

Al Qudra Holding PSC and its subsidiaries
Review report and condensed consolidated interim financial
information for the six-month period ended 30 June 2019
(Unaudited)

Al Qudra Holding PSC and its subsidiaries

Condensed consolidated interim financial information for the six-month period ended 30 June 2019 (Unaudited)

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Executive Summary

Al Qudra Holding PJSC Financials as at 30th June 2019

Al Qudra Holding continued to perform well reporting gross income of AED 179 million and consolidated net operating profit of AED 93 million for first half of 2019 generated by its subsidiaries. Operating investments are also performing in line with their budget.

Construction Workers Residential City continued to be leased at full capacity at 32,195 beds and the management is applying tight cost control policies over its operation while making sure the renewed leasing contracts yield higher profits.

Moon Flower Complex, a 10,000 staff accommodation facility was completed and its leasing activities commenced in Q2 of 2019. The upcoming lease income will be reflected in the second half of 2019 which will enhance both the gross income and the net profit by the end of the year.

Licensing of Barary Ain Al Fayda project was completed in July 2019 which allows Al Qudra Holding to have full capacity to market and sale activities of Barary Ain Al Fayda project which will underpin Al Qudra Holding cash flow and profitability in the coming period.

Barary Ain Al Fayda project is located next to Ain Al Fayda Park below Jebel Hafeet comprising 2,054 plots of 90 X 45 feet and 952 land plots of 90 X 90 feet. The project enjoys natural green land scape and 3 public and private schools, 4 mosques and a shopping centre.

The 2,000 Emirati Housing project is approaching full completion including delivery of land scape work and final billing.

Traditional Souq is on schedule and will be completed in 2020 as planned. This waterfront project is located between the Maqtaa Bridge and Mussafah Bridge, opposite to Shaikh Zayed Grand Mosque. The Souq will span over 245,000 square meters and will include retail outlets, heritage and non-heritage stores, open air amphitheater, leisure stores, cinemas as well as a hospitality segment with a four-star hotel and chalets.

The delivery of the 5-star hotel Kasr Al Bahr in Morocco is on schedule as planned. This hotel will be operated by Four Seasons, it will have 228 deluxe rooms, three presidential suites, five signature restaurants together with a congress hall that can accommodate 1,450 seated guests.

Total expenses have reached AED 77 million. Whereas at the operational level, the company continues to cut cost and improved efficiency by undertaking organization restructuring that reduced total expenses by 38% which will participate in delivering a higher net profit.

Total Assets as at 30th June 2019 is AED 6,859 million compared to AED 6,145 million on 31 December 2018, an increase of AED 714 million as a result of the work in Tradition Souq, Kasr Al Bahr and Barary Ain Al Fayda.

The overall liabilities have also increased due to the funding requirements for construction of Traditional Souq, Kasr Al Bahr 5-star hotel in Morocco and infrastructure works for Barary Ain Al Fayda project but such financing liabilities would be paid off by the projects.

The net equity as at 30th June stands at AED 2,291 million, earning per shares is 11.5 fills of which the share of Al Qudra shareholders is AED 10 fills for the first half of 2019 and the book value per share is 2.83 as at 30 June 2019.



Review report on condensed consolidated interim financial information to the Board of Directors of Al Qudra Holding PSC

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Al Qudra Holding PSC (the "Company") and its subsidiaries (together referred to as "the Group") as at 30 June 2019 and the related condensed consolidated interim statements of profit or loss, comprehensive income, statements of changes in equity and cash flows for the six-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated interim 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 interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Emphasis of matter

We draw attention to Note 8 to the condensed consolidated interim financial information, which indicates that the Group has a plot of land in Syrian Arab Republic. Our conclusion is not modified in respect of this matter.

PricewaterhouseCoopers

14 August 2019

Rami Sarhan
Registered Auditor Number 1152
Abu Dhabi, United Arab Emirates



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Douglas O'Mahony, Rami Sarhan, Jacques Fakhoury and Mohamed ElBorno are registered as practising auditors with the UAE Ministry of Economy

Al Qudra Holding PSC and its subsidiaries

Condensed consolidated interim statement of financial position

	Note	As at	
		30 June 2019 AED'000 (Unaudited)	31 December 2018 AED'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	7	486,766	337,359
Investment properties	8	4,234,235	3,753,511
Right-of-use assets	18	82,585	-
Investment in associates		39,817	31,135
Investment in joint ventures		6,488	6,202
Financial assets at fair value through other comprehensive income	9	467,121	499,756
Trade and other receivables	10	39,075	41,096
Due from related parties	11	5,345	5,345
		<u>5,361,432</u>	<u>4,674,404</u>
Current assets			
Inventories		2,379	2,496
Development work in progress	12	585,611	494,928
Trade and other receivables	10	827,330	904,485
Due from related parties	11	42,018	15,313
Cash and bank balances	13	40,453	53,309
		<u>1,497,791</u>	<u>1,470,531</u>
Total assets		<u>6,859,223</u>	<u>6,144,935</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		808,984	808,984
Legal reserve		273,202	273,202
Merger reserve	6	336,465	336,465
Other reserves		246,142	241,895
Cumulative changes in fair value		82,898	114,526
Retained earnings		543,532	520,814
Equity attributable to owners of the Company		<u>2,291,223</u>	<u>2,295,886</u>
Non-controlling interests		178,199	164,692
Total equity		<u>2,469,422</u>	<u>2,460,578</u>

