

**MAZAYA REAL ESTATE DEVELOPMENT Q.P.S.C.
DOHA - QATAR**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE SIX MONTH PERIOD ENDED
JUNE 30, 2019**

MAZAYA REAL ESTATE DEVELOPMENT Q.P.S.C.

**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION AND INDEPENDENT
AUDITOR'S REVIEW REPORT**

For the six month period ended June 30, 2019

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INDEPENDENT AUDITOR'S REVIEW REPORT

**To The Board of Directors
Mazaya Real Estate Development Q.P.S.C.
Doha – Qatar**

Introduction

We have reviewed the interim condensed consolidated financial information of Mazaya Real Estate Development Q.P.S.C. (“the Company”) and its subsidiaries (together referred to as the “Group”) comprising the interim condensed consolidated statement of financial position as at June 30, 2019 and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six month period then ended, and certain explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial information in accordance with IAS 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on these interim condensed consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of the interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other matter

The interim condensed consolidated financial information for the period ended June 30, 2018 was reviewed by another auditor who expressed an unmodified conclusion on August 13, 2018 on the interim condensed consolidated financial information and the consolidated financial statements for the year ended December 31, 2018 were audited by the same auditor who expressed an unmodified opinion on those consolidated financial statements on March 27, 2019.

INDEPENDENT AUDITOR'S REVIEW REPORT (CONTINUED)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information are not prepared in all material respects, in accordance with IAS 34 "Interim Financial Reporting".

**Doha – Qatar
August 7, 2019**

**For Deloitte & Touche
Qatar Branch**



**Midhat Salha
Partner
License No. 257
QFMA Auditor License No. 120156**



MAZAYA REAL ESTATE DEVELOPMENT Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2019

| | Note | June 30, 2019 (Reviewed) QR | December 31, 2018 (Audited) (Restated) QR | January 1, 2018 (Audited) (Restated) QR |
|--|------|--------------------------------------|---|---|
| ASSETS | | | | |
| Non-current assets | | | | |
| Rights-of-use of assets | 2.2 | 7,461,337 | 8,639,443 | 10,995,655 |
| Property and equipment | | 183,357 | 246,213 | 381,951 |
| Investment properties | 3 | 755,633,899 | 755,633,899 | 738,133,446 |
| Project in progress | 4 | 100,999,910 | 100,820,410 | 892,971,581 |
| Investment securities | 5 | 50,315,713 | 50,315,713 | 50,652,246 |
| Finance lease receivable | 6 | 1,179,110,630 | 1,174,407,166 | -- |
| | | <u>2,093,704,846</u> | <u>2,090,062,844</u> | <u>1,693,134,879</u> |
| Current assets | | | | |
| Finance lease receivable | 6 | 27,496,611 | 20,146,978 | -- |
| Receivables and prepayments | 7 | 3,827,673 | 4,026,374 | 1,961,437 |
| Islamic bank balances and cash | 8 | 66,817,964 | 25,806,724 | 16,579,470 |
| | | <u>98,142,248</u> | <u>49,980,076</u> | <u>18,540,907</u> |
| TOTAL ASSETS | | <u>2,191,847,094</u> | <u>2,140,042,920</u> | <u>1,711,675,786</u> |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Share capital | 9 | 1,157,625,000 | 1,157,625,000 | 1,157,625,000 |
| Legal reserve | | 67,790,994 | 67,790,994 | 66,131,255 |
| Retained earnings/(accumulated losses) | | 37,471,238 | 81,718,175 | (346,740,339) |
| Total equity | | <u>1,262,887,232</u> | <u>1,307,134,169</u> | <u>877,015,916</u> |
| Non-current liabilities | | | | |
| Islamic finance facilities | 10 | 553,869,054 | 615,301,750 | 679,772,812 |
| Lease liabilities | | 6,345,563 | 7,705,850 | 9,979,426 |
| Employees' end of service benefits | | 2,204,928 | 1,883,072 | 2,057,730 |
| | | <u>562,419,545</u> | <u>624,890,672</u> | <u>691,809,968</u> |
| Current liabilities | | | | |
| Islamic finance facilities | 10 | 279,182,410 | 166,706,005 | 73,366,801 |
| Lease liabilities | | 2,512,669 | 2,273,577 | 1,801,632 |
| Payables and other liabilities | 11 | 84,845,238 | 39,038,497 | 67,681,469 |
| | | <u>366,540,317</u> | <u>208,018,079</u> | <u>142,849,902</u> |
| Total liabilities | | <u>928,959,862</u> | <u>832,908,751</u> | <u>834,659,870</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>2,191,847,094</u> | <u>2,140,042,920</u> | <u>1,711,675,786</u> |

Ibrahim Jham Al-Kuwari
Board Member

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

MAZAYA REAL ESTATE DEVELOPMENT Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND COMPREHENSIVE INCOME

For the six month period ended June 30, 2019

| | Notes | For the six month period ended June 30, | |
|--|-------|--|--------------------------------|
| | | 2019 | 2018 |
| | | (Reviewed) QR | (Reviewed) (Restated) QR |
| Finance income | 12 | 37,228,097 | -- |
| Rental income | | 13,668,750 | 12,993,750 |
| Revenue from property management | | 280,575 | 1,435,543 |
| Operating expenses | | (4,248,640) | (1,984,210) |
| Income from operations | | 46,928,782 | 12,445,083 |
| Net fair value gain on unquoted investment securities | | -- | 227,036 |
| Net fair value gain on investment properties | | -- | 4,754,000 |
| Compensation from claims | 13 | -- | 33,000,000 |
| Other income | | 115,659 | 130,832 |
| General and administrative expenses | | (8,291,250) | (9,947,656) |
| Depreciation | | (83,923) | (134,080) |
| Amortisation for rights-of-use of assets | | (1,178,106) | (1,178,106) |
| Finance costs | | (23,856,849) | (7,534,068) |
| Profit for the period | | 13,634,313 | 31,763,041 |
| Other comprehensive income | | -- | -- |
| Total comprehensive income for the period | | 13,634,313 | 31,763,041 |
| Basic and diluted earnings per share <i>(attributable to shareholders of the parent expressed in QR per share)</i> | 15 | 0.012 | 0.027 |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

