

EZDAN HOLDING GROUP Q.P.S.C.
CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
31 March 2020

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Ezdan Holding Group Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2020

In thousands of Qatari Riyals

		<i>31 March</i> <i>2020</i> <i>(Unreviewed)</i>	<i>31 December</i> <i>2019</i> <i>Audited</i>
	<i>Note</i>		
ASSETS			
Cash and bank balances	5	440,838	59,289
Trade and other receivables	6	179,287	315,188
Inventories		25,437	26,221
Equity investments	7	2,091,790	2,259,524
Equity-accounted investees and joint venture	8	807,284	834,173
Investment properties	9	44,348,943	43,933,362
Property and equipment		758,155	765,979
TOTAL ASSETS		48,651,734	48,193,736
LIABILITIES AND EQUITY			
LIABILITIES			
Trade and other payables	10	2,632,987	2,424,557
Sukuk and Islamic financing	12	14,661,342	14,365,348
TOTAL LIABILITIES		17,294,329	16,789,905
EQUITY			
Share capital		26,524,967	26,524,967
Legal reserve		1,646,982	1,646,982
Fair value reserves		424,254	591,918
Foreign currency translation reserve		2,978	(247)
Retained earnings		3,037,259	2,919,245
Equity attributable to owners of the Company		31,636,440	31,682,865
Non-controlling interests		(279,035)	(279,034)
TOTAL EQUITY		31,357,405	31,403,831
TOTAL LIABILITIES AND EQUITY		48,651,734	48,193,736

These condensed consolidated interim financial statements were authorized for issue by the Company's Board of Directors on 20 April 2020.



Abdalla Bin Thani Al-Thani
Vice Chairman



Tamer Fouad Mahmoud
Group 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 2020

In thousands of Qatari Riyals

	<i>Note</i>	<i>For the three months ended 31 March 2020 (Unreviewed)</i>	<i>For the three months ended 31 March 2019 (Unreviewed)</i>
CONTINUED OPERATIONS			
Rental income	13	306,286	322,306
Other operating revenues	13	19,958	27,015
Operating expenses	14	<u>(54,657)</u>	<u>(54,331)</u>
OPERATING PROFIT FROM MAIN OPERATIONS		271,587	294,990
Dividend income from equity investments	7	93,205	121,636
Share of results of equity-accounted investees and joint venture	8	<u>13,453</u>	<u>24,609</u>
NET OPERATING PROFIT		378,245	441,235
(Loss) / gain from foreign currency exchange		(24,344)	3,261
Other income		1,870	37,472
Finance costs	12	(210,164)	(183,014)
General and administrative expenses	14	(19,364)	(17,841)
Depreciation of property and equipment		<u>(8,230)</u>	<u>(8,518)</u>
PROFIT FOR THE PERIOD		<u>118,013</u>	<u>272,595</u>
<i>Profit attributable to:</i>			
Owners of the Company		118,014	272,441
Non-controlling interests		<u>(1)</u>	<u>154</u>
		<u>118,013</u>	<u>272,595</u>
BASIC AND DILUTED EARNINGS PER SHARE	15	<u>0.004</u>	<u>0.010</u>

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 COMPREHENSIVE INCOME

For the three months ended 31 March 2020

In thousands of Qatari Riyals

	<i>For the three months ended 31 March 2020 (Unreviewed)</i>	<i>For the three months ended 31 March 2019 (Unreviewed)</i>
Profit for the period	118,013	272,595
Other comprehensive income		
<i>Item that will not be reclassified to profit or loss</i>		
Equity investments at FVOCI - net change in fair value	(167,734)	(134,654)
Equity-accounted investees - share of OCI	70	-
	(167,664)	(134,654)
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Foreign operations - foreign currency translation differences	3,225	(1,275)
Other comprehensive loss for the period	(164,439)	(135,929)
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD	(46,426)	136,666
<i>Attributable to:</i>		
Owners of the Company	(46,425)	136,512
Non-controlling interests	(1)	154
	(46,426)	136,666

