and bank balances	527,154	59,289
Less: Restricted bank balances (2)	(2,825)	(5,203)
Cash and bank balances	524,329	54,086

(1) This balance includes short-term deposits with banks of QR 400,000.

EZDAN HOLDING GROUP Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2020

In thousands of Qatari Riyals

5 CASH AND BANK BALANCES (CONTINUED)

(2) Restricted bank balances represent cash margin (letter of guarantees) and are not available for use by the Group.

6 TRADE AND OTHER RECEIVABLES

	<i>30 June</i> <i>2020</i> <i>(Reviewed)</i>	<i>31 December</i> <i>2019</i> <i>(Audited)</i>
Tenant receivables – net	48,527	53,769
Receivable from government on expropriation of investment properties	50,366	50,366
Advances to suppliers and contractors	7,444	9,856
Due from related parties (Note 11 (b.i))	378	177,996
Prepaid expenses	5,661	4,237
Refundable deposits – net	11,173	10,899
Accrued income	419	-
Net other receivables and debit balances	7,315	8,065
	<u>131,283</u>	<u>315,188</u>

The maturity of trade and other receivables are as follows:

	<i>30 June</i> <i>2020</i> <i>(Reviewed)</i>	<i>31 December</i> <i>2019</i> <i>(Audited)</i>
Current	120,110	304,289
Non-current	11,173	10,899
	<u>131,283</u>	<u>315,188</u>

The movements in the provision for impairment of trade and other receivables were as follows:

	<i>30 June</i> <i>2020</i> <i>(Reviewed)</i>	<i>31 December</i> <i>2019</i> <i>(Audited)</i>
At 1 January 2020 / 1 January 2019 (Audited)	101,142	125,686
Provision made during the period / year	18,755	10,599
Provision written off	(46)	(27,736)
Adjustment on disposal of subsidiaries	-	(504)
Provision reversed (Note 11 (a))	-	(6,903)
	<u>119,851</u>	<u>101,142</u>

The allowance for impairment consists of:

	<i>30 June</i> <i>2020</i> <i>(Reviewed)</i>	<i>31 December</i> <i>2019</i> <i>(Audited)</i>
Tenants receivables	110,464	93,194
Refundable deposits	1,627	1,627
Advances to suppliers and contractors	1,439	-
Other receivables	6,321	6,321
	<u>119,851</u>	<u>101,142</u>

EZDAN HOLDING GROUP Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2020

In thousands of Qatari Riyals

7 EQUITY INVESTMENTS

	30 June 2020 (Reviewed)	31 December 2019 (Audited)
At 1 January 2020 / 1 January 2019 (Audited)	2,259,524	3,316,717
Disposals as part of disposal of subsidiaries (Note 15)	-	(1,046,230)
Other disposals	-	(13)
Net change in fair value	22,906	(10,950)
	<u>2,282,430</u>	<u>2,259,524</u>

(1) The quoted shares are the Group's equity investments that are carried at FVOCI. The pledges on these equity investments are disclosed in Note 12.

Quoted shares: 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.

Quoted shares: concentration of investment portfolio (continued)

The industry concentration of the investment portfolio is as follows:

	30 June 2020 (Reviewed)	31 December 2019 (Audited)
<i>Quoted shares listed at Qatar Stock Exchange (QSE)</i>		
Banks and financial institutions	2,213,909	2,189,815
Consumer goods and services	35,554	34,489
Transportation	17,900	19,238
Industries	13,896	14,727
Telecommunication	530	575
Real estate	641	680
	<u>2,282,430</u>	<u>2,259,524</u>

The Group generated dividend income from the equity investments amounting to QR 93,205 (six-months period ended 30 June 2019: QR 122,416) during the period.

8 EQUITY-ACCOUNTED INVESTEEES AND JOINT VENTURE

	<i>Country of incorporation</i>	<i>Ownership interest</i>			
		<i>30 June</i>	<i>31 December</i>	<i>30 June</i>	<i>31 December</i>
		<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
		<i>(Reviewed)</i>	<i>(Audited)</i>	<i>(Reviewed)</i>	<i>(Audited)</i>
<i>Associates:</i>					
Qatar International Islamic Bank Q.P.S.C. (Note 11 (c.i))	Qatar	6.04%	6.04%	549,608	562,439
Medicare Group Q.P.S.C.	Qatar	2.00%	2.00%	39,315	40,395
Qatar Islamic Insurance Company Q.P.S.C.	Qatar	4.92%	4.92%	48,249	48,788
Total of associates				637,172	651,622
<i>Joint venture:</i>					
White Square Real Estate W.L.L.	Qatar	32.50%	32.50%	182,299	182,551
				819,471	834,173

The Group recognized its share on the operating results of its associates / joint venture amounting to QR 29,352 (six-month period ended 30 June 2019: QR 37,624) during the period.