MAZAYA REAL ESTATE DEVELOPMENT Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six month period ended June 30, 2019

| | <i>Share capital</i> | <i>Legal reserve</i> | <i>Retained earnings / (Accumulated losses)</i> | <i>Total</i> |
|---|--------------------------|--------------------------|---|----------------------|
| | QR | QR | QR | QR |
| Balance at December 31, 2017 <i>(Audited)</i> | 1,157,625,000 | 66,131,255 | 256,415,058 | 1,480,171,313 |
| Impact on adoption of IFRS 16 | -- | -- | (602,130,446) | (602,130,446) |
| Impact on adoption of IFRS 9 | -- | -- | (1,024,951) | (1,024,951) |
| Balance as at January 1, 2018 <i>(Restated)</i> | 1,157,625,000 | 66,131,255 | (346,740,339) | 877,015,916 |
| Profit for the period <i>(Restated)</i> | -- | -- | 31,763,041 | 31,763,041 |
| Balance at June 30, 2018 <i>(Restated)</i> | 1,157,625,000 | 66,131,255 | (314,977,298) | 908,778,957 |
| Balance as at December 31, 2018 (Audited) | 1,157,625,000 | 67,790,994 | 269,912,826 | 1,495,328,820 |
| Impact on adoption of IFRS 16 | -- | -- | (188,194,651) | (188,194,651) |
| Balance at December 31, 2018 <i>(Restated)</i> | 1,157,625,000 | 67,790,994 | 81,718,175 | 1,307,134,169 |
| Profit for the period | -- | -- | 13,634,313 | 13,634,313 |
| Dividends paid | -- | -- | (57,881,250) | (57,881,250) |
| Balance at June 30, 2019 <i>(Reviewed)</i> | 1,157,625,000 | 67,790,994 | 37,471,238 | 1,262,887,232 |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

MAZAYA REAL ESTATE DEVELOPMENT Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six month period ended June 30, 2019

| | <i>For the six month period ended June 30,</i> | |
|---|--|---|
| | <i>2019</i> | <i>2018</i> |
| | <i>(Reviewed) QR</i> | <i>(Reviewed) (Restated) QR</i> |
| <i>Note</i> | | |
| OPERATING ACTIVITIES | | |
| Profit for the period | 13,634,313 | 31,763,041 |
| <i>Adjustments for:</i> | | |
| Depreciation | 83,923 | 134,080 |
| Amortisation of rights-of-use of assets | 1,178,106 | 1,178,106 |
| Net fair value gain on unquoted investment securities | -- | (227,036) |
| Net fair value gain on investment properties | -- | (4,754,000) |
| Provision for employees' end of service benefits | 321,856 | 175,480 |
| Gain on disposal of property and equipment | -- | (41,420) |
| Profit from deposits with Islamic banks | (115,654) | (63,061) |
| Finance income | 12 (37,228,097) | -- |
| Finance costs | 23,856,849 | 7,534,068 |
| Operating profit before working capital changes | 1,731,296 | 35,699,258 |
| <i>Movement in working capital:</i> | | |
| Receivables and prepayments | 198,701 | (34,620,173) |
| Finance lease receivable | 18,563,188 | -- |
| Payables and other liabilities | 31,271,565 | (23,517,705) |
| Cash generated from / (used in) operating activities | 51,764,750 | (22,438,620) |
| Finance income received | 6,611,812 | -- |
| Finance costs paid | (16,224,904) | (12,926,399) |
| Social and sports activities fund contribution paid | (414,935) | (2,578,418) |
| Employees' end of service benefit paid | -- | (209,052) |
| Net cash generated from / (used in) operating activities | 41,736,723 | (38,152,489) |
| INVESTING ACTIVITIES | | |
| Net movement in project in progress | (179,500) | (240,000) |
| Profit received from deposits with Islamic banks | 115,654 | 63,061 |
| Purchase of property and equipment | (21,067) | (41,923) |
| Net cash used in investing activities | (84,913) | (218,862) |
| FINANCING ACTIVITIES | | |
| Net proceeds from Islamic finance facilities | 51,043,709 | 71,200,222 |
| Repayment of lease liabilities | (1,382,851) | (921,900) |
| Dividends paid | (50,301,428) | (295,681) |
| Net cash (used in) / generated from financing activities | (640,570) | 69,982,641 |
| Net increase in Islamic bank balances and cash | 41,011,240 | 31,611,290 |
| Islamic bank balances and cash at January 1, | 25,806,724 | 16,579,470 |
| Islamic bank balances and cash at the end of the period | 66,817,964 | 48,190,760 |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

MAZAYA REAL ESTATE DEVELOPMENT Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six month period ended June 30, 2019

1. LEGAL STATUS AND PRINCIPAL ACTIVITIES

Mazaya Qatar Real Estate Development Q.P.S.C. (the “Company”) is a Qatari Public Shareholding Company, incorporated in Qatar on February 12, 2008. The Company is registered under commercial registration number 38173. The Company’s registered office address is P.O. Box 18132, Doha, State of Qatar.