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 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
Net profit for the period	-	-	-	-	118,014	118,014	(1)	118,013
Other comprehensive (loss) income for the period	-	-	(167,664)	3,225	-	(164,439)	-	(164,439)
Total comprehensive (loss) income for the period	-	-	(167,664)	3,225	118,014	(46,425)	(1)	(46,426)
Balance at 31 March 2020 (Unreviewed)	26,524,967	1,646,982	424,254	2,978	3,037,259	31,636,440	(279,035)	31,357,405

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 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 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 (loss) income for the period	-	-	(134,654)	(1,275)	-	(135,929)	-	(135,929)
Total comprehensive (loss) income for the period	-	-	(134,654)	(1,275)	272,441	136,512	154	136,666
Balance at 31 March 2019 (Unreviewed)	<u>26,524,967</u>	<u>1,616,053</u>	<u>585,125</u>	<u>552</u>	<u>2,814,477</u>	<u>31,541,174</u>	<u>(287,834)</u>	<u>31,253,340</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 three months ended 31 March 2020 as the Group will transfer the total required amount by 31 December 2020.

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 2020

In thousands of Qatari Riyals

		<i>For the three months ended 31 March 2020 (Unreviewed) QR'000</i>	<i>For the three months ended 31 March 2019 (Unreviewed) QR'000</i>
OPERATING ACTIVITIES			
Profit for the period		118,013	272,595
<i>Adjustments for:</i>			
Gain on disposal of property and equipment		(128)	(64)
Share of results of equity-accounted investees and joint venture	8	(13,453)	(24,609)
Depreciation of property and equipment		8,230	8,518
Provision for employees' end of services benefits	14	994	939
Dividend income from equity investments	7	(93,205)	(121,636)
Waive-off of payable to a related party		-	35,400
Profit on Islamic bank accounts		(1,371)	(93)
Finance costs	12	210,164	183,014
Operating profit before working capital changes		229,244	354,064
<i>Changes in:</i>			
Trade and other receivables		130,867	(18,905)
Inventories		784	(297)
Trade and other payables		(175,000)	181,071
Cash from operating activities		185,895	515,933
Employees' end of service benefits paid		(268)	(16,555)
Net cash flows from operating activities		185,627	499,378
INVESTING ACTIVITIES			
Payments for development of Investment properties		(23,530)	(60,450)
Additions to property and equipment		(418)	(178)
Proceeds from disposal of property and equipment		139	64
Net movement in restricted bank balances		2,278	(150)
Dividends income received	7,8	133,613	196,588
Finance income received		1,371	93
Net cash flows from investing activities		113,453	135,967
FINANCING ACTIVITIES			
Proceeds from Sukuk and Islamic financing borrowings	12	2,150,000	109,923
Repayments for Sukuk and Islamic financing borrowings	12	(2,033,311)	(614,158)
Transaction cost		(30,858)	5,896
Dividends paid		(10,350)	(8,850)
Net cash flows from (used in) financing activities		75,481	(507,189)
NET INCREASE IN CASH AND BANK BALANCES		374,561	128,156
Net foreign exchange differences		9,266	(4,264)
Cash and cash equivalents as of 1 January		54,086	21,937
CASH AND CASH EQUIVALENT AT 31 MARCH	5	437,913	145,829

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

For the three months ended 31 March 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.

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:

Name of the subsidiary	Country of incorporation	Principal Activity	Effective percentage of ownership		
			31 March 2020	31 December 2019	31 December 2018
Ezdan Hotels Company W.L.L.	Qatar	Hotel services	100%	100%	100%
Ezdan Mall Company W.L.L.	Qatar	Malls management	100%	100%	100%
Ezdan Real Estate Company W.L.L.	Qatar	Real estate services	100%	100%	100%
Ezdan Palace Hotel Company W.L.L.	Qatar	Hotel services	100%	100%	100%
Al Ruba Al Khali Trading Company W.L.L. (1)	Qatar	Investments in shares	-	-	100%
Al Ekleem for Real Estate and Mediation Co. W.L.L.	Qatar	Investments in shares	100%	100%	100%
Al Taybin Trading Company W.L.L.	Qatar	Investments in shares	100%	100%	100%
Al Namaa for Maintenance Company W.L.L.	Qatar	Investments in shares	100%	100%	100%
Shatea Al Nile Company W.L.L.	Qatar	Investments in shares	100%	100%	100%
Arkan for Import and Export Company W.L.L.	Qatar	Investments in shares	100%	100%	100%
Tareek Al Hak Trading Company W.L.L.	Qatar	Investments in shares	100%	100%	100%
Manazel Trading Company W.L.L. (1)	Qatar	Investments in shares	-	-	100%
Een Jaloot Trading Company W.L.L.	Qatar	Investments in shares	100%	100%	100%
Tareek Al-Khair Trading Company W.L.L. (1)	Qatar	Investments in shares	-	-	100%
Alkora Alzahbya Company W.L.L. (1)	Qatar	Investments in shares	-	-	100%
Ezdan World W.L.L.	Qatar	Entertainment services	70%	70%	70%
Entedad Real Estate for Projects W.L.L.	Qatar	Real estate development	67.5%	67.5%	67.5%
Ezdan International Limited	Jersey	Investment property management	100%	100%	100%
Haloul Ezdan For Trading and Construction Company W.L.L.	Qatar	Building and maintenance works	100%	100%	100%
Ezdan for Partnership Company W.L.L.	Qatar	Marketing and management	100%	100%	100%
Ezdan for Cleaning Company W.L.L.	Qatar	General cleaning of buildings	100%	100%	100%
Ezdan for Landscape Company W.L.L.	Qatar	Sewerage and sanitary contracting services	100%	100%	100%
Alraed for Sewerage Company W.L.L.	Qatar	Sewerage and sanitary contracting services	100%	100%	100%
Ezdan for Transactions Clearance Company W.L.L.	Qatar	Transaction clearance services	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 31 March 2020 (31 December 2019: 54%).

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 were authorized for issue by the Company’s Board of Directors on 20 April 2020.

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.

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.

Further information about the assumptions made in measuring the fair values is included in Note 18.

Management has carried its equity investments and derivative financial assets / liabilities 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.

EZDAN HOLDING GROUP Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended 31 March 2020

In thousands of Qatari Riyals

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's last annual consolidated financial statements as at and for the year ended 31 December 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</i> 2020 <i>(Unreviewed)</i>	<i>31 December</i> 2019 <i>(Audited)</i>
Cash on hand	569	292
<i>Cash at banks and other financial institutions</i>		
Term deposits	300,000	-
Current accounts	73,410	43,555
Saving and call accounts	63,934	10,239
Margin accounts	2,925	5,203
<i>Total cash at banks and other financial institutions</i>	<u>440,269</u>	<u>58,997</u>
<i>Cash and cash equivalents</i>	<u>440,838</u>	<u>59,289</u>
<i>Less: restricted bank balances</i>	<u>(2,925)</u>	<u>(5,203)</u>
Cash and cash equivalent	<u><u>437,913</u></u>	<u><u>54,086</u></u>

6 RECEIVABLES AND PREPAYMENTS

	<i>31 March</i> 2020 <i>(Unreviewed)</i>	<i>31 December</i> 2019 <i>(Audited)</i>
Tenant receivables – net	63,777	53,769
Receivable from government on expropriation of investment property	50,366	50,366
Advances to suppliers and contractors	9,168	9,856
Due from related parties - net (Note 12(b))	2,603	177,996
Refundable deposits – net	11,170	10,899
Prepaid expenses	3,540	4,237
Net other receivables and debit balances	<u>38,663</u>	<u>8,065</u>
	<u><u>179,287</u></u>	<u><u>315,188</u></u>
The maturity of receivables and prepayments are as follows:		
Current	168,117	304,289
Non-current	<u>11,170</u>	<u>10,899</u>
	<u><u>179,287</u></u>	<u><u>315,188</u></u>