The total fair market value of the equity-accounted investees amounted to QR 826,118 (31 December 2019: QR 981,278) as at reporting date.

The Group has the its ability to exercise significant influence through its nominated members in Board of Directors of the equity-accounted investees; hence, these are still classified as equity accounted investees and equity method has been applied.

Reconciliation of the summarized financial information presented to the carrying amount of its interests in equity-accounted investees and joint venture is as follows:

	<i>30 June</i>	<i>31 December</i>
	<i>2020</i>	<i>2019</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>
At 1 January 2020 / 1 January 2019 (Audited)	834,173	1,425,613
Dividends received	(44,067)	(75,439)
Share of results	29,352	57,127
Share of net movement in other comprehensive income	(15)	511
Share of net movement in translation reserve	28	(9)
Disposals during the period (Note 15)	-	(573,630)
	819,471	834,173

9 INVESTMENT PROPERTIES

The movements in the investment properties during the period / year are as follows:

	30 June 2020 (Reviewed)	31 December 2019 (Audited)
At 1 January 2020 / 1 January 2019 (Audited)	43,933,362	43,863,571
Loss from change in fair value of investment property	-	(100,014)
Development costs during the period/ year (Note 11 (a))	435,492	100,871
Acquisition of vacant land	-	50,959
Capitalized finance cost on investment properties under development (Note 11 (a))	9,863	14,420
Foreign exchange adjustment	(6,849)	3,555
	<u>44,371,868</u>	<u>43,933,362</u>

Investment properties consists of:

	30 June 2020 (Reviewed)	31 December 2019 (Audited)
Completed properties	41,165,711	41,130,122
Vacant land	1,052,580	1,052,580
Projects under development	2,153,577	1,750,660
	<u>44,371,868</u>	<u>43,933,362</u>

Investment properties are stated at fair value, which has been determined based on valuation performed by accredited independent valuers as at 31 December 2019. The valuer is an accredited independent valuer with a recognised and relevant professional qualification 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 2017 (the "Red Book").

Group did not performed a fair valuation of investment properties at 30 June 2020. In addition to that refer to Note 21 (i) to the condensed consolidated interim financial statements, which describes the uncertainty involved in the valuation of investment properties as of the reporting date due to the impact of Covid-19.

Investment properties are located in State of Qatar and United Kingdom.

The mortgages on the investment properties are disclosed in Note 12.

(1) During 2018, the government agreed to pay an amount of QR 50,366 against the expropriated property, which is still receivable from the government (Note 6).

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10 TRADE AND OTHER PAYABLES

	<i>30 June</i> <i>2020</i> <i>(Reviewed)</i>	<i>31 December</i> <i>2019</i> <i>(Audited)</i>
Due to a related party (Note 11 (b.ii))	1,546,732	1,306,535
Dividend payables	685,642	717,042
Tenants' deposits	144,423	140,696
Payables to contractors and suppliers	51,265	52,336
Unearned rent income	52,560	48,981
Retention payable	25,935	25,935
Accrued expenses	22,584	29,280
Derivative financial liabilities	-	35,984
Provision for Social and Sports Activities Fund	-	7,732
Provision for employees' end of service benefits	8,517	7,175
Other payables	45,472	52,861
	<u>2,583,130</u>	<u>2,424,557</u>

The maturity of payables and other liabilities are as follows:

	<i>30 June</i> <i>2020</i> <i>(Reviewed)</i>	<i>31 December</i> <i>2019</i> <i>(Audited)</i>
Non-current	34,452	33,110
Current	<u>2,548,678</u>	<u>2,391,447</u>
	<u>2,583,130</u>	<u>2,424,557</u>

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11 RELATED PARTIES DISCLOSURES

(a) Related party transactions

Transactions with related parties included in the condensed consolidated statement of profit or loss are as follows:

	<i>For the six months ended 30 June</i>	
	<i>2020</i>	<i>2019</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
<u>Transactions with entities under common control:</u>		
Development costs of investment property (1)	428,363	83,610
Capitalized finance costs	8,291	4,813
Reversal of provision on receivables	-	6,198
<u>Transactions with associates:</u>		
Expensed-out finance costs (2)	43,283	51,619
<u>Transactions with key management personnel:</u>		
Compensation of directors and other key management personnel	1,680	2,858
<u>Transactions with subsidiaries:</u>		
Rental income	1,252	1,938
Provision against receivables transferred on disposal of subsidiaries	-	503
<u>Transactions with other related party:</u>		
Profit on disposal of subsidiaries and associates to a related party (Note 15)	-	58,185
Other income	-	35,400
Financing received	25,120	344,100

(1) The Group entered into a construction agreement with SAK Trading and Contracting Company W.L.L., to construct specific investment properties (Note 9).