The notes from 1 to 20 form an integral part of this condensed consolidated interim financial information.


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Al Qudra Holding PJSC and its subsidiaries

Condensed consolidated interim statement of financial position (continued)

	Note	As at	
		30 June 2019 AED'000 (Unaudited)	31 December 2018 AED'000 (Audited)
LIABILITIES			
Non-current liabilities			
Trade and other payables	14	564,185	527,665
Lease liabilities	18	81,583	-
Provision for employees' end of service benefits		10,788	14,216
Borrowings	15	1,702,190	1,294,549
		<u>2,358,746</u>	<u>1,836,430</u>
Current liabilities			
Trade and other payables	14	1,775,588	1,564,868
Lease liabilities	18	5,716	-
Borrowings	15	189,632	222,392
Due to related parties	11	60,119	60,667
		<u>2,031,055</u>	<u>1,847,927</u>
Total liabilities		<u>4,389,801</u>	<u>3,684,357</u>
Total equity and liabilities		<u>6,859,223</u>	<u>6,144,935</u>

The condensed consolidated interim financial information was authorised for issue by the board of directors on14 August 2019..... and signed on its behalf by:


.....
Director


.....
Director

Al Qudra Holding PSC and its subsidiaries

Condensed consolidated interim statement of profit or loss

	Note	Six-month period ended 30 June	
		2019 AED'000 (Unaudited)	2018 AED'000 (Unaudited)
Revenue from contracts with customers		41,636	65,477
Rental income		58,629	50,289
Dividend income		47,017	44,400
Other income		31,847	20,282
		<u>179,129</u>	<u>180,448</u>
Expenses			
Contract costs		(4,732)	(26,001)
Staff costs		(37,978)	(53,855)
Water and electricity		(2,855)	(3,960)
Depreciation and amortization		(8,874)	(6,257)
Rentals		(5,035)	(1,586)
Marketing expenses		(3,194)	(4,520)
Other expenses		(13,984)	(26,624)
		<u>(76,652)</u>	<u>(122,803)</u>
Operating profit		102,477	57,645
Finance costs		(23,717)	(12,417)
Share of profit on investment in associates		13,748	-
Share of profit on investment in joint ventures		346	85
Profit for the period		<u>92,854</u>	<u>45,313</u>
Profit attributable to:			
Owners of the Company		79,347	31,801
Non-controlling interests		13,507	13,512
		<u>92,854</u>	<u>45,313</u>
Basic and diluted earnings per share (AED)	16	<u>0.098</u>	<u>0.039</u>

The notes from 1 to 20 form an integral part of this condensed consolidated interim financial information.

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Al Qudra Holding PSC and its subsidiaries

Condensed consolidated interim statement of comprehensive income

	<u>Six-month period ended 30 June</u>	
	<u>2019</u>	<u>2018</u>
	<u>AED'000</u>	<u>AED'000</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Profit for the period	92,854	45,313
Other comprehensive income:		
<i>Items that will not be reclassified to profit or loss</i>		
Change in the fair value of financial assets through other comprehensive income	(31,628)	(95,248)
<i>Items that may be reclassified to profit or loss</i>		
Exchange differences on translation of foreign operation	4,247	(81)
Other comprehensive income/(loss) for the period	<u>(27,381)</u>	<u>(95,329)</u>
Total comprehensive income/(loss) for the period	<u>65,473</u>	<u>(50,016)</u>
Total comprehensive income/(loss) attributable to:		
Owners of the Company	51,966	(63,528)
Non-controlling interests	<u>13,507</u>	<u>13,512</u>
	<u>65,473</u>	<u>(50,016)</u>

The notes from 1 to 20 form an integral part of this condensed consolidated interim financial information.