EZDAN HOLDING GROUP Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended 31 March 2020

In thousands of Qatari Riyals

7 EQUITY INVESTMENTS

	<i>31 March 2020 (Unreviewed)</i>	<i>31 December 2019 (Audited)</i>
At 1 January	2,259,524	3,316,717
Disposals as part of disposal of subsidiaries	-	(1,046,230)
Other disposals	-	(13)
Net change in fair value	<u>(167,734)</u>	<u>(10,950)</u>
At 31 March/ 31 December	<u>2,091,790</u>	<u>2,259,524</u>

The equity investments consist of:

	<i>31 March 2020 (Unreviewed)</i>	<i>31 December 2019 (Audited)</i>
Quoted shares (1)	<u>2,091,790</u>	<u>2,259,524</u>
	<u>2,091,790</u>	<u>2,259,524</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 13.

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:

	<i>31 March 2020 (Unreviewed)</i>	<i>31 December 2019 (Audited)</i>
Quoted shares listed at Qatar Stock Exchange (QSE)		
Banks and financial institutions	2,039,679	2,189,815
Consumer goods and services	26,336	34,489
Transportation	14,785	19,238
Industries	10,052	14,727
Telecommunication	476	575
Real estate	<u>462</u>	<u>680</u>
	<u>2,091,790</u>	<u>2,259,524</u>

The Group generated dividend income from the equity investments amounting to QR 93,205 during the three months ended 31 March 2020 (QR 121,636 during the three months ended 31 March 2019).

EZDAN HOLDING GROUP Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended 31 March 2020

In thousands of Qatari Riyals

8 EQUITY-ACCOUNTED INVESTEEES AND JOINT VENTURE

	<i>Country of incorporation</i>	<i>Ownership interest</i>		<i>31 March</i>	<i>31 December</i>
		<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
		<i>(Unreviewed)</i>	<i>(Audited)</i>	<i>(Unreviewed)</i>	<i>(Audited)</i>
		<i>%</i>	<i>%</i>	<i>QR'000</i>	<i>QR'000</i>
Qatar International Islamic Bank Q.P.S.C.	Qatar	6.04%	6.04%	535,728	562,439
Medicare Group Q.P.S.C.	Qatar	2.00%	2.00%	39,267	40,395
Qatar Islamic Insurance Company Q.P.S.C.	Qatar	4.92%	4.92%	49,649	48,788
Total of associate				<u>624,644</u>	<u>651,622</u>
<i>Joint venture:</i>					
White Square Real Estate Company W.L.L.	Qatar	32.50%	32.50%	182,640	182,551
				<u>807,284</u>	<u>834,173</u>

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>31 March</i>	<i>31 December</i>
	<i>2020</i>	<i>2019</i>
At 1 January	834,173	1,425,613
Dividends received	(40,408)	(75,439)
Share of results	13,453	57,127
Share of net movement in other comprehensive income	70	511
Share of the net movement of translation reserve	(4)	(9)
Disposals during the period/ year	-	(573,630)
At 31 March/ 31 December	<u>807,284</u>	<u>834,173</u>

During the period, the Group recognized its share in the operating results of its associates / joint venture amounting to QR 13,453 (QR 24,609 during the three months ended 31 March 2019).

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

9 INVESTMENT PROPERTIES

	<i>31 March</i>	<i>31 December</i>
	<i>2020</i>	<i>2019</i>
	<i>(Unreviewed)</i>	<i>(Audited)</i>
At 1 January	43,933,362	43,863,571
Loss from change in fair value of investment property (1)	-	(100,014)
Development costs during the period/ year	416,586	100,871
Acquisition of vacant land	-	50,959
Foreign exchange adjustment	(6,034)	3,555
Capitalized finance costs on investment property under development	5,029	14,420
At 31 March/ 31 December	<u>44,348,943</u>	<u>43,933,362</u>

EZDAN HOLDING GROUP Q.P.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended 31 March 2020

In thousands of Qatari Riyals

9 INVESTMENT PROPERTIES (CONTINUED)

Investment properties consists of:

	<i>31 March 2020 (Unreviewed)</i>	<i>31 December 2019 (Audited)</i>
Completed properties	41,147,619	41,130,122
Vacant land	1,052,580	1,052,580
Projects under development	2,148,744	1,750,660
	<u>44,348,943</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 qualifications and with recent experience in the location and category of those investment properties being valued. In arriving at estimated market values, the valuers have used their market knowledge and professional judgment and not only relied on historical transactions comparable. The valuation has been prepared in accordance with the appropriate sections of the Practice Statements ("PS"), contained with the RICS Valuation-Professional Standards 2017 (the "Red Book").

Group did not performed a fair valuation of investment properties at 31 March 2020.

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

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

10 PAYABLES AND OTHER LIABILITIES

	<i>31 March 2020 (Unreviewed)</i>	<i>31 December 2019 (Audited)</i>
Due to related parties (Note 12(c.i))	1,536,998	1,306,535
Dividend payables	706,692	717,042
Tenants' deposits	144,481	140,696
Payables to contractors and suppliers	49,955	52,336
Unearned rent income	78,635	48,981
Retention payable	25,935	25,935
Accrued expenses	25,013	29,280
Derivative financial liabilities	-	35,984
Provision for Social and Sports Activities Fund	7,732	7,732
Provision for employees' end of service benefits (Note 14)	7,901	7,175
Other payables	49,645	52,861
	<u>2,632,987</u>	<u>2,424,557</u>

The maturity of payables and other liabilities are as follows:

	<i>31 March 2020 (Unreviewed)</i>	<i>31 December 2019 (Audited)</i>
Non-current	41,568	76,826
Current	2,591,419	2,347,731
	<u>2,632,987</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 three months ended 31 March 2020 (Unreviewed)</i>	<i>For the three months ended 31 March 2019 (Reviewed)</i>
<u>Transactions with entities under common control:</u>		
Development costs of investment property (1)	<u>409,781</u>	<u>4,574</u>
Capitalized finance costs	<u>4,078</u>	<u>-</u>
Rental income	<u>762</u>	<u>751</u>
<u>Transactions with associates:</u>		
Expensed-out finance costs (2)	<u>18,226</u>	<u>25,699</u>
Capitalized finance costs (2)	<u>82</u>	<u>-</u>
<u>Transactions with key management personnel:</u>		
Allowances of key management personnel	<u>831</u>	<u>1,641</u>
<u>Transaction with other related party:</u>		
Other income	<u>-</u>	<u>35,400</u>
Financing received	<u>24,637</u>	<u>230,295</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.

(b) Due from related parties

	<i>31 March 2020 (Unreviewed)</i>	<i>31 December 2019 (Audited)</i>
SAK Holding W.L.L.	-	176,172
The Curve Hotel Company W.L.L.	2,340	1,561
White Square Real Estate Company W.L.L.	<u>263</u>	<u>263</u>
	<u>2,603</u>	<u>177,996</u>

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

(c.) Due to a related party

	<i>31 March 2020 (Unreviewed)</i>	<i>31 December 2019 (Audited)</i>
SAK Holding W.L.L.	205,826	-
Other related party	<u>1,331,172</u>	<u>1,306,535</u>
	<u>1,536,998</u>	<u>1,306,535</u>

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

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11 RELATED PARTIES DISCLOSURES (CONTINUED)

(c.i) Other related party payables

	<i>31 March 2020 (Unreviewed)</i>	<i>31 December 2019 (Audited)</i>
<i>Equity accounted investee:</i>		
Islamic financing borrowings	<u>1,938,129</u>	<u>1,942,217</u>
Trade payables to QISI	<u>3,085</u>	<u>4,697</u>

