

EZDAN HOLDING GROUP Q.P.S.C.
CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
31 March 2019

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Ezdan Holding Group Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

		<i>31 March 2019 (Unreviewed) QR'000</i>	<i>31 December 2018 Audited QR'000</i>
	<i>Note</i>		
ASSETS			
Cash and bank balances	5	147,604	23,562
Receivables and prepayments	6	271,128	196,349
Inventories		28,358	28,061
Equity investments	7	3,182,063	3,316,717
Equity-accounted investees and joint venture	8	1,375,271	1,425,613
Investment properties	9	43,871,132	43,863,571
Property and equipment		789,303	797,641
TOTAL ASSETS		49,664,859	49,651,514
LIABILITIES AND EQUITY			
LIABILITIES			
Payables and other liabilities	10	2,726,027	2,764,318
Sukuk and Islamic financing borrowings	12	15,685,492	15,770,522
TOTAL LIABILITIES		18,411,519	18,534,840
EQUITY			
Share capital		26,524,967	26,524,967
Legal reserve		1,616,053	1,616,053
Fair value reserves		585,125	719,779
Foreign currency translation reserve		552	1,827
Retained earnings		2,814,477	2,542,036
Equity attributable to owners of the Company		31,541,174	31,404,662
Non-controlling interests		(287,834)	(287,988)
TOTAL EQUITY		31,253,340	31,116,674
TOTAL LIABILITIES AND EQUITY		49,664,859	49,651,514

These condensed consolidated interim financial statements were authorized for issue by the Company's Board of Directors on 11 April 2019.



Khaled Samir Ghazi
Board Member



Tamer Fouad Mahmoud
Chief Financial Officer

The notes on pages 8 to 21 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 three months ended 31 March 2019

	<i>Note</i>	<i>For the three months ended 31 March 2019 (Unreviewed) QR'000</i>	<i>For the three months ended 31 March 2018 (Reviewed) QR'000</i>
CONTINUED OPERATIONS			
Rental income		338,446	330,903
Other operating revenues		10,875	12,345
Operating expenses	13	<u>(53,939)</u>	<u>(72,489)</u>
OPERATING PROFIT FROM MAIN OPERATIONS		295,382	270,759
Dividend income from equity investments	7	121,636	121,630
Share of results of equity-accounted investees and joint venture	8	<u>24,609</u>	<u>21,939</u>
NET OPERATING PROFIT		441,627	414,328
Loss from change in fair value of investment properties		-	(12,589)
Other income	14	40,733	4,557
Finance costs	12	(183,014)	(237,147)
General and administrative expenses	13	(18,233)	(62,684)
Depreciation of property and equipment		(8,518)	(4,086)
Impairment loss of trade and other receivables		<u>-</u>	<u>(195)</u>
PROFIT FOR THE PERIOD		<u>272,595</u>	<u>102,184</u>
<i>Profit attributable to:</i>			
Owners of the Company		272,441	103,307
Non-controlling interests		<u>154</u>	<u>(1,123)</u>
		<u>272,595</u>	<u>102,184</u>
BASIC AND DILUTED EARNINGS PER SHARE	15	<u>0.10</u>	<u>0.04</u>

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Ezdan Holding Group Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2019

	<i>For the three months ended 31 March 2019</i>	<i>For the three months ended 31 March 2018</i>
	<i>(Unreviewed) QR'000</i>	<i>(Reviewed) QR'000</i>
Profit for the period	272,595	102,184
Other comprehensive income		
<i>Item that will not be reclassified to profit or loss</i>		
Equity investments at FVOCI - net change in fair value	(134,654)	(39,435)
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Cash flow hedges - effective portion of changes in fair value	-	18,450
Foreign operations - foreign currency translation differences	(1,275)	(1,287)
Equity-accounted investees - share of OCI	-	(296)
Other comprehensive loss for the period	(135,929)	(22,568)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	136,666	79,616
<i>Attributable to:</i>		
Owners of the Company	136,512	80,739
Non-controlling interests	154	(1,123)
	136,666	79,616

The notes on pages 8 to 21 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 three months ended 31 March 2019