The Group’s principal activity is the establishment of residential compounds and projects for rental purposes, investment and real estate development, purchase of land and its development for resale, construction, project feasibility study, project management, real estate marketing and property management, maintenance activities, brokerage activities, commercial and real estate representation, trading of mechanical electrical and construction equipment, import and export (related to the Group’s activities). In addition, the Group is also involved in the management of residential compounds.

The Company and its subsidiaries are together referred to as “the Group”, throughout these interim condensed consolidated financial information.

The interim condensed consolidated financial information include the financial information of the Group as at and for the period ended June 30, 2019, include the following subsidiaries:

| <i>Name of entity</i> | <i>Country of incorporation</i> | <i>Share capital QR</i> | <i>Group effective shareholding percentage</i> | |
|---|---------------------------------|-------------------------|--|--------------------------|
| | | | <i>June 30, 2019</i> | <i>December 31, 2018</i> |
| | | | <i>%</i> | <i>%</i> |
| Qortuba Real Estate Investment Company W.L.L. | State of Qatar | 200,000 | 100 | 100 |
| Granada Real Estate Investment Company W.L.L. | State of Qatar | 200,000 | 100 | 100 |
| Gulf Spring Real Estate Investment and Development Company W.L.L. | State of Qatar | 200,000 | 100 | 100 |

The interim condensed consolidated financial information of the Group for the six month period ended June 30, 2019 were authorized for issue in accordance with a resolution of the Board of Directors on August 7, 2019.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial information for the six month period ended June 30, 2019 have been prepared in accordance with International Accounting Standards, IAS 34 – “Interim Financial Reporting” (“IAS 34”) and have been presented in Qatari Riyals (“QR”), which is the Group’s functional and presentation currency.

The interim condensed consolidated financial information do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at December 31, 2018. In addition, results for the six month ended June 30, 2019 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2019.

The preparation of these interim condensed consolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. 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 consolidated financial statements for the year ended December 31, 2018 and for the six month period ended June 30, 2019, except as mentioned in Note 2.5.

All material intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated on consolidation.

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended December 31, 2018, except for the adoption of new standards and interpretations effective as of January 1, 2019, as mentioned below. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The following standards and amendments to standards have been applied by the Group in preparation of these interim condensed consolidated financial information. The adoption of the below standards and amendments to standards resulted in changes to previously reported net profit and equity of the Group, specifically related to IFRS 16. Further, they may result in additional disclosures at year end December 31, 2019. The nature and effect of these changes are disclosed below.

IFRS 16 Leases

The Group adopted IFRS 16 ‘Leases’ the standard replaces the existing guidance on leases, including IAS 17 ‘Leases’, IFRIC 4 ‘Determining whether an Arrangement contains a Lease’, SIC 15 “Operating Leases – Incentives” and SIC 27 “Evaluating the Substance of Transactions in the Legal Form of a Lease”.

IFRS 16 was issued in January 2016 and is effective for annual periods commencing on or after January 1, 2019. IFRS 16 stipulates that all leases and the associated contractual rights and obligations should generally be recognize in the Group’s consolidated statement of financial position, unless the term is 12 months or less or the lease for low value asset. Thus, the classification required under IAS 17 “Leases” into operating or finance leases is eliminated for Lessees. For each lease, the lessee recognizes a liability for the lease obligations incurred in the future. Correspondingly, a right to use the leased asset is capitalized, which is generally equivalent to the present value of the future lease payments plus directly attributable costs and which is amortized over the useful life.

**2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

2.2 New standards, interpretations and amendments adopted by the Group (continued)

IFRS 16 Leases (continued)

The Group has opted for the full retrospective application permitted by IFRS 16 upon adoption of the new standard. The Group applies the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or modified to each prior reporting period presented (whether it is a lessor or a lessee in the lease contract). In preparation for the first time application of IFRS 16, the Group has carried out an implementation project, and restated each of the prior reporting period presented in these interim condensed consolidated financial information.

The Group's leasing activities as a lessee and how these are accounted for:

IFRS 16 changes how the Group accounts for leases previously classified as operating leases under IAS 17, which were off-balance sheet.

Applying IFRS 16, for all leases (except as noted below), the Group:

- a) Recognises right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of future lease payments;
- b) Recognises depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss; and
- c) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated statement of profit or loss.

Lease incentives (e.g. free rent period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive liability, amortised as a reduction of rental expense on a straight-line basis.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36 *Impairment of Assets*. This replaces the previous requirement to recognise a provision for onerous lease contracts.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within other expenses in the consolidated statement of profit or loss.

The Group's leasing activities as a lessor and how these are accounted for:

IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify the leases as either finance leases or operating leases and account for those two types of leases differently. However, IFRS 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in leased assets.

The Group has reassessed the Service Concession Arrangement of the residential compound with Qatar Foundation against the requirements of IFRS 16 and concluded that it falls under IFRS 16 requirements and accordingly applied the requirements of IFRS 16 retrospectively. Based on the Group's judgement, the commencement date of the arrangement is July 2018, and accordingly the lease model is developed and the amendments to the interim condensed consolidated financial information are incorporated retrospectively and comparatives figures have been restated accordingly (refer to Note 2.2).

MAZAYA REAL ESTATE DEVELOPMENT Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six month period ended June 30, 2019

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 New standards, interpretations and amendments adopted by the Group (continued)

IFRS 16 Leases (continued)

Based on the above, the Group has restated its comparative financial information to effect the above items in the prior year's interim condensed consolidated financial information for the six month period ended June 30, 2018 and consolidated financial statements for the year ended December 31, 2018.