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Al Qudra Holding PSC and its subsidiaries

Condensed consolidated interim statement of changes in equity

	Attributable to Owners of the Company								
	Share capital AED'000	Legal reserve AED'000	Merger reserve AED'000	Other reserves AED'000	Cumulative changes in fair value AED'000	Retained earnings AED'000	Total AED'000	Non-controlling interests AED'000	Total equity AED'000
At 1 January 2019 (Audited)	808,984	273,202	336,465	241,895	114,526	520,814	2,295,886	164,692	2,460,578
Profit for the period	-	-	-	-	-	79,347	79,347	13,507	92,854
Other comprehensive income/(loss) for the period	-	-	-	4,247	(31,628)	-	(27,381)	-	(27,381)
Total comprehensive income/(loss) for the period	-	-	-	4,247	(31,628)	79,347	51,966	13,507	65,473
Transaction with owners:									
Dividends declared	-	-	-	-	-	(56,629)	(56,629)	-	(56,629)
At 30 June 2019 (Unaudited)	808,984	273,202	336,465	246,142	82,898	543,532	2,291,223	178,199	2,469,422

The notes from 1 to 20 form an integral part of this condensed consolidated interim financial information.

Al Qudra Holding PSC and its subsidiaries

Condensed consolidated interim statement of changes in equity (continued)

	Attributable to Owners of the Company								
	Share capital AED'000	Legal reserve AED'000	Merger reserve AED'000	Other reserves AED'000	Cumulative changes in fair value AED'000	Retained earnings AED'000	Total AED'000	Non-controlling interests AED'000	Total equity AED'000
At 1 January 2018	808,984	266,609	336,465	241,961	207,413	452,043	2,313,475	147,137	2,460,612
Impact of changes in new accounting policies	-	-	-	-	-	(12,131)	(12,131)	-	(12,131)
At 1 January 2018 (Unaudited)	808,984	266,609	336,465	241,961	207,413	439,912	2,301,344	147,137	2,448,481
Profit for the period	-	-	-	-	-	31,801	31,801	13,512	45,313
Loss on disposal of Financial assets at fair value through other comprehensive income recycled to retained earnings	-	-	-	-	2,723	(2,723)	-	-	-
Other comprehensive loss for the period	-	-	-	(81)	(95,248)	-	(95,329)	-	(95,329)
Total comprehensive income/(loss) for the period	-	-	-	(81)	(92,525)	29,078	(63,528)	13,512	(50,016)
Transaction with owners:									
Dividends declared	-	-	-	-	-	(72,808)	(72,808)	-	(72,808)
At 30 June 2018 (Unaudited)	808,984	266,609	336,465	241,880	114,888	396,182	2,165,008	160,649	2,325,657

The notes from 1 to 20 form an integral part of this condensed consolidated interim financial information.

Al Qudra Holding PSC and its subsidiaries

Condensed consolidated interim statement of cash flows

	Note	Six-month period ended 30 June	
		2019	2018
		AED'000	AED'000
		(Unaudited)	(Unaudited)
Cash flow from operating activities			
Profit for the period		92,854	45,313
Adjustments for:			
Depreciation		8,874	6,041
Dividend income		(47,017)	(44,400)
Finance cost		23,717	12,417
Allowance for discounting		-	3,286
Provision for employees' end of service benefits, net of payment		(3,428)	1,008
Reversal of provision for impairment		(34,544)	-
Share of profit of investment in joint ventures		(286)	(68)
Share of profit of investment in associates		(13,748)	-
Interest income		-	(665)
		<u>26,422</u>	<u>22,932</u>
Changes in working capital:			
Inventories		117	(938)
Development work in progress		(90,683)	(250)
Trade and other receivables		113,720	(85,789)
Due from related parties		(26,705)	5,772
Due to related parties		(548)	1,439
Trade and other payables		210,319	(33,467)
Net cash flows generated from/(used in) operating activities		<u>232,642</u>	<u>(90,301)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(156,078)	(34,051)
Addition investment properties		(480,724)	(188,423)
Dividends received		52,128	49,511
Interest income received		-	665
Margin deposits released		88	-
Increase in time deposits under lien		-	94
Investment in associate		(45)	-
Proceeds from disposal of property, plant and equipment		-	1,469
Proceeds from disposal of financial assets at fair value through other comprehensive income		1,007	6,933
Net cash flows used in investing activities		<u>(583,624)</u>	<u>(163,802)</u>

The notes from 1 to 20 form an integral part of this condensed consolidated interim financial information. (8)

Al Qudra Holding PSC and its subsidiaries

Condensed consolidated interim statement of cash flows (continued)

	Note	Six-month period ended 30 June	
		2019	2018
		AED'000	AED'000
		(Unaudited)	(Unaudited)
Cash flows from financing activities			
Proceeds from borrowings		473,905	331,447
Repayment of borrowings		(99,024)	(50,150)
Dividends paid		(20,149)	(42,951)
Finance costs paid		(20,765)	(20,559)
Net cash flows generated from financing activities		<u>333,967</u>	<u>217,787</u>
Net decrease in cash and cash equivalents		(17,015)	(36,316)
Net foreign exchange differences		4,247	(81)
Cash and cash equivalents at 1 January		<u>23,594</u>	<u>108,900</u>
Cash and cash equivalents at 30 June		<u>10,826</u>	<u>72,503</u>

The notes from 1 to 20 form an integral part of this condensed consolidated interim financial information. (9)

Al Qudra Holding PSC and its subsidiaries

Notes to the condensed consolidated interim financial information for the six- month ended 30 June 2019

1 General information

Al Qudra Holding P.S.C (the “Company”) is a private joint stock company incorporated in the Emirate of Abu Dhabi, United Arab Emirates (UAE). The Company is registered on the secondary market in Abu Dhabi Stock Exchange.