12 SUKUK AND ISLAMIC FINANCING BORROWINGS

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

	<i>31 March 2020 (Unreviewed)</i>	<i>31 December 2019 (Audited)</i>
At 1 January	14,390,355	15,479,319
Additions	2,150,000	-
Finance costs	210,164	898,637
Repayments	<u>(2,033,312)</u>	<u>(1,987,601)</u>
	14,717,207	14,390,355
Less: transaction costs	<u>(55,865)</u>	<u>(25,007)</u>
At 31 March/ 31 December	<u>14,661,342</u>	<u>14,365,348</u>

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

	<i>31 March 2020 (Unreviewed)</i>	<i>31 December 2019 (Audited)</i>
Non-current	13,638,659	11,921,895
Current	<u>1,022,683</u>	<u>2,443,453</u>
	<u>14,661,342</u>	<u>14,365,348</u>

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>31 March 2020 (Unreviewed)</i>	<i>31 December 2019 (Audited)</i>
Ijara	QR	Secured	QMRL rate	4,257,568	4,147,928
Murabaha	QR	Secured	QMRL rate	6,526,532	4,515,172
Ijara	USD	Secured	1M/3M LIBOR	-	285,852
Murabaha	USD	Secured	1Y/3 M LIBOR	378,343	1,776,679
Sukuk financings	USD	Unsecured	4.375% / 4.875%	<u>3,554,764</u>	<u>3,664,724</u>
				<u>14,717,207</u>	<u>14,390,355</u>

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12 SUKUK AND ISLAMIC FINANCING BORROWINGS (CONTINUED)

In February 2020, the group has restructured local borrowings of QR 4.5 billion by extending contract period and the contract carry profit at commercial rates.

During the period, the Group has obtained a new facility of QR 2 billion from a local bank to settle borrowings with international banks and the new contract carry profit at commercial rates.

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 210,164 (three months period ended 31 March 2019: QR 183,014) during the period.

As at 31 March 2020, the Group had secured borrowings against mortgages on different types of investment property (Note 9) owned by the Group with a fair market value of QR 15,452,980 (31 December 2019: QR 15,452,980) and pledge against quoted shares included in the consolidated financial statements within the equity investments (Notes 7) with fair market value of Nil (31 December 2019: QR 539,826).

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 three months ended 31 March 2020 (Unreviewed)</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)	257,723	-	41,215	7,348	306,286
Revenue under IFRS 15					
<i>Major service lines</i>					
Food and beverage	-	-	4,392	-	4,392
Health club	-	-	688	-	688
Internet	-	-	472	-	472
Laundry	-	-	197	-	197
Entertainment	-	-	-	77	77
Provision of utilities services	5,574	-	-	-	5,574
Common area charges	-	-	-	4,981	4,981
Marketing services	-	-	-	700	700
Others	1,698	-	110	1,069	2,877
Revenue under IFRS 15	7,272	-	5,859	6,827	19,958
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	-	13,453	-	-	13,453
Other income	1,831	35	2	2	1,870
	1,831	106,693	2	2	108,528
External revenue as reported	266,826	106,693	47,076	14,177	434,772

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13 RENTAL INCOME AND OTHER OPERATING REVENUES (Continued)

Disaggregation of revenue (continued)

A. Disaggregation of revenue based on major revenue streams (continued):

For the three months ended 31 March 2019 (Unreviewed)	Revenue streams				Total
	Residential and commercial property	Investments	Hotel and suites	Malls	
Rental income (under IAS 17)	261,395	-	44,050	16,861	322,306
Revenue under IFRS 15					
Major service lines					
Food and beverage	-	-	6,471	-	6,471
Health club	-	-	938	-	938
Internet	-	-	501	-	501
Laundry	-	-	270	-	270
Entertainment	-	-	-	54	54
Provision of utilities services	11,743	-	-	-	11,743
Common area charges	-	-	-	4,025	4,025
Marketing services	-	-	-	372	372
Others	1,948	-	155	538	2,641
Revenue under IFRS 15	13,691	-	8,335	4,989	27,015
Income from investments and other income					
Dividend income from equity accounted investees	-	121,636	-	-	121,636
Share of result of equity-accounted investees and joint venture	-	24,609	-	-	24,609
Other income	37,472	-	-	-	37,472
	37,472	146,245	-	-	183,717
External revenue as reported	312,558	146,245	52,385	21,850	533,038