(2) These relate to Islamic finance borrowings from equity-accounted investee.

(b.i) Due from related parties

	<i>Note</i>	<i>30 June</i>	<i>31 December</i>
		<i>2020</i>	<i>2019</i>
		<i>(Reviewed)</i>	<i>(Audited)</i>
<u>Entities under common control:</u>			
SAK Holding W.L.L. (1)		-	176,172
The Curve Hotel Company W.L.L.		115	1,561
White Square Real Estate Company W.L.L.		263	263
	6	378	177,996

(1) This amount represents the remaining balance due from SAK Holding Group W.L.L. in relation to the settlement agreement with the Group.

The above balances are of financing in nature, bear no interest or securities and are receivable on demand.

(b.ii) Due to a related party

	<i>Note</i>	<i>30 June</i>	<i>31 December</i>
		<i>2020</i>	<i>2019</i>
		<i>(Reviewed)</i>	<i>(Audited)</i>
<u>Entity under common control:</u>			
Due to SAK Holding Group W.L.L. (1)		215,077	-
Other related party		1,331,655	1,306,535
	9	1,546,732	1,306,535

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11 RELATED PARTIES DISCLOSURES (CONTINUED)

(b.ii) Due to a related party (continued)

(1) This amount represents the remaining balance due to SAK Holding Group W.L.L. in relation to the settlement agreement with the Group.

(c.i) Other related party payables

	<i>30 June</i> <i>2020</i> <i>(Reviewed)</i>	<i>31 December</i> <i>2019</i> <i>(Audited)</i>
<i>Equity accounted investee (QIIB):</i>		
Secured Islamic financing borrowings from QIIB (Note 12)	<u>1,828,114</u>	<u>1,942,217</u>
Trade payables to QISI	<u>4,359</u>	<u>4,697</u>

(d) Compensation of directors and other key management personnel

The remuneration of directors and other key management personnel during the period is as follows (Note 11 (a)):

	<i>For the six months ended 30</i> <i>June</i>	
	<i>2020</i> <i>(Reviewed)</i>	<i>2019</i> <i>(Reviewed)</i>
Key management and executive benefits	<u>1,680</u>	<u>2,858</u>
	<u>1,680</u>	<u>2,858</u>

12 SUKUK AND ISLAMIC FINANCING BORROWINGS

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

	<i>30 June</i> <i>2020</i> <i>(Reviewed)</i>	<i>31 December</i> <i>2019</i> <i>(Audited)</i>
At 1 January 2020 / 1 January 2019 (Audited)	14,390,355	15,479,319
Additions	2,284,891	-
Finance costs	378,851	898,637
Repayments	<u>(2,276,787)</u>	<u>(1,987,601)</u>
	14,777,310	14,390,355
Less: transaction costs	<u>(55,659)</u>	<u>(25,007)</u>
	<u>14,721,651</u>	<u>14,365,348</u>

The maturity of these borrowings are as follows:

	<i>30 June</i> <i>2020</i> <i>(Reviewed)</i>	<i>31 December</i> <i>2019</i> <i>(Audited)</i>
Non-current	12,315,361	11,921,895
Current	<u>2,406,290</u>	<u>2,443,453</u>
	<u>14,721,651</u>	<u>14,365,348</u>

12 SUKUK AND ISLAMIC FINANCING BORROWINGS (CONTINUED)

Terms and conditions of the outstanding borrowing facilities were as follows:

<i>Type of facility</i>	<i>Currency</i>	<i>Condition</i>	<i>Profit rate</i>	<i>Year of maturity</i>	<i>30 June 2020 (Reviewed)</i>	<i>31 December 2019 (Audited)</i>
Ijara	QR	Secured	QMRL rate	2023 – 2035	4,299,764	4,147,928
Ijara	USD	Secured	1M /3M LIBOR	2020	-	285,852
Murabaha	QR	Secured	QMRL rate	2020 – 2032	6,587,873	4,515,172
Murabaha	USD	Secured	1Y/3 M LIBOR	2024	375,314	1,776,679
Sukuk financing	USD	Unsecured	4.375 % and 4.875 %	2021 – 2022	3,514,359	3,664,724
					<u>14,777,310</u>	<u>14,390,355</u>

The Islamic financing borrowings have been obtained for the purpose of financing the obligations of the Group. All the contracts carry profits at commercial rates. The Group recognized finance costs amounting to QR 378,851 within the condensed consolidated statement of profit or loss (six-month period ended 30 June 2019: QR 369,588) during the period.