	<i>Attributable to owners of the Company</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>	<i>Total</i>		
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</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
Net profit for the period	-	-	-	-	272,441	272,441	154	272,595
Other comprehensive income for the period	-	-	(134,654)	(1,275)	-	(135,929)	-	(135,929)
Total comprehensive income for the period	-	-	(134,654)	(1,275)	272,441	136,512	154	136,666
Balance at 31 March 2019 (Unreviewed)	26,524,967	1,616,053	585,125	552	2,814,477	31,541,174	(287,834)	31,253,340

The notes on pages 8 to 21 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 three months ended 31 March 2019

	<i>Attributable to owners of the Company</i>					<i>Total</i> <i>QR'000</i>	<i>Non-</i> <i>controlling</i> <i>interest</i> <i>QR'000</i>	<i>Total</i> <i>equity</i> <i>QR'000</i>
	<i>Share</i> <i>capital</i> <i>QR'000</i>	<i>Legal</i> <i>reserve(1)</i> <i>QR'000</i>	<i>Fair</i> <i>value reserves</i> <i>QR'000</i>	<i>Foreign</i> <i>currency</i> <i>translation</i> <i>reserve</i> <i>QR'000</i>	<i>Retained</i> <i>earnings</i> <i>QR'000</i>			
Balance at 31 December 2017 (Audited)	26,524,967	1,572,678	17,326	154	2,037,602	30,152,727	4,137	30,156,864
Adjustment on initial application of IFRS 9 (Note 4)	-	-	(153,872)	-	129,534	(24,338)	(201)	(24,539)
Adjusted balance at 1 January 2018 (Audited)	26,524,967	1,572,678	(136,546)	154	2,167,136	30,128,389	3,936	30,132,325
Net profit for the period (Reviewed)	-	-	-	-	103,307	103,307	(1,123)	102,184
Other comprehensive income for the period	-	-	(21,281)	(1,287)	-	(22,568)	-	(22,568)
Total comprehensive income for the period			(21,281)	(1,287)	103,307	80,739	(1,123)	79,616
Balance at 31 March 2018 (Reviewed)	26,524,967	1,572,678	(157,827)	(1,133)	2,270,443	30,209,128	2,813	30,211,941

(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 three months ended 31 March 2019 as the Group will transfer the total required amount by 31 December 2019.

The notes on pages 8 to 21 are an integral part of these condensed consolidated interim financial statements.

Ezdan Holding Group Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 31 March 2019

		<i>For the three months ended 31 March 2019 (Unreviewed) QR'000</i>	<i>For the three months ended 31 March 2018 (Reviewed) QR'000</i>
OPERATING ACTIVITIES			
Profit for the period		272,595	102,184
<i>Adjustments for:</i>			
Provision for impairment of receivables and prepayments		-	195
Gain on disposal of property and equipment		(64)	-
Share of results of equity-accounted investees and joint venture	8	(24,609)	(21,939)
Loss from change in fair value of investment properties		-	12,589
Depreciation of property and equipment		8,518	4,086
Provision for employees' end of services benefits	13	939	2,311
Dividend income from equity investments	7	(121,636)	(121,630)
Finance income		(93)	(446)
Finance costs	12	183,014	237,147
Operating profit before working capital changes		318,664	214,497
<i>Changes in:</i>			
Receivables and prepayments		(16,849)	12,155
Inventories		(297)	1,259
Payables and other liabilities		(15,880)	14,546
Cash from operating activities		285,638	242,457
Employees' end of service benefits paid		(16,555)	(5,672)
Net cash flows from operating activities		269,083	236,785
INVESTING ACTIVITIES			
Payments for development of Investment properties		(60,450)	(26,115)
Additions to property and equipment		(178)	(16,526)
Proceeds from disposal of property and equipment		64	-
Net movement in restricted bank balances		(150)	(655)
Dividends income received		196,588	200,100
Finance income received		93	446
Net cash flows from investing activities		135,967	157,250
FINANCING ACTIVITIES			
Proceeds from Sukuk and Islamic financing borrowings	12	340,218	3,000,000
Repayments for Sukuk and Islamic financing borrowings	12	(614,158)	(3,337,983)
Transaction cost		5,896	(27,000)
Dividends paid		(8,850)	-
Net cash flows used in financing activities		(276,894)	(364,983)
NET INCREASE IN CASH AND BANK BALANCES		128,156	29,052
Net foreign exchange differences		(4,264)	(7,362)
Cash and cash equivalents as of 1 January		21,937	366,550
CASH AND CASH EQUIVALENT AT 31 MARCH	5	145,829	388,240

The notes on pages 8 to 21 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

At 31 March 2019

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.