B. Disaggregation of revenue under IFRS 15 based on timing of revenue recognition:

	For the three months ended 31 March		Timing of revenue recognition
	2020 (Unreviewed)	2019 (Unreviewed)	
Food and beverage	4,392	6,471	Point in time
Health club	688	940	Over the time
Internet	472	501	Over the time
Laundry	197	270	Point in time
Entertainment	77	54	Over the time
Provision of utilities services	5,574	11,743	Over the time
Common area charges	4,981	4,025	Over the time
Marketing services	700	372	Over the time
Others	2,877	2,639	Over the time
Revenue under IFRS 15	19,958	27,015	

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14 EXPENSES

Operating expenses:

	<i>For the three months ended 31 March 2020 (Unreviewed)</i>	<i>For the three months ended 31 March 2019 (Reviewed)</i>
Utilities	16,107	13,262
Staff cost	12,075	12,351
Repairs and maintenance	5,286	6,132
Sewage	5,500	5,998
Air conditioning	4,116	4,505
Security	2,553	2,881
Cleaning	2,320	3,158
Food and beverages	1,468	1,982
Laundry and dry cleaning	1,236	1,180
Registration fees	1,505	511
Advertising costs	159	360
Commissions	578	341
Other operating expenses	1,754	1,670
	54,657	54,331

General and administrative expenses:

	<i>For the three months ended 31 March 2020 (Unreviewed)</i>	<i>For the three months ended 31 March 2019 (Reviewed)</i>
Staff cost	7,567	9,794
Professional fees	4,967	1,619
Registration fees	2,104	2,099
Bank charges	2,125	867
Information system	377	527
Rent expense	-	543
Insurance costs	973	852
Advertising costs	27	47
Communication	496	502
Printing and stationery	133	165
Other general and administrative expenses	595	826
	19,364	17,841

(1) Staff cost includes a provision for employees' end of service benefits of QR 994 (three-month period ended 31 March 2019 : QR 939).

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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 2020 (Unreviewed)</i>	<i>For the three months ended 31 March 2019 (Reviewed)</i>
Profit for the period attributable to owners of the Company (in QR'000)	<u>118,014</u>	<u>272,441</u>
Weighted average number of shares outstanding during the period (thousands of share)	<u>26,524,967</u>	<u>26,524,967</u>
Basic and diluted earnings per share (in QR)	<u>0.004</u>	<u>0.010</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 2020 (Unreviewed)</i>	<i>31 December 2019 (Audited)</i>
Bank guarantees	<u>5,905</u>	<u>8,183</u>

Commitments

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

	<i>31 March 2020 (Unreviewed)</i>	<i>31 December 2019 (Audited)</i>
Contractual commitments to contractors and suppliers for development of investment property projects	<u>1,122,023</u>	<u>1,520,442</u>

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16 CONTINGENT LIABILITIES AND COMMITMENTS (CONTINUED)

(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".

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

	<i>30 March 2020 (Unreviewed)</i>	<i>31 December 2019 (Audited)</i>
No later than 1 year	621,389	635,305
Later than one year and no later than five years	362,024	308,659
More than five year	269,142	257,608
	<u>1,252,555</u>	<u>1,201,572</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.

The Group's Management 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:

For the three months ended 31 March 2020

	<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	268,158	106,692	48,566	14,177	(2,822)	434,771
Segment expenses	(285,323)	-	(18,417)	(6,538)	(6,480)	(316,758)
Segment profit	(17,165)	106,692	30,149	7,639	(9,302)	118,013

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17 OPERATING SEGMENTS (CONTINUED)