During the six months period ended 30 June 2020, the Group obtained Islamic financing from local banks amounted QR 2,284,891. The major purpose of the borrowing was to settle existing borrowings amounting to QR 1,951,736.

The Group borrowings are secured against mortgages on different types of investment properties owned by the Group with a carrying value of QR 19,768,471 (31 December 2019: QR 15,452,980) and mortgage against quoted shares included in the interim condensed consolidated financial statements within equity investments with carrying value of Nil as at 30 June 2020 (31 December 2019: QR 539,826).

As part of a Sharia's approved programme to issue QAR 7,283,000 (USD 2,000,000) Sukuks through a special purpose entity ("Ezdan Sukuk Company Ltd."), two tranches of Sukuks of QR 1,820,750 (USD 500,000) each were issued on behalf of the Group with total issuance cost of QR 10,086 and QR 9,959, respectively. The Sukuks were issued at an annual fixed profit rate of 4.375% and 4.875% paid semi-annually with a tenor of five years maturing in May 2021 and April 2022. The Sukuks are listed on the Irish Stock Exchange. During 2020, the group has buy back Sukuk amounting to QR 152,943 (USD 42,000) as QR 61,906 for first tranche and QR 91,038 for second tranche.

13 RENTAL INCOME AND OTHER OPERATING REVENUES

The Group's operations and main revenue streams are those described in the last annual financial statements. Apart from income from investments and leasing, Group has revenue from contracts with customers.

Disaggregation of revenue

In the following table, revenue is disaggregated by major service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (Note 18).

A. Disaggregation of revenue based on major revenue streams:

<i>For the six months ended 30 June 2020</i>	<i>Revenue streams</i>				<i>Total</i>
	<i>Residential and commercial property</i>	<i>Investments</i>	<i>Hotel and suites</i>	<i>Malls</i>	
<i>(Reviewed)</i>					
Rental income (under IFRS 16)	518,267	-	67,710	9,064	595,041
Revenue under IFRS 15					
<i>Major service lines</i>					
Food and beverage	-	-	5,523	-	5,523
Health club	-	-	688	-	688
Internet	-	-	801	-	801
Laundry	-	-	270	-	270
Entertainment	-	-	-	77	77
Provision of utilities services	11,774	-	-	-	11,774
Common area charges	-	-	-	5,851	5,851
Marketing services	-	-	-	1,352	1,352
Others	2,787	-	203	1,095	4,085
Revenue under IFRS 15	14,561	-	7,485	8,375	30,421
Income from investments and other income					
Dividend income from equity accounted investees	-	93,205	-	-	93,205
Share of result of equity- accounted investees and joint venture	-	29,352	-	-	29,352
Other income	5,271	68	5	2	5,346
	5,271	122,625	5	2	127,903
External revenue as reported in Note 18	538,099	122,625	75,200	17,441	753,365

13 RENTAL INCOME AND OTHER OPERATING REVENUES (CONTINUED)**Disaggregation of revenue (continued)****A. Disaggregation of revenue based on major revenue streams (continued):**

<i>For the six months ended 30 June 2019 (Reviewed)</i>	<i>Revenue streams</i>				<i>Total</i>
	<i>Residential and commercial property</i>	<i>Investments</i>	<i>Hotel and suites</i>	<i>Malls</i>	
Rental income (under IFRS 16)	527,225	-	86,254	31,075	644,554
Revenue under IFRS 15					
Major service lines					
Food and beverage	-	-	12,494	-	12,494
Health club	-	-	1,926	-	1,926
Internet	-	-	948	-	948
Laundry	-	-	473	-	473
Entertainment	-	-	-	126	126
Provision of utilities services	22,048	-	-	-	22,048
Common area charges	-	-	-	8,565	8,565
Marketing services	-	-	-	1,808	1,808
Others	3,942	-	304	1,090	5,336
Revenue under IFRS 15	25,990	-	16,145	11,589	53,724
Income from investments and other income					
Dividend income from equity accounted investees	-	122,416	-	-	122,416
Share of result of equity-accounted investees and joint venture	-	37,624	-	-	37,624
Net gain on sale of equity-accounted investees	-	58,185	-	-	58,185
Other income	36,974	941	-	-	37,915
Reversal of provision on trade and other receivables - net	4,875	-	(107)	-	4,768
	41,849	219,166	(107)	-	260,908
External revenue as reported in Note 18	595,064	219,166	102,292	42,664	959,186