The principal activities of the Company and its subsidiaries include financial and administrative control over a company or more by owing at least 51% of its shares, investment in shares, Sukuk, financial securities, and other investments inside and outside the State of Qatar, owning patents, commercial works and privilege, and other rights using them and renting them to others, providing real estate consulting services, managing property and collect rentals and providing property maintenance works.

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>31 March 2019</i> <i>(Unreviewed)</i>	<i>31 December 2018</i> <i>(Audited)</i>	<i>31 March 2018</i> <i>(Reviewed)</i>
Ezdan Hotels Company W.L.L.	Qatar	100%	100%	100%
Ezdan Mall Company W.L.L.	Qatar	100%	100%	100%
Ezdan Real Estate Company W.L.L.	Qatar	100%	100%	100%
Ezdan Palace W.L.L.	Qatar	100%	100%	100%
Al Ruba Al Khali Trading Company W.L.L.	Qatar	100%	100%	100%
Al Ekleem for Real Estate and Mediation Co. W.L.L.	Qatar	100%	100%	100%
Al Taybin Trading Company W.L.L.	Qatar	100%	100%	100%
Al Namaa for Maintenance Company W.L.L.	Qatar	100%	100%	100%
Shatea Al Nile Company W.L.L.	Qatar	100%	100%	100%
Arkan for Import and Export Company W.L.L.	Qatar	100%	100%	100%
Tareek Al Hak Trading Company W.L.L.	Qatar	100%	100%	100%
Manazel Trading Company W.L.L.	Qatar	100%	100%	100%
Een Jaloot Trading Company W.L.L.	Qatar	100%	100%	100%
Tareek Al-Khair Trading Company W.L.L.	Qatar	100%	100%	100%
Alkora Alzahbya Company W.L.L.	Qatar	100%	100%	100%
Ezdan World W.L.L.	Qatar	70%	70%	70%
Emtedad Real Estate for Projects W.L.L.	Qatar	67.5%	67.5%	67.5%
Ezdan International Limited	Jersey	100%	100%	100%

The Parent of the Group is Al-Tadawul Trading Group Q.S.C. (“Tadawul”) which aggregately owns directly and indirectly through its subsidiaries, approximately 54% of the share capital of the Company as at 31 March 2019 and 31 December 2018.

2 BASIS OF ACCOUNTING

These condensed consolidated interim financial statements 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.

These condensed consolidated interim financial statements included the impact of the application of IFRS 15 “Revenue from Contracts with Customers” and IFRS 9 “Financial Instruments”. Changes to significant accounting policies are described in Note 4.

These condensed consolidated interim financial statements were authorized for issue by the Company’s Board of Directors on 11 April 2019.

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, except for new significant judgments and key sources of estimation uncertainty related to the application of IFRS 15 and IFRS 9, which are described in Note 4.

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.

Management believes that as at the reporting date the fair values of the Group's financial assets and liabilities approximated their carrying amounts.

4 SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2018.

The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2018.

Changes in accounting policies

During the current period, the Group adopted the below new and amended International Financial Reporting Standards ("IFRS") and improvements to IFRS that are effective for annual periods beginning on 1 January 2018:

- *IFRS 15 "Revenue from Contracts with Customers"*
- *IFRS 9 "Financial Instruments"*
- *Amendments to IFRS 2 "Classification and Measurement of Share-based Payment Transactions"*
- *Amendments to IAS 40 "Transfers of Investment Property"*
- *Annual improvements to IFRSs 2014-2016 Cycle "Amendments to IFRS 1 and IAS 28"*
- *IFRIC 22 Foreign Currency Transactions and Advances consideration.*

The adoption of the above new and amended IFRS and improvements to IFRS had no significant impact on the condensed consolidated interim financial statements, except for IFRS 9, which led to an increase in the provision for impairment of receivables and prepayments (Note 4 (ii)).

A. IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 "Revenue" and related interpretations.

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)**Changes in accounting policies (continued)****A. IFRS 15 “Revenue from Contracts with Customers” (continued)**

The details of the new significant accounting policies and the nature of the changes to previous accounting policies in respect of the Group’s significant revenue generating activities are set out below:

Type of services	Nature, timing of satisfaction of performance obligations, significant payment terms	Nature of change in accounting policy.
Rentals of property	Revenue is recognised on a monthly basis based on the period of contract and the space occupied.	No impact.
Ancillary services provided to occupants of the property	Revenue is recognised at a single time when the service is delivered to the customer.	No significant impact.

B. IFRS 9 “Financial Instruments”

IFRS 9 sets out requirements for recognising and measuring financial assets and financial liabilities. This standard replaces IAS 39 “Financial Instruments: Recognition and Measurement”.

The following table summarises the impact of transition to IFRS 9 on the opening balance of reserves and retained earnings (for a description of the transition method, see Note 4 (iii) below).

	<i>Fair value reserves</i>	<i>Retained earnings</i>	<i>Non- controlling interest</i>	<i>Total</i>
Balances at 31 December 2017 (As reported)	17,326	2,037,602	4,137	2,059,065
<u>Adjustment on initial application of IFRS 9</u>				
Equity investments at FVOCI (AFS investments under old IAS 39)	(153,872)	153,872	-	-
Investments on equity-accounted investees	-	(23,946)	-	(23,946)
Receivables and prepayments	-	(392)	(201)	(593)
	(153,872)	129,534	(201)	(24,539)
Adjusted opening balances at 1 January 2018	(136,546)	2,167,136	3,936	2,034,526

(i) Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables, and available-for-sale financial assets.

The adoption of IFRS 9 has not had a significant effect on the Group’s accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below:

On initial recognition a financial asset is classified as:

- Amortised cost;
- Fair Value Through Other Comprehensive Income (FVOCI) debt investment;
- Fair Value Through Other Comprehensive Income (FVOCI) equity investment; or
- Fair Value Through Profit or Loss (FVTPL).

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Changes in accounting policies (continued)

B. IFRS 9 “Financial Instruments” (continued)

(i) Classification and measurement of financial assets and financial liabilities (continued)

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and;
- its contractual terms give rise on specified dates to cash flows that are solely payments principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment’s fair value in OCI. This election is made on an investment-by-investment basis.

The following accounting policies apply to the subsequent measurement of the Group’s financial assets:

Financial assets at amortised cost

These assets are subsequently measured at amortised costing using the effective interest method. The amortised cost is reduced by impairment losses (see below 4(ii)). Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

The Group has no financial assets at FVTPL and debt investments at FVOCI as at reporting date.

(ii) Impairment of financial assets

IFRS 9 replaces the ‘incurred loss’ model in IAS 39 with an ‘expected credit loss’ (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

The financial assets at amortized cost consist of receivables and prepayments and cash and bank balances under IFRS 9 and loss allowances are measured on either of the following bases:

- *12-month ECLs*: these are ECLs that result from possible default events within the 12 months after the reporting date.
- *lifetime ECLs*: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group has elected to measure loss allowances for its financial assets at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment and including forward-looking information.

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Changes in accounting policies (continued)

B. IFRS 9 “Financial Instruments” (continued)

(ii) Impairment of financial assets (continued)

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 60 to 90 days past due. The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the financial asset is more than 60 to 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses the financial assets carried at amortized cost are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Impairment losses related to receivables and prepayments are presented under general and administrative expenses in the condensed consolidated interim statement of profit or loss.

(ii) *Transition*

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied using cumulative effect method. The Group has taken an exemption not to restate comparative information of prior periods. Differences in the carrying amounts of the financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognized in retained earnings and reserves as at 1 January 2018.