For the three months ended 31 March 2019

	<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	314,717	146,245	52,385	21,850	(2,159)	533,038
Segment expenses	<u>(239,658)</u>	<u>(7)</u>	<u>(20,372)</u>	<u>(6,824)</u>	<u>6,418</u>	<u>(260,443)</u>
Segment profit / (loss)	<u>75,059</u>	<u>146,238</u>	<u>32,013</u>	<u>15,026</u>	<u>4,259</u>	<u>272,595</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>
Segment assets						
<i>As at 31 March 2020</i>	<u>40,774,989</u>	<u>2,931,323</u>	<u>5,208,789</u>	<u>2,442,797</u>	<u>(2,706,164)</u>	<u>48,651,734</u>
<i>As at 31 December 2019</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 31 March 2020</i>	<u>18,939,783</u>	<u>867,973</u>	<u>132,077</u>	<u>51,358</u>	<u>(2,696,862)</u>	<u>17,294,329</u>
<i>As at 31 December 2019</i>	<u>17,934,972</u>	<u>969,444</u>	<u>133,272</u>	<u>46,870</u>	<u>(2,294,653)</u>	<u>16,789,905</u>

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18 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>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 March 2020</i>							
Financial assets measured at fair value							
Equity securities	2,091,790	-	-	2,091,790	-	-	2,091,790
Financial assets not measured at fair value							
Trade and other receivables	-	-	133,700	-	-	-	-
Cash and cash equivalents	-	-	440,269	-	-	-	-
Financial liabilities not measured at fair value							
Sukuk and Islamic financing – listed	-	-	3,554,764	2,961,086	-	-	2,961,086
Sukuk and Islamic financing – others	-	-	11,106,578	-	-	-	-
Trade and other payables	-	-	2,513,706	-	-	-	-

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18 FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classification and fair values (continued)

	Carrying amount			Fair Values			
	FVOCI – equity investment	Fair value – Hedging instruments	Amortized cost	Level 1	Level 2	Level 3	Total
<i>As at 31 December 2019</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 – listed	-	-	3,664,724	3,269,703	-	-	3,269,703
Sukuk and Islamic financing – others	-	-	10,700,624	-	-	-	-
Trade and other payables	-	-	2,295,405	-	-	-	-

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18 FAIR VALUES AND RISK MANAGEMENT (CONTINUED)

INVESTMENT PROPERTY

	<i>Fair Values</i>				<i>Total</i>
	<i>Carrying amount</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	
<i>As at 31 March 2020</i>					
Completed properties	41,147,619	-	-	41,147,619	41,147,619
Vacant land	1,052,580	-	1,052,580	-	1,052,580
Projects Under development	2,148,744	-	-	2,148,744	2,148,744
	44,348,943	-	1,052,580	43,296,363	44,348,943
<i>As at 31 December 2019</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
	43,933,362	-	1,052,580	42,880,782	43,933,362

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

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18 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 31 March 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.

<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 – State of Qatar/ 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.	Not Applicable	Not Applicable
Investment property –completed properties and projects under development– State of Qatar	<i>Discounted cash flows:</i> The valuation model considers the present value of expected net cash flows generated from investment property discounted using weighted average cost of the capital of the Group.	<u>Expected net cash flows:</u> (31 March 2020: Not Applicable ; 31 December 2019: from positive net 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 <u>Weighted average cost of capital:</u> (31 March 2020: Not Applicable, 31 December 2019: 7% to 9.00%) Terminal growth rate: (31 March 2020: Not Applicable, 31 December 2019: 2.80%)	The estimated fair value would increase (decrease) if: - Expected net cash flows were higher (lower); - Weighted average cost of capital were lower (higher); or - Terminal growth rate were higher (lower).

19 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.

20 IMPACT OF THE CORONAVIRUS “COVID-19”

The coronavirus (“COVID-19”) pandemic has spread across various geographies globally, causing disruption to business and economic activities. COVID-19 has brought about uncertainties in the global economic environment. The fiscal and monetary authorities, both domestic and international, have announced various support measures across the globe to counter possible adverse implications.

The Group is closely monitoring the situation, and the Group has given waiver of rent for certain period from the customers having potential impact of closures. As the situation is fast evolving, the effect of the outbreak is subject to significant levels of uncertainty, with the full range of possible effects are unknown.