Financial impact of initial application of IFRS 16

The tables below show the amount of adjustment for each financial statement line item affected by the application of IFRS 16 for the current and prior years.

| | <u>As previously presented</u> QR | <u>Adjustments</u> QR | <u>As restated</u> QR |
|---|--|--------------------------|--------------------------|
| <i>Impact on interim condensed consolidated statement of financial position as at January 1, 2018:</i> | | | |
| Other financial assets (a) | 1,393,978,264 | (1,393,978,264) | -- |
| Project in progress (b) | 100,338,360 | 792,633,221 | 892,971,581 |
| (Retained earnings) / accumulated losses (c) | (255,390,107) | 602,130,446 | 346,740,339 |
| Rights-of use of assets (i) | -- | 10,995,655 | 10,995,655 |
| Lease liabilities (j) | -- | (11,781,058) | (11,781,058) |
| | <u>As previously presented</u> QR | <u>Adjustments</u> QR | <u>As restated</u> QR |
| <i>Impact on consolidated statement of financial position as at December 31, 2018:</i> | | | |
| Other financial assets (a) | 1,393,978,264 | (1,393,978,264) | -- |
| Project in progress (b) | 100,820,410 | -- | 100,820,410 |
| Investment properties (e) | 743,064,446 | 12,569,453 | 755,633,899 |
| Finance lease receivable (d) | -- | 1,194,554,144 | 1,194,554,144 |
| (Retained earnings) / accumulated losses (c) & (k) | (269,912,826) | 188,194,651 | (81,718,175) |
| Rights-of use of assets (i) | -- | 8,639,443 | 8,639,443 |
| Lease liabilities (j) | -- | (9,979,427) | (9,979,427) |
| | <u>As previously presented</u> QR | <u>Adjustments</u> QR | <u>As restated</u> QR |
| <i>Impact on interim condensed consolidated statement of profit or loss and comprehensive income as at June 30, 2018:</i> | | | |
| Finance costs (f) & (n) | (23,343,905) | 15,809,837 | (7,534,068) |
| General and administrative expenses (l) | (10,869,556) | 921,900 | (9,947,656) |
| Amortisation for rights-of-use of assets (m) | -- | (1,178,106) | (1,178,106) |

MAZAYA REAL ESTATE DEVELOPMENT Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six month period ended June 30, 2019

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 New standards, interpretations and amendments adopted by the Group (continued)

IFRS 16 Leases (continued)

| | <u>As previously presented</u> QR | <u>Adjustments</u> QR | <u>As restated</u> QR |
|---|--|--------------------------|--------------------------|
| <i>Impact on consolidated statement cash flows as at June 30, 2018:</i> | | | |
| Finance costs (f) & (n) | (23,343,905) | 15,809,837 | 7,534,068 |
| Amortisation of rights-of-use of assets (m) | -- | 1,178,106 | 1,178,106 |
| Repayment of lease liabilities (j) | -- | 921,900 | 921,900 |

| | <u>As previously presented</u> QR | <u>Adjustments</u> QR | <u>As restated</u> QR |
|--|--|--------------------------|--------------------------|
| <i>Impact on earnings per share as at June 30, 2018:</i> | | | |
| *Earnings per share (h) & (p) | 0.014 | 0.013 | 0.027 |

* Refer to Note 19 for share split impact on nominal share price, and on authorized, issued fully paid up number of shares.

The tables below show the amount of adjustment for each financial statement line item for the current year as if IFRS 16 was not applied:

| | <u>As if previous standards still applied</u> QR | <u>Adjustments</u> QR | <u>As restated</u> QR |
|--|---|--------------------------|--------------------------|
| <i>Impact on interim condensed consolidated statement of financial position as at June 30, 2019:</i> | | | |
| Other financial assets (a) | 1,393,978,264 | (1,393,978,264) | -- |
| Project in progress (b) | 100,999,910 | -- | 100,999,910 |
| Finance lease receivable (d) | -- | 1,206,607,241 | 1,206,607,241 |
| (Retained earnings) / accumulated losses (c) | (133,580,216) | 171,051,454 | 37,471,238 |
| Rights-of use of assets (i) | -- | 7,461,337 | 7,461,337 |
| Lease liabilities (j) | -- | 8,858,232 | 8,858,232 |

| | <u>As if previous standards still applied</u> QR | <u>Adjustments</u> QR | <u>As restated</u> QR |
|---|---|--------------------------|--------------------------|
| <i>Impact on interim condensed consolidated statement of profit or loss and comprehensive income as at June 30, 2019:</i> | | | |
| Finance income | -- | 37,228,097 | 37,228,097 |
| Rental income | 53,000,000 | (53,000,000) | -- |
| Finance costs (f) & (n) | 23,595,193 | 261,656 | 23,856,849 |
| General and administrative expenses (l) | 9,674,101 | (1,382,851) | 8,291,250 |
| Amortisation for rights-of-use of assets (m) | -- | 1,178,106 | 1,178,106 |

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 New standards, interpretations and amendments adopted by the Group (continued)

IFRS 16 Leases (continued)

The Group as lessor

- I. Upon reassessment of the service concession arrangement and concluding that it falls under IFRS 16 requirements with a commencement date of July 2018, the financial impact of the change is as follows:
- a. other financial assets related to the service concession agreement has been derecognised under IFRS 9.
 - b. all previous revenues and costs recognised from this arrangement were reversed and corresponding cost incurred, related to the construction of compound has been recognised as project in progress.
 - c. retained earnings have been adjusted to reflect the changes arising due to the application of IFRS 16.
 - d. finance lease receivable has been recognised based on the requirement of IFRS 16.
 - e. investment properties has been recognised, related to the commercial area of the compound.
 - f. finance costs directly related to the construction of the compound has been capitalised as cost of project in progress.
 - g. cash flow effect for finance costs has been changed to effect the impact of above.
 - h. earnings per share has been changed to effect the impact of the above adjustments on June 30, 2018.