The assessment have been made on the basis of the facts and circumstances that existed at the date of initial application.

At 31 March 2019

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>31 March 2019 (Unreviewed) QR'000</i>	<i>31 December 2018 (Audited) QR'000</i>	<i>31 March 2018 (Reviewed) QR'000</i>
Cash on hand	402	339	1,408
<i>Cash at banks and other financial institutions</i>			
Saving and call accounts	45,178	11,105	227,157
Current accounts	100,249	10,493	159,675
Margin accounts	1,775	1,625	5,225
<i>Cash and bank balances</i>	147,604	23,562	393,465
Less: Restricted bank balances	(1,775)	(1,625)	(5,225)
Cash and cash equivalent	145,829	21,937	388,240

6 RECEIVABLES AND PREPAYMENTS

	<i>31 March 2019 (Unreviewed) QR'000</i>	<i>31 December 2018 (Audited) (Note 17) QR'000</i>
Net tenant receivables	54,198	45,657
Receivables from government on expropriation of investment properties	50,366	50,366
Derivative financial assets	10,844	10,844
Due from related parties (Note 11(b))	31,273	29,219
Advances to suppliers and contractors	92,049	39,166
Prepaid expenses	3,555	5,614
Refundable deposits	13,926	13,954
Net other receivables and debit balances	14,917	1,529
	271,128	196,349
The maturity of receivables and prepayments are as follows:		
Current	247,103	172,296
Non-current	24,025	24,053
	271,128	196,349

At 31 March 2019

6 RECEIVABLES AND PREPAYMENTS (CONTINUED)

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

	31 March 2019 (Unreviewed) QR'000	31 December 2018 (Audited) QR'000
At 1 January	<u>125,686</u>	<u>99,679</u>
Adjustments on initial application of IFRS 9 (Note 4)		
- Tenant receivables	-	(4,347)
- Due from related parties	-	4,940
Adjusted balance at 1 January	<u>125,686</u>	<u>100,272</u>
Provision made during the period / year	-	29,457
Provision reversed	-	(4,043)
Balance at 31 March (Reviewed) / 31 December (Audited)	<u>125,686</u>	<u>125,686</u>

7 EQUITY INVESTMENTS

	31 March 2019 (Unreviewed) QR'000	31 December 2018 (Audited) QR'000
Quoted shares (1)	<u>3,127,806</u>	<u>3,262,460</u>
Unquoted shares (2)	<u>54,257</u>	<u>54,257</u>
	<u>3,182,063</u>	<u>3,316,717</u>

(1) The quoted shares are the Group's equity investments that are carried at FVOCI. The mortgages 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. The industry concentration of the investment portfolio is as follows:

	31 March 2019 (Unreviewed) QR'000	31 December 2018 (Audited) QR'000
Quoted shares listed at Qatar Stock Exchange (QSE)		
Banks and financial institutions	<u>3,045,350</u>	<u>3,179,762</u>
Consumer goods and services	<u>35,254</u>	<u>38,423</u>
Transportation	<u>22,089</u>	<u>21,000</u>
Industries	<u>18,873</u>	<u>18,343</u>
Telecommunication	<u>1,182</u>	<u>1,362</u>
Real estate	<u>1,185</u>	<u>1,219</u>
Insurance	<u>3,873</u>	<u>2,351</u>
	<u>3,127,806</u>	<u>3,262,460</u>

(2) The unquoted shares are the Group's equity investments that are not listed at QSE. These equity investments are carried at amortized cost.

The Group generated dividend income from the equity investments amounting to QR 121,636 (three -month period ended 31 March 2018 (Reviewed): QR 121,630) during the period.