13 RENTAL INCOME AND OTHER OPERATING REVENUES (CONTINUED)**Disaggregation of revenue (continued)*****B. Disaggregation of revenue under IFRS 15 based on timing of revenue recognition:***

	<i>For the six months ended 30 June</i>		Timing of revenue recognition
	2020 <i>(Reviewed)</i>	2019 <i>(Reviewed)</i>	
Food and beverage	5,523	12,494	Point in time
Health club	688	1,926	Over the time
Internet	801	948	Over the time
Laundry	270	473	Point in time
Entertainment	77	126	Over the time
Provision of utilities services	11,774	22,048	Over the time
Common area charges	5,851	8,565	Over the time
Marketing services	1,352	1,808	Over the time
Others	4,085	5,336	Over the time
Revenue under IFRS 15	<u>30,421</u>	<u>53,724</u>	

14 EXPENSES*Operating expenses:*

	<i>For the six months ended 30 June</i>	
	2020 <i>(Reviewed)</i>	2019 <i>(Reviewed)</i>
Staff cost (1)	24,069	24,777
Utilities	30,029	30,749
Repairs and maintenance	17,919	21,536
Sewage	11,361	12,032
Cleaning expenses	4,003	5,897
Security expenses	4,835	5,451
Food and beverages	2,026	3,912
Advertising costs	396	701
Laundry and dry cleaning	1,871	2,301
Fuel	197	326
Commissions	917	914
Other operating expenses	6,927	5,161
	<u>104,550</u>	<u>113,757</u>

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14 EXPENSES (CONTINUED)

General and administrative expenses:

	<i>For the six months ended 30 June</i>	
	<i>2020</i>	<i>2019</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
Staff cost and board allowances (1)	14,920	17,002
Professional fees	7,812	4,084
Registration fees	4,204	4,198
Bank charges	2,787	1,997
Advertising costs	174	126
Insurance cost	1,937	1,789
Rent expense	-	922
Communication	981	1,025
Printing and stationery	246	327
Other operating expenses	3,299	2,626
Foreign exchange loss	26,054	3,992
	62,414	38,088

(1) Staff cost includes a provision for employees' end of service benefits of QR 1,638 (six-month period ended 30 June 2019: QR 1,653) during the period.

15 DISPOSALS OF SUBSIDIARIES / EQUITY ACCOUNTED INVESTEEES

The Group entered into an agreement with SAK Holding Group W.L.L. on 7 April and 8 April 2019 to dispose of the following subsidiaries. Sale proceeds from the transaction were settled against the balance payable to SAK Holding Group W.L.L. and constitutes a non-cash transaction.

The final addendum to sale agreement mentioning the sale price is under authentication as of the review conclusion date and the sale price shown below is based on draft addendum.

Gain on disposal of subsidiaries / associates is computed as follows:

	<i>Sale Price</i>	<i>Net Assets</i>	<i>Gain / (Loss)</i>
Alkora Alzahbya Company W.L.L.	459,258	(433,960)	25,298
Al Ruba Al Khali Trading Company W.L.L.	453,115	(457,499)	(4,384)
Manazel Trading Company W.L.L.	404,660	(378,945)	25,715
Tareek Al-Khair Trading Company W.L.L.	374,382	(362,826)	11,556
	1,691,415	(1,633,230)	58,185

In the consolidated financial statements of the Group, some of the equity investments held by the subsidiaries are classified as associates due to existence of significant influence. The whole of gain on disposal of QR 58,185 pertains to the partial disposal of these equity accounted investees. Carrying amount of these equity accounted investees disposed of amounted to QR 573,630. For the subsidiaries, net assets comprise of FVOCI equity investments, which are carried at fair value, and the sale price determined is also fair value of these assets, accordingly there is no gain on disposal of subsidiaries.

On disposal, the Group transferred fair value reserves relating to FVOCI equity investments QR 106,577 to retained earnings during the period ended 30 June 2019.