The Group as lessee

- II. The application of IFRS 16 to leases previously classified as operating leases under IAS 17 resulted in the recognition of the rights-of-use of assets and lease liabilities retrospectively and the financial impact of the change are as follows:
- i. rights of use assets have been recognised.
 - j. lease liabilities have been recognised.
 - k. retained earnings have been adjusted to reflect the changes due to the application of IFRS 16.
 - l. rent expenses within general and administrative expenses has been derecognised.
 - m. amortization for rights-of-use of assets have been recognized.
 - n. finance costs relate to lease has been recognised in the profit and loss.
 - o. cash flow effect for finance costs, amortisations of rights-of-use of assets and repayment of lease liabilities have been changed to effect the impact of above.
 - p. earnings per share has been changed to effect the impact of the above adjustments on June 30, 2018.

**2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

2.3 Revised standards

Effective for annual periods beginning on or after January 1, 2019

Amendments to IFRS 9 *Prepayment Features with Negative Compensation*

Amendments to IAS 28 *Investment in Associates and Joint Ventures*: Relating to long-term interests in associates and joint ventures.

Annual Improvements to IFRSs 2015-2017 *Cycle Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs*

Amendments to IAS 19 *Employee Benefits Plan Amendment, Curtailment or Settlement*

IFRIC 23 *Uncertainty over Income Tax Treatments*

The adoption of the above did not result in any changes to previously reported net profit or equity of the Group.

2.4 New and revised standards and interpretations but not yet effective

Effective for annual periods beginning after January 1, 2020

Amendments regarding the definition of material

Amendments to clarify the definition of a business

IFRS 17: Insurance Contracts

Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.

Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the *Conceptual Framework*.

2.5 Use of estimates and judgements

The preparation of the interim condensed consolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the interim condensed consolidated financial information the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were consistent with those that applied to the consolidated financial statements as at and for the year ended December 31, 2018 except for the changes highlighted below:

Determining of commencement date of the lease

The commencement date of the lease has been determined in relation to the date on which the lessor makes the underlying asset available for use by the lessee. Management has applied judgements to determine the actual commencement date.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Use of estimates and judgements (continued)

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Discounting of lease payments

The lease payments are discounted using the Group's incremental borrowing rate ("IBR") in case of lessee and Internal Rate of Return ("IRR") in case of lessor. Management has applied judgments and estimates to determine the IBR and IRR at the commencement of lease.

Residual value guarantees

The Group initially estimates and recognises amounts expected to be payable under residual value guarantees as part of the lease liability. The amounts are reviewed, and adjusted if appropriate, at the end of each reporting period. Management has applied judgments and estimates to determine the residual value, if any.

Determining the classification of the Service Concession Arrangement/Lease arrangement

The Group has reassessed the service concession arrangement previously accounted for under IFRIC 12 Service Concession Arrangement. Management has applied judgement and concluded that this arrangement falls under the scope and requirements of IFRS 16, hence should be accounted for under the said standard.

3. INVESTMENT PROPERTIES

| | <i>June 30, 2019</i> | <i>December 31, 2018</i> |
|---|---------------------------|---------------------------------|
| | <i>(Reviewed)</i> | <i>(Audited) (Restated)</i> |
| | QR | QR |
| At cost | 755,633,899 | 738,133,446 |
| Addition due to adoption of IFRS 16 (Note 2.2(e)) | -- | 12,569,453 |
| Cumulative change in fair value | -- | 4,931,000 |
| | <u>755,633,899</u> | <u>755,633,899</u> |

The investment properties includes a property leased out under an operating lease agreement to a related party. Rental income from the property is pledged against the facilities obtained from islamic banks (Note 10).

The fair value of the Group's investment properties at June 30, 2019 has been arrived at on the basis of management assessment and knowledge on market condition. The Group has not carried out any independent valuation as of June 30, 2019, since management believes that the market condition has not changed significantly compared to December 31, 2018, the date on which an independent valuation has been conducted.

MAZAYA REAL ESTATE DEVELOPMENT Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six month period ended June 30, 2019

3. INVESTMENT PROPERTIES (CONTINUED)

Fair value of investment properties except for the Tala residencies and Hotel property in Al Salata are valued using the market comparable approach, due to a high volume of transactions involving comparable properties in the areas during the year. Under the market comparable approach, a property's fair value is estimated based on comparable transactions. The market comparable approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. The unit of comparison applied by the Group is the price per square metre (sqm).

The fair value of the below investment properties is determined using a discounted cash flow (DCF) method. Under the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The key unobservable inputs for the two properties described below are as follows;

| <i>Property</i> | <i>Key unobservable inputs</i> | <i>June 30, 2019</i> | <i>December 31, 2018</i> |
|------------------|--------------------------------|----------------------|--------------------------|
| Tala residencies | Monthly rental income | QR 99 sq.m | QR 99 sq.m |
| | Rent increment | 10% in every 5 years | 10% in every 5 years |
| | All risk yield – current | 7% | 7% |
| | All risk yield – exit | 8.25% | 8.25% |
| Gloria hotel | Average daily rate | QR 330 | QR 330 |
| | Average increase | 3% p.a. | 3% p.a. |
| | All risk yield - current | 8% | 8% |
| | All risk yield - exit | 7.5% | 7.5% |

During the period ending June 30, 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements. There were no movements within Level 3 fair value measurements.