At 31 March 2019

8 EQUITY-ACCOUNTED INVESTEEES AND JOINT VENTURE

	<i>Country of incorporation</i>	<i>Ownership interest</i>			
		<i>31 March 2019</i> <i>(Unreviewed)</i> %	<i>31 December 2018</i> <i>(Audited)</i> %	<i>31 March 2019</i> <i>(Unreviewed)</i> QR'000	<i>31 December 2018</i> <i>(Audited)</i> QR'000
Qatar International Islamic Bank Q.S.C. (Note 11(cii))	Qatar	10.00 %	10.00 %	880,018	919,796
Medicare Group Q.S.C.	Qatar	12.50 %	12.50 %	243,825	251,580
Qatar Islamic Insurance Company Q.S.C.	Qatar	7.33 %	7.33 %	67,927	71,556
Total of associate				1,191,770	1,242,932
White Square Real Estate Company W.L.L.	Qatar	32.50 %	32.50 %	183,501	182,681
				1,375,271	1,425,613

The Group recognized its share on the operating results of its associates / joint venture amounting to QR 24,609 (three-month period ended 31 March 2018 (Reviewed): QR 21,939) during the period.

The mortgages on the equity-accounted investees are disclosed in Note 12.

9 INVESTMENT PROPERTIES

	<i>31 March 2019</i> <i>(Unreviewed)</i> QR'000	<i>31 December 2018</i> <i>(Audited)</i> QR'000
At 1 January	43,863,571	43,819,785
Development costs during the period / year (Note 11.a)	4,574	82,242
Expropriation of investment properties	-	(31,312)
Foreign exchange adjustment	2,987	(7,144)
	43,871,132	43,863,571

Investment properties consists of:

	<i>31 March 2019</i> <i>(Unreviewed)</i> QR'000	<i>31 December 2018</i> <i>(Audited)</i> QR'000
Completed properties	41,098,082	41,020,221
Vacant land	2,637,830	2,698,180
Projects under development	135,220	145,170
	43,871,132	43,863,571

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

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

At 31 March 2019

10 PAYABLES AND OTHER LIABILITIES

	<i>31 March 2019 (Unreviewed) QR'000</i>	<i>31 December 2018 (Audited) QR'000</i>
Due to a related party (Note 11(c))	1,557,954	1,559,192
Dividend payables	748,989	757,839
Tenants' deposits	147,318	148,528
Unearned rent income	70,678	57,168
Payables to contractors and suppliers	52,166	68,113
Accrued expenses	29,172	34,742
Provision for employees' end of service benefits	7,971	23,587
Retention payable	41,397	41,824
Advances received from customers	2,700	2,700
Provision for Social and Sports Activities Fund	10,844	10,844
Other payables	56,838	59,781
	<u>2,726,027</u>	<u>2,764,318</u>

The maturity of payables and other liabilities are as follows:

	<i>31 March 2019 (Unreviewed) QR'000</i>	<i>31 December 2018 (Audited) QR'000</i>
Non-current	49,368	65,411
Current	<u>2,676,659</u>	<u>2,698,907</u>
	<u>2,726,027</u>	<u>2,764,318</u>

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 three months ended 31 March 2019 (Unreviewed) QR'000</i>	<i>For the three months ended 31 March 2018 (Reviewed) QR'000</i>
Development costs of investment properties (1)	<u>4,574</u>	<u>-</u>
Expensed-out finance costs (2)	<u>25,699</u>	<u>33,618</u>
Compensation of directors and other key management personnel	<u>-</u>	<u>24,606</u>
Rental income	<u>969</u>	<u>1,930</u>

(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) The Group had secured Islamic finance borrowing from its equity-accounted investee (Note 11(c.i)).

All related party transactions were effected at commercial terms and conditions.

At 31 March 2019

11 RELATED PARTIES DISCLOSURES (CONTINUED)**(b) Due from related parties**

	<i>Note</i>	31 March 2019 (Unreviewed) QR'000	31 December 2018 (Audited) QR'000
The Curve Hotel Company W.L.L.		23,032	21,938
Dar Al Arab W.L.L.		14,679	13,719
White Square Real Estate Company W.L.L.		<u>263</u>	<u>263</u>
		37,974	35,920
Less: Allowance for impairment of due from related parties		<u>(6,701)</u>	<u>(6,701)</u>
	6	<u>31,273</u>	<u>29,219</u>