The disposal was not treated as discontinued operations as it does not represent a separate line of business or geographical area of operations. The above subsidiaries did not constitute a business, as they were for the purpose of investing activities only.

16 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to shareholders of the Company by the weighted average number of shares outstanding during the period. There were no potentially dilutive shares outstanding at any time during the period and, therefore, the dilutive earnings per share are equal to the basic earnings per share.

	<i>For the six months ended</i>	
	30 June	
	2020	2019
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
Profit for the period attributable to owners of the Company	172,381	420,707
Weighted average number of shares outstanding during the period (thousands of shares)	26,524,967	26,524,967
Basic and diluted earnings per share	0.006	0.016

17 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>30 June</i>	<i>31 December</i>
	2020	2019
	<i>(Reviewed)</i>	<i>(Audited)</i>
Bank guarantees (1)	8,183	8,183

(1) The Group anticipates that no material liabilities will arise from the above guarantees which are issued in the ordinary course of the business.

Commitments**(i) Capital expenditure commitments:**

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

	<i>30 June</i>	<i>31 December</i>
	2020	2019
	<i>(Reviewed)</i>	<i>(Audited)</i>
Contractual commitments to contractors and suppliers for development of investment property projects	1,524,055	1,520,442

(ii) Operating lease commitments:*Group as a lessor:*

The Group leases out residential and commercial properties under non-cancellable operating lease agreements.

The rent income recognized to profit or loss during the six months period is disclosed in Note 13 as "Rental income".

17 CONTINGENT LIABILITIES AND COMMITMENTS (CONTINUED)**Commitments (continued)****(ii) Operating lease commitments (continued)***Group as a lessor (continued)*

The future aggregate minimum lease receivables under non-cancellable operating leases are as follows:

	<i>30 June</i>	<i>31 December</i>
	<i>2020</i>	<i>2019</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>
No later than one year	578,176	635,305
Later than one year and no later than five years	338,284	308,659
More than five years	234,136	257,608
	<u>1,150,596</u>	<u>1,201,572</u>

18 OPERATING SEGMENTS

The Group has four strategic divisions, which are reportable segments. These divisions offer different services and are managed by the Group separately for the purpose of making decisions about resource allocation and performance assessment.

The following summary describes the operations of each reportable segment:

Reportable segment	Operations
Residential and commercial property	Development, trade, and rental of real estates.
Investments	Investment activities including shares and bonds.
Hotel and suites	Management of hotels, suites, and restaurants.
Malls	Management of malls.

The Group's Chief Executive Officer reviews the internal management reports of each division at least quarterly.

The following table presents segment results regarding the Group's operating segments for the six months period:

<i>For the six months ended 30 June 2020 (Reviewed)</i>	<i>Residential and commercial property</i>	<i>Investments</i>	<i>Hotel and suites</i>	<i>Malls</i>	<i>Adjustments and eliminations</i>	<i>Total</i>
Segment income	540,564	122,627	78,181	17,441	(5,448)	753,365
Segment expenses	<u>(525,553)</u>	<u>(2)</u>	<u>(40,341)</u>	<u>(10,049)</u>	<u>(5,008)</u>	<u>(580,953)</u>
Segment profit	<u>15,011</u>	<u>122,625</u>	<u>37,840</u>	<u>7,392</u>	<u>(10,456)</u>	<u>172,412</u>
<i>For the six months ended 30 June 2019 (Reviewed)</i>	<i>Residential and commercial property</i>	<i>Investments</i>	<i>Hotel and suites</i>	<i>Malls</i>	<i>Adjustments and eliminations</i>	<i>Total</i>
Segment income	598,068	219,166	102,289	42,664	(3,001)	959,186
Segment expenses	<u>(485,076)</u>	<u>(8)</u>	<u>(39,948)</u>	<u>(15,283)</u>	<u>1,944</u>	<u>(538,371)</u>
Segment profit	<u>112,992</u>	<u>219,158</u>	<u>62,341</u>	<u>27,381</u>	<u>(1,057)</u>	<u>420,815</u>

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18 OPERATING SEGMENTS (CONTINUED)

The following table presents the assets and liabilities of the Group's operating segments as at reporting date:

Segment assets	<i>Residential and commercial property</i>	<i>Investments</i>	<i>Hotel and suites</i>	<i>Malls</i>	<i>Adjustments and eliminations</i>	<i>Total</i>
<i>As at 30 June 2020 (Reviewed)</i>	<u>41,046,930</u>	<u>3,101,945</u>	<u>5,213,089</u>	<u>2,439,503</u>	<u>(2,894,119)</u>	<u>48,907,348</u>
<i>As at 31 December 2019 (Audited)</i>	<u>39,785,440</u>	<u>3,093,770</u>	<u>5,177,439</u>	<u>2,431,740</u>	<u>(2,294,653)</u>	<u>48,193,736</u>
Segment liabilities						
<i>As at 30 June 2020 (Reviewed)</i>	<u>19,170,353</u>	<u>832,968</u>	<u>133,987</u>	<u>48,311</u>	<u>(2,880,838)</u>	<u>17,304,781</u>
<i>As at 31 December 2019 (Audited)</i>	<u>17,934,973</u>	<u>969,444</u>	<u>133,272</u>	<u>46,869</u>	<u>(2,294,653)</u>	<u>16,789,905</u>

19 FAIR VALUES AND RISK MANAGEMENT**FINANCIAL INSTRUMENTS***Accounting classification and fair values*

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	<i>Carrying amount</i>			<i>Fair Values</i>			<i>Total</i>
	<i>FVOCI – equity investment</i>	<i>Fair value – Hedging instruments</i>	<i>Amortized cost</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	
<i>As at 30 June 2020 (Reviewed)</i>							
Financial assets measured at fair value							
Equity securities	2,282,430	-	-	2,282,430	-	-	2,282,430
Financial assets not measured at fair value							
Trade and other receivables	-	-	117,759	-	-	-	-
Cash and cash equivalents	-	-	524,596	-	-	-	-
Financial liabilities not measured at fair value							
Sukuk and Islamic financing borrowings – listed	-	-	3,506,677	2,857,812	-	-	2,857,812
Sukuk and Islamic financing borrowings – others	-	-	11,214,974	-	-	-	-
Trade and other payables	-	-	2,499,469	-	-	-	-

19 FAIR VALUES AND RISK MANAGEMENT (CONTINUED)**FINANCIAL INSTRUMENTS (CONTINUED)***Accounting classification and fair values (continued)*

	Carrying amount			Fair Values			
	<i>FVOCI – equity investment</i>	<i>Fair value – Hedging instruments</i>	<i>Amortized cost</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
<i>As at 31 December 2019 (Audited)</i>							
Financial assets measured at fair value							
Equity securities	2,259,524	-	-	2,259,524	-	-	2,259,524
Financial assets not measured at fair value							
Trade and other receivables	-	-	301,095	-	-	-	-
Cash and cash equivalents	-	-	58,997	-	-	-	-
Financial liabilities measured at fair value							
Derivative	-	35,984	-	-	35,984	-	35,984
Financial liabilities not measured at fair value							
Sukuk and Islamic financing borrowings – listed	-	-	3,654,398	3,269,703	-	-	3,269,703
Sukuk and Islamic financing borrowings – others	-	-	10,710,950	-	-	-	-
Trade and other payables	-	-	2,295,405	-	-	-	-

EZDAN HOLDING GROUP Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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In thousands of Qatari Riyals

19 FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

INVESTMENT PROPERTIES

	<i>Carrying amount</i>	<i>Fair Values*</i>			<i>Total</i>
		<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	
<i>As at 30 June 2020 (Reviewed)</i>					
Completed properties	41,165,711	-	-	41,165,711	41,165,711
Vacant land	1,052,580	-	1,052,580	-	1,052,580
Projects Under development	2,153,577	-	-	2,153,577	2,153,577
	<u>44,371,868</u>	<u>-</u>	<u>1,052,580</u>	<u>43,319,288</u>	<u>44,371,868</u>
<i>As at 31 December 2019 (Audited)</i>					
Completed properties	41,130,122	-	-	41,130,122	41,130,122
Vacant land	1,052,580	-	1,052,580	-	1,052,580
Projects Under development	1,750,660	-	-	1,750,660	1,750,660
	<u>43,933,362</u>	<u>-</u>	<u>1,052,580</u>	<u>42,880,782</u>	<u>43,933,362</u>

*Fair valuation of investment property is not carried out as at 30 June 2020; categorization into fair value hierarchy levels is based on methods used during valuation at 31 December 2019.

There are no transfers between level 2 and level 3 during the period.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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19 FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values at 30 June 2020 and 31 December 2019 for assets and liabilities measured at fair value in the statement of financial position, as well as the significant unobservable inputs used. Related valuation processes are described in Note 3.