4. PROJECT IN PROGRESS

Project in progress balance includes the amounts spent on development of Group's projects. The initial infrastructure development work for the project is completed as at June 30, 2019.

| | <u>2019</u> <i>(Reviewed)</i> | <u>2018</u> <i>(Audited)</i> <i>(Restated)</i> |
|------------------------------------|----------------------------------|--|
| | QR | QR |
| At beginning – January 1 | 100,820,410 | 892,971,581 |
| Impact of IFRS 16 (Note 2.2 (b)) | -- | (792,633,221) |
| Additions | 179,500 | 482,050 |
| At closing – June 30 & December 31 | <u>100,999,910</u> | <u>100,820,410</u> |

MAZAYA REAL ESTATE DEVELOPMENT Q.P.S.C.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

For the six month period ended June 30, 2019

5. INVESTMENT SECURITIES

| | <i>June 30, 2019</i> | <i>December 31, 2018</i> |
|------------------------------------|--------------------------|------------------------------|
| | <i>(Reviewed)</i> | <i>(Audited)</i> |
| | QR | QR |
| Unquoted investment securities (i) | 19,638,516 | 19,638,516 |
| Wakala investments (ii) | 30,677,197 | 30,677,197 |
| | <u>50,315,713</u> | <u>50,315,713</u> |

- (i) Unquoted equity investment include investment made in a privately held Company in the State of Qatar. Unquoted equity investment is valued using Level 3 measurement techniques as per IFRS 13 and there have been no transfers between Level 2 and Level 3 fair value measurements.
- (ii) During 2009, the Group had entered into a Wakala contract amounting to QR 65,000,000 with a GCC Investment Company through an agent. The Investment Company did not settle the amount with its accrued profit on the maturity date. In 2011, the Group obtained a court ruling in its favor, whereby the outstanding Wakala amount, along with related profit, to be settled by the investment Company during the period from June 2013 to June 2017. During 2013, the Group received the first scheduled payment amounting to QR 3,645,605. In 2014, the Investment Company has not honored the installment due to the Group and therefore the Group has decided to provide impairment allowance for the investment amounting to QR 30,677,197. The management believes that the value of Wakala investments did not decline below the carrying value amounting to QR 30,677,197 during the period to June 30, 2019.

6. FINANCE LEASE RECEIVABLE

| | <i>June 30, 2019</i> | <i>December 31, 2018</i> |
|---------------------|-----------------------------|------------------------------|
| | <i>(Reviewed)</i> | <i>(Audited)</i> |
| | QR | QR |
| Non-current portion | 1,179,110,630 | 1,174,407,166 |
| Current portion | 27,496,611 | 20,146,978 |
| | <u>1,206,607,241</u> | <u>1,194,554,144</u> |

The Group entered into finance lease arrangement as a lessor for a residential compound with its related party. The compound is specifically constructed by the Group for lease out to the related party for a term of 21 years and will be transferred to the related party at the end of the lease term.

The Group is not exposed to foreign currency risk as a result of the lease arrangement, as the lease is denominated in Qatari Riyals.

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For the six month period ended June 30, 2019

6. FINANCE LEASE RECEIVABLE (CONTINUED)

The following table presents the finance income on the net investment in the lease and income relating to variable lease payments not included in the net investment in the lease.

| | <i>June 30, 2019</i> | <i>December 31, 2018</i> |
|--|-----------------------------|---------------------------------|
| | <i>(Reviewed)</i> | <i>(Audited) (Restated)</i> |
| | QR | QR |
| Amount receivable under finance leases: | | |
| Year 1 | 100,700,000 | 75,525,000 |
| Year 2 | 100,700,000 | 100,700,000 |
| Year 3 | 100,700,000 | 100,700,000 |
| Year 4 | 100,700,000 | 100,700,000 |
| Year 5 | 100,700,000 | 100,700,000 |
| Onwards | <u>1,641,410,000</u> | <u>1,691,760,000</u> |
| Gross investment in lease | 2,144,910,000 | 2,170,085,000 |
| Less: unearned finance income | <u>(938,302,759)</u> | <u>(975,530,856)</u> |
| Present value of minimum lease payments schedule | 1,206,607,241 | 1,194,554,144 |
| Impairment loss allowance (ECL) | -- | -- |
| Net investment in the lease | <u><u>1,206,607,241</u></u> | <u><u>1,194,554,144</u></u> |

The internal rate of return contracted is approximately 6.25% (December 31, 2018: 6.25%) per annum.

The finance lease receivable at the end of the reporting period are neither past due nor impaired.

7. RECEIVABLES AND PREPAYMENTS

| | <i>June 30, 2019</i> | <i>December 31, 2018</i> |
|---|--------------------------|------------------------------|
| | <i>(Reviewed)</i> | <i>(Audited)</i> |
| | QR | QR |
| Accrued income | 980,713 | 1,139,069 |
| Prepayments | 1,322,346 | 1,478,537 |
| Refundable deposits | 550,525 | 550,525 |
| Accounts receivable | 148,716 | 148,716 |
| Other receivables | <u>1,951,077</u> | <u>1,835,231</u> |
| | 4,953,377 | 5,152,078 |
| Less: loss allowance on other receivables | <u>(1,125,704)</u> | <u>(1,125,704)</u> |
| | <u><u>3,827,673</u></u> | <u><u>4,026,374</u></u> |

At June 30, 2019, the other receivables balance of QR 1,125,704 were impaired (December 31, 2018: QR 1,125,704).

During the period, no further loss allowance of receivables were recorded (December 31, 2018: QR nil).