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

(b.i) Other related party receivable

<i>Entities under common control:</i>		31 March 2019 (Unreviewed) QR'000	31 December 2018 (Audited) QR'000
Advances to suppliers and contractors including advances made to SAK Contracting and Trading W.L.L. and SAK Security Services W.L.L. (Note 6)		<u>81,839</u>	<u>29,936</u>

(c.) Due to a related party

	<i>Note</i>	31 March 2019 (Unreviewed) QR'000	31 December 2018 (Audited) QR'000
SAK Holding Group W.L.L. (1)	10	<u>1,557,954</u>	<u>1,559,192</u>

This amount represents the remaining outstanding balance due to SAK Holding Group W.L.L., in relation to the settlement agreement with the Group.

The above balance is of commercial nature, bears no interest or securities and a non-current obligation.

(c.i) Other related party payables

<i>Equity accounted investee:</i>		31 March 2019 (Unreviewed) QR'000	31 December 2018 (Audited) QR'000
Islamic financing borrowings (Note 8)		<u>1,945,536</u>	<u>1,946,000</u>
Payable to a contractor		<u>2,673</u>	<u>1,899</u>
Borrowing from a main shareholder (Note 12)		<u>615,295</u>	<u>385,000</u>

At 31 March 2019

12 SUKUK AND ISLAMIC FINANCING BORROWINGS

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

	31 March 2019 (Unreviewed) QR'000	31 December 2018 (Audited) QR'000
At 1 January	15,864,319	16,270,461
Additions	340,218	3,385,000
Finance costs	183,014	835,545
Repayments	(614,158)	(4,626,687)
	15,773,393	15,864,319
Deduct:		
Transaction costs	(87,901)	(93,797)
At the end of the period / year	15,685,492	15,770,522

The borrowings are presented in the condensed consolidated statement of financial position as follows:

	31 March 2019 (Unreviewed) QR'000	31 December 2018 (Audited) QR'000
Non-current	13,708,778	14,202,663
Current	1,976,714	1,567,859
	15,685,492	15,770,522

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>	31 March 2019 (Unreviewed) QR'000	31 December 2018 (Audited) QR'000
Ijara	QR	Secured	QMRL rate	5,609,502	5,703,851
Ijara	USD	Secured	1M /3M LIBOR	3,062,481	3,065,294
Murabaha	QR	Secured	QMRL rate	2,260,182	2,525,201
Murabaha	USD	Secured	1Y/3 M LIBOR	522,310	524,088
Sukuk financings	USD	Unsecured	4.375% and 4.875%	3,703,623	3,660,885
Borrowings from main shareholder	QR	Secured	Noninterest bearing	615,295	385,000
				15,773,393	15,864,319

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 183,014 (three months period ended 31 March 2018 (Reviewed): QR 237,147) during the period.

As at 31 March 2019, the Group had secured borrowings against mortgages on different types of investment properties (Note 9) owned by the Group with a carrying value of QR 16,893,710 thousand (31 December 2018: QR 16,893,710 thousand) and mortgage against quoted shares included in the interim condensed consolidated financial statements within the equity accounted investee (Note 8) with carrying value of QR 575,044 thousand as at 31 March 2019 (31 December 2018: QR 663,929 thousand).

At 31 March 2019

13 EXPENSES*Operating expenses:*

	<i>For the three months ended 31 March 2019 (Unreviewed) QR'000</i>	<i>For the three months ended 31 March 2018 (Reviewed) QR'000</i>
Utilities	13,110	17,181
Staff cost	12,351	19,948
Repairs and maintenance	6,132	7,327
Sewage	5,998	5,557
Air conditioning	4,505	4,812
Security	2,489	3,372
Cleaning	3,158	4,289
Food and beverages	1,982	2,477
Laundry and dry cleaning	1,180	1,208
Registration fees	511	1,626
Advertising costs	360	1,871
Fuel	152	628
Commissions	341	289
Other operating expenses	1,670	1,904
	53,939	72,489

General and administrative expenses:

	<i>For the three months ended 31 March 2019 (Unreviewed) QR'000</i>	<i>For the three months ended 31 March 2018 (Reviewed) QR'000</i>
Staff cost and board allowances (1) (Note 11)	9,794	49,024
Professional fees	1,619	3,021
Registration fees	2,099	2,407
Bank charges	867	732
Information system	527	679
Rent expense	543	790
Insurance costs	852	920
Advertising costs	47	801
Communication	502	855
Printing and stationery	165	288
Other general and administrative expenses	1,218	3,167
	18,233	62,684

(1) Staff cost includes a provision for employees' end of service benefits of QR 939 (three-month period ended 31 March 2018 (Reviewed): QR 2,311) during the period.