<i>Type</i>	<i>Valuation technique</i>	<i>Significant unobservable inputs</i>	<i>Inter-relationship between significant unobservable inputs and fair value measurement</i>
Investment property – Vacant land and residential / commercial properties in UK	<i>Market comparison technique:</i> The fair values are calculated as derived from the current market prices available for the properties or nearby / adjacent properties adjusted for any differences with the comparable properties etc.	Not Applicable	Not Applicable
Investment property – completed properties and projects under development	<i>Discounted cash flows:</i> The valuation model considers the present value of expected cash flows generated from investment property discounted using weighted average cost of the capital of the Group.	<p><u>Expected cash flows:</u> (30 June 2020: Not Applicable, 31 December 2019: from positive cash flows of QR 585,974 to positive net cash flows of QR 2,152,129 from year 2020 to 2024 and a terminal value of QR 34,591,129)</p> <p><u>Weighted average cost of capital:</u> (30 June 2020: Not Applicable, 31 December 2019: 7%)</p> <p><u>Terminal growth rate:</u> (30 June 2020: Not Applicable, 31 December 2019: 2.80%)</p> <p>The Group has not valued its investment property at 30 June 2020.</p>	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> - Expected cash flows were higher (lower), - Weighted average cost of capital were lower (higher); or - Terminal growth rate were higher (lower)

20 COMPARATIVE FIGURES

Certain comparative figures have been reclassified where necessary in order to conform to the current period presentation in the condensed consolidated interim financial statements. Such reclassification do not affect previously reported net profit or net assets of the Group.

21 COVID 19 Impact:

The coronavirus outbreak (“Covid 19”) at the beginning of 2020 has brought about a deceleration of the economic activity in the State of Qatar and globally. Fiscal and monetary authorities, both domestic and international, have announced various support measures across the globe to counter possible adverse implications.

During the six-month period ended 30 June 2020, the Group has provided rent concession to its directly affected tenants mainly in Ezdan Malls considering the impact on their operations. In addition to that lender plans as well. The Group will continue to closely monitor as the situation progresses and has activated its business continuity planning and other risk management practices to manage any associate risk that may arise impacting business operations and financial performance in 2020.

In light of the rapidly escalating situation, the Group has considered whether any adjustments and changes in judgments, estimates, and risk management are required to be considered and reported in the condensed interim consolidated financial statements. The Group’s business operations remain largely unaffected by the current situation. Below are the key assumptions about the future and other sources of estimation uncertainties:

(i) Fair value of investment properties

The general risk environment in which the Group operates has heightened during the period, which is largely due to the continued level of overall uncertainty of the future impact Covid 19 worldwide. This environment could have a significant impact upon property valuations. The Group’s investment properties were valued by professionally qualified individuals employed by the Group (Internal valuer) as at the reporting date.

The outbreak of Covid 19 has resulted in the real estate market experiencing significantly lower levels of transactional activities and liquidity in the State of Qatar and globally. As at the reporting date, there was a shortage of market evidence for comparison purpose therefore, less weight has been given to recent market evidence while carrying out the valuations. The current response to Covid 19 means that the valuer is faced with an unprecedented set of circumstances on which to base a judgment. The valuation across all investment properties are therefore, reported on the basis of “material valuation uncertainty”. Consequently, less certainty – and a higher degree of caution – should be attached to the valuations than would normally be the case. Moreover, valuation methodology used for investment properties at the reporting date remains the same as used at 31 December 2019.

(ii) Expected credit losses

The uncertainties caused by Covid 19 has required the Group to update the inputs and assumptions used for the determination of expected credit losses (“ECLs”) as at 30 June 2020. ECLs were estimated based on a range of forecast economic conditions as at that date and considering that the situation is fast evolving, the Group has considered the impact of higher volatility in the forward-looking macro-economic factors, when determining the severity and likelihood of economic scenarios for ECL determination.

(iii) Going concern

The Group has performed an assessment of whether it is a going concern in the light of current economic conditions and all available information about future risks and uncertainties. The projections have been prepared covering the Group’s future performance, capital and liquidity. The impact of Covid 19 may continue to evolve, but at the present time the projections show that the Group has sufficient resources to continue in operational existence and its going concern position remains largely unaffected and unchanged from 31 December 2019. As a result, these interim condensed consolidated financial statements have been appropriately prepared on a going concern basis.

Further, the Group has assessed the impact of any operational disruptions, including any contractual challenges and changes in business or commercial relationships among the Group entities, customers and suppliers, to determine if there is any potential increase in contingent liabilities and commitments (Notes 17).