MAZAYA REAL ESTATE DEVELOPMENT Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six month period ended June 30, 2019

8. ISLAMIC BANK BALANCES AND CASH

Islamic bank balances and cash comprises of the following:

| | <i>June 30, 2019</i> | <i>December 31, 2018</i> |
|-----------------------|--------------------------|------------------------------|
| | <i>(Reviewed)</i> | <i>(Audited)</i> |
| | QR | QR |
| Islamic bank balances | 66,797,964 | 25,786,724 |
| Cash in hand | 20,000 | 20,000 |
| | <u>66,817,964</u> | <u>25,806,724</u> |

9. SHARE CAPITAL

| | <i>June 30, 2019</i> | <i>December 31, 2018</i> |
|--|--------------------------|------------------------------|
| | <i>(Reviewed)</i> | <i>(Audited)</i> |
| | QR | QR |
| <i>Authorized and Issued:</i> | | |
| 115,762,500 ordinary shares of QR 10 each (2018: | | |
| 115,762,500 shares)* | <u>1,157,625,000</u> | <u>1,157,625,000</u> |

* Refer to Note 19 for share split impact on nominal share price, and on authorized, issued fully paid up number of shares.

10. ISLAMIC FINANCE FACILITIES

| | | <i>June 30, 2019</i> | <i>December 31, 2018</i> |
|--------------------|--------------|--------------------------|------------------------------|
| | | <i>(Reviewed)</i> | <i>(Audited)</i> |
| | <i>Notes</i> | QR | QR |
| Islamic facility 1 | (i) | 522,369,447 | 522,369,447 |
| Islamic facility 2 | (ii) | 203,682,017 | 207,638,308 |
| Islamic facility 3 | (iii) | 52,000,000 | 52,000,000 |
| Islamic facility 4 | (iv) | 55,000,000 | -- |
| | | <u>833,051,464</u> | <u>782,007,755</u> |

Presented in the interim condensed consolidated financial position is as follows:

| | | |
|-------------|--------------------|--------------------|
| Current | 279,182,410 | 166,706,005 |
| Non-current | 553,869,054 | 615,301,750 |
| | <u>833,051,464</u> | <u>782,007,755</u> |

- (i) During 2014, the Group entered into an Islamic facility agreement with an Islamic Bank in order to finance a real estate project of the Group for an amount of QR 450 million and subsequently increased the facility to QR 549 million. The agreement carries profit rate at market rates. The Islamic financing facilities has started in 2014. The Group had drawn QR 522,369,447 as of June 30, 2019 (2018: QR 522,369,447) and is repayable in 11 variable semi-annual instalments. Expected receipts from the real estate project is pledged against the Islamic facility.

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10. ISLAMIC FINANCE FACILITIES (CONTINUED)

- (ii) During 2014, the Group entered into an Islamic facility agreement with an Islamic Bank in order to finance a real estate project of the Group for an amount of QR 274 million. The Islamic facility commenced in 2014 and is repayable in 9 annual variable instalments from the end of 2014 till the end of 2021 and a final settlement in 2022. The Islamic facility carries profit rate at market rates. The Islamic facility is secured by a pledge on the rental income from the real estate project.
- (iii) During 2017, the Group entered into an Islamic facility agreement with an Islamic Bank in order to finance working capital requirements of the Group for an amount of QR 70 million. The agreement carries profit rate at market rates. The Group had drawn QR 52,000,000 as of June 30, 2019 (2018: QR 52,000,000) and is repayable on its maturity at September 30, 2019. The Islamic facility is secured by a pledge on the rental income from the real estate project.
- (iv) During 2019, the Group entered into an Islamic facility agreement with an Islamic Bank in order to finance working capital requirements of the Group for an amount of QR 55 million. The agreement carries profit rate at market rates. The Group had drawn QR 55,000,000 as of June 30, 2019 (2018: QR nil) and is repayable on its maturity at September 30, 2019. The Islamic facility is secured by a pledge on the rental income from the real estate project.

Islamic finance cost for the period amounted to QR 23,595,193 (June 30, 2018: QR 7,322,950). During the period to June 30, 2018, out of the total finance cost of QR 23,343,905, an amount of QR 16,020,955 has been capitalized such that the amount recorded in the interim condensed consolidated financial information for the period ended June 30, 2018 amount to QR 7,322,950.

11. PAYABLES AND OTHER LIABILITIES

| | <i>June 30, 2019</i> | <i>December 31, 2018</i> |
|--|--------------------------|------------------------------|
| | <i>(Reviewed)</i> | <i>(Audited)</i> |
| | QR | QR |
| Accrued expenses | 31,917,727 | 9,496,280 |
| Advances received | 25,175,000 | -- |
| Dividends payable | 16,650,535 | 9,064,121 |
| Accounts payable | 4,047,925 | 2,029,937 |
| Social and sports activities fund contribution | 7,054,051 | 7,468,986 |
| Deferred rental income | -- | 10,979,173 |
| | <u>84,845,238</u> | <u>39,038,497</u> |

12. FINANCE INCOME

| | <i>June 30, 2019</i> | <i>June 30, 2018</i> |
|----------------|--------------------------|----------------------|
| | <i>(Reviewed)</i> | <i>(Reviewed)</i> |
| | QR | QR |
| Finance income | <u>37,228,097</u> | -- |
| | <u>37,228,097</u> | -- |

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13. COMPENSATION FROM CLAIMS

The Group's key project was delayed significantly by its main contractor. The expected completion date of the project was August 8, 2016 and the completion certificate of the project was issued on June 26, 2018.