14 OTHER INCOME

On 19 March 2019, the controlling shareholder of Ezdan Holding Group, HE Sheikh Thani Bin Abdullah Al-Thani, decided to bear the allowances of executive committee for the year 2018 amounting to QR 35,400 thousands, through settlement of part of his Islamic finance lending to the Company. As the decision was taken after the reporting date of the consolidated financial statements for the year 2018, hence in accordance with IAS 10 – Events after the reporting date, the amount has been recognized in the consolidated statement of income for the 3 months ended 31 March 2019

At 31 March 2019

15 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 three months ended 31 March 2019 (Unreviewed)</i>	<i>For the three months ended 31 March 2018 (Reviewed)</i>
Profit for the period attributable to owners of the Company (in QR'000)	<u>272,441</u>	<u>103,307</u>
Weighted average number of shares outstanding during the period (thousands of share)	<u>2,652,497</u>	<u>2,652,497</u>
Basic and diluted earnings per share (in QR)	<u>0.10</u>	<u>0.04</u>

16 CONTINGENT LIABILITIES AND COMMITMENTS**Contingent liabilities**

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

	<i>31 March 2019 (Unreviewed) QR'000</i>	<i>31 December 2018 (Audited) QR'000</i>
Bank guarantees	<u>11,688</u>	<u>11,688</u>

Commitments

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

	<i>31 March 2019 QR'000 (Unreviewed)</i>	<i>31 December 2018 QR'000 (Audited)</i>
Contractual commitments to contractors and suppliers for development of investment property projects	<u>29,097</u>	<u>56,562</u>

17 OPERATING SEGMENTS

The Group has five 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.

Managing Director reviews the internal management reports of each division at least quarterly.

Inter-segment pricing is determined on an arm's length basis.

17 OPERATING SEGMENTS (CONTINUED)

Ezdan Holding Group Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

At 31 March 2019

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

For the three months ended 31 March 2019 (unreviewed)

	<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>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Segment income	311,868	147,187	52,388	22,849	2,007	536,299
Segment expenses	(238,181)	(7)	(20,371)	(7,304)	2,159	(263,704)
Segment profit	73,687	147,180	32,017	15,545	4,166	272,595

For the three months ended 31 March 2018 (Reviewed)

	<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>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Segment income	264,277	143,586	55,036	34,224	(4,585)	492,538
Segment expenses	<u>(354,213)</u>	<u>(30)</u>	<u>(30,359)</u>	<u>(17,276)</u>	<u>11,524</u>	<u>(390,354)</u>
Segment profit / (loss)	<u>(89,936)</u>	<u>143,556</u>	<u>24,677</u>	<u>16,948</u>	<u>6,939</u>	<u>102,184</u>

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

	<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>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
Segment assets						
<i>As at 31 March 2019 (Unreviewed)</i>	38,569,191	9,737,072	5,733,215	3,313,640	(7,688,259)	49,664,859
<i>As at 31 December 2018 (Audited)</i>	<u>37,477,589</u>	<u>9,723,630</u>	<u>6,123,050</u>	<u>3,644,132</u>	<u>(7,316,887)</u>	<u>49,651,514</u>
Segment liabilities						
<i>As at 31 March 2019 (Unreviewed)</i>	25,848,095	1,046	127,684	127,212	(7,692,518)	18,411,519
<i>As at 31 December 2018 (Audited)</i>	<u>25,563,648</u>	<u>130</u>	<u>136,993</u>	<u>135,163</u>	<u>(7,301,094)</u>	<u>18,534,840</u>

18 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 for the previous period.