The Group had assessed the prolongation costs associated with the substantial delay caused by the main contractor throughout the project duration together with the contractual rights for liquidated damages as per the agreement. Accordingly, the Group had appointed an independent assessor to evaluate the validity of claims raised by the main contractor against the Group and the eligibility of the Group for liquidated damages caused by the contract. Further, the Group had obtained advice from its legal counsel on the enforceability of liquidated damages against the main contractor.

During the period to June 30, 2018, based on Group's assessment aided by the independent assessor's evaluation and the Group's legal counsel's advice, the Board of Directors had decided to initiate liquidated damages against the main contractor in accordance with the contractual terms of the agreement between Mazaya Qatar Real Estate Development Q.P.S.C. and the main contractor. Further, the Board of Directors have decided to realize 50% of the initial retention balance of the contract.

Accordingly, the Group was expecting to realize QR 33,000,000 during the 3rd Quarter of the year 2018 (50% of the retention money) by executing the retention bond placed with a local bank in the State of Qatar and recorded same during the period June 30, 2018.

14. RELATED PARTY DISCLOSURES

Related parties represent entities where the Group is one of their founders, major shareholders in the Company, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Related party transactions

Transactions with related parties during the period were as follows:

| | <i>For the six month period ended June 30,</i> | |
|---------------|--|-------------------|
| | <i>2019</i> | <i>2018</i> |
| | <i>QR</i> | <i>QR</i> |
| | <i>(Reviewed)</i> | <i>(Reviewed)</i> |
| Rental income | <u>11,018,750</u> | <u>12,993,750</u> |

Compensation of directors and other key management personnel

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

| | <i>For the six month period ended June 30</i> | |
|-------------------------------|---|------------------|
| | <i>2019</i> | <i>2018</i> |
| | <i>QR</i> | <i>QR</i> |
| Key management staff benefits | <u>2,275,238</u> | <u>2,759,600</u> |

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15. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to shareholders of the parent by the weighted average number of ordinary shares outstanding during the period as follows:

| | <i>For the six month period ended June 30,</i> | |
|---|--|--|
| | <i>2019 (Reviewed) QR</i> | <i>2018 (Reviewed) (Restated) QR</i> |
| Profit attributable to shareholders of the parent | <u>13,634,313</u> | <u>31,763,041</u> |
| Weighted average number of shares outstanding during the period | <u>1,157,625,000</u> | <u>1,157,625,000</u> |
| Basic and diluted earnings per share (QR) | <u>0.012</u> | <u>0.027</u> |

* Refer to Note 19 for share split impact on nominal share price, and on authorized, issued fully paid up number of shares.

16. FINANCIAL INSTRUMENTS AND FAIR VALUES

Fair values

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Islamic bank balances, receivables and payables and other liabilities and Islamic financing facilities approximate their carrying amounts largely due to the short-term maturities/repricing of these instruments.

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Fair value measurement

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

| | <i>Total QR</i> | <i>Fair value measurement using</i> | | |
|--------------------------------|---------------------|---|---|---|
| | | <i>Quoted prices in active markets Level 1 QR</i> | <i>Significant observable inputs Level 2 QR</i> | <i>Significant unobservable inputs Level 3 QR</i> |
| June 30, 2019 (Reviewed) | | | | |
| Unquoted investment securities | <u>19,638,516</u> | -- | -- | <u>19,638,516</u> |
| | <u>19,638,516</u> | -- | -- | <u>19,638,516</u> |

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For the six month period ended June 30, 2019

16. FINANCIAL INSTRUMENTS AND FAIR VALUES (CONTINUED)

Fair value measurement (continued)

| | | <i>Fair value measurement using</i> | | |
|--------------------------------|-------------------|---|---|---|
| | | <i>Quoted prices in active markets Level 1 QR</i> | <i>Significant observable inputs Level 2 QR</i> | <i>Significant unobservable inputs Level 3 QR</i> |
| December 31, 2018 (Restated) | <i>Total QR</i> | | | |
| Unquoted investment securities | 19,638,516 | -- | -- | 19,638,516 |
| | <u>19,638,516</u> | <u>--</u> | <u>--</u> | <u>19,638,516</u> |

17. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended December 31, 2018, except for the liquidity risk as per below.

Liquidity risk is the risk that the Group will not be able to meet financial obligations as they fall due. The Groups' approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Groups' reputation. The Group limits its liquidity risk by ensuring Islamic bank facilities are available. The Groups' terms of service require amounts to be settled within its specified terms in the contracts and invoices. Trade accounts payable are normally settled within the terms of service from the supplier. The Group has exposure to liquidity risk as its current liabilities exceeded its current assets by QR 268,398,069 as at June 30, 2019. However, management is in process of negotiating alternative funding sources including several new existing projects are under negotiation to enable the Group meet its obligations as they fall due.

18. SEGMENT INFORMATION

The Group has only one business segment, that is investment and development operations of real estate properties. The Group operates mainly in the State of Qatar and United Arab Emirates in Dubai. Dubai operations are not considered reportable segment.

19. SHARE SPLIT

On May 20, 2019, the Extraordinary General Meeting of the Group approved the par value of the ordinary share to be QR1 instead of QR10, as per the instructions of Qatar Financial Markets Authority (QFMA), and amendment of the related Articles of Association. The share split was implemented on July 3, 2019 and the total number of shares were increased from 115,762,500 to 1,157,625,000 ordinary shares. Consequently, weighted average number of shares outstanding and the computed Earnings per Share (EPS) have been retrospectively adjusted from QR. 0.14 for the period ended June 30, 2018 to QR. 0.012 (Note 15) which also include impact of IFRS 16 (Note 2.2).