The Company is registered under commercial license No. CN-1002912. The registered office of the Company is at P.O. Box 48111, Abu Dhabi, U.A.E. The Company and its subsidiaries together are referred to as (“the Group”).

The Group is principally engaged in investing in pioneering business ideas and forming strategic partnerships emanating from focused research and the expertise of its founders. The Group envisages subscribing as founder in potentially successful companies, development, management, sales and leasing of real estate projects, launch and manage educational, hospitality and health care projects and acquire controlling interests in strategic companies.

The condensed consolidated interim financial information is reviewed, not audited.

This condensed consolidated interim financial information includes the financial position and the financial performance of the following subsidiaries:

Name of subsidiaries	Place of incorporation and operation	Percentage of ownership		Principal activities
		30 June 2019	31 December 2018	
Al Qudra Real Estate LLC	UAE	100%	100%	Real estate management.
Al Qudra Holding - Morocco	Morocco	100%	100%	General investment.
Smart Hotel Management	Morocco	100%	100%	Hotel management.
Smart Hotel Properties	Morocco	100%	100%	Hotel management.
Kasr Al Bahr	Morocco	100%	100%	Hospitality.
Atlantic Coast Hospitality	Morocco	100%	100%	General investment.
Al Qudra Holding Offshore	Morocco	100%	100%	Holding Company.
Al Qudra Holding – Syria	Syria	100%	100%	General investment.
Al Qudra Real Estate	Syria	100%	100%	Real estate management. Commercial project investment.
Al Qudra Trading LLC	UAE	100%	100%	investment.
Dana Hospitality LLC	UAE	100%	100%	Hotel management.
Ain .Al Fayda Real Estate LLC	UAE	100%	100%	Real estate management.
Al Qudra General Trading Establish	UAE	100%	100%	Commercial project investment.

Al Qudra Holding PSC and its subsidiaries

Notes to the condensed consolidated interim financial information for the six-month ended 30 June 2019 (continued)

1 General information (continued)

Name of subsidiaries	Place of incorporation and operation	Percentage of ownership		Principal activities
		30 June 2019	31 December 2018	
Al Qudra Facilities Management Services LLC	UAE	100%	100%	Cleaning and general maintenance for buildings and establishments management services.
Danat Facility Management LLC	UAE	100%	100%	Facilities management services.
Holiday Inn	UAE	100%	100%	Hotel management service.
Al Qudra for Agricultural and Development Company	UAE	100%	100%	Agriculture development.
Envo Scape LLC	UAE	100%	100%	Irrigation network contracting and constructing and maintaining parks and landscape design and planning activities.
Q General Investments Ltd	British Virgin Islands	100%	100%	General investment.
Al Qudra New Line Oil & Gas LLC *	UAE	50%	50%	Oil and gas and maintenance services.
Buhyarat Ain Al Fayda Real Estate LLC	UAE	100%	100%	Real estate management.
Manarah Bay Real Estate	UAE	100%	100%	Real estate management.
Q International Limited	UAE	100%	100%	General Investment.
Al Qudra Services LLC	UAE	100%	100%	Environmental plants maintenance.
Al Qudra and Ravago Investment LLC	UAE	51%	51%	General investment.
Q Scape LLC	UAE	51%	51%	Building Maintenance & Landscaping.
Q Energy LLC	UAE	60%	60%	Oil & Gas equipment installation and maintenance services.
Al Qudra Education LLC	UAE	100%	100%	Education Services.
Al Qudra Holding - Algeria	UAE	100%	100%	General Investment.
Al Qudra Holding – International LLC	UAE	100%	100%	Industrial Enterprise & Financial Management.
Emirates Simulation Academy LLC	UAE	60%	60%	Construction, Operation Management and Development of Training Centre.
Q For Commercial Markets Management	UAE	60%	60%	Setup, Ownership and development of commercial Market, Parks and entertainment facilities.
Q Link Transport	UAE	85%	85%	Transportation.

Al Qudra Holding PSC and its subsidiaries

Notes to the condensed consolidated interim financial information for the six-month ended 30 June 2019 (continued)

1 General information (continued)

Name of subsidiaries	Place of incorporation and operation	Percentage of ownership		Principal activities
		30 June 2019	31 December 2018	
Q Car Park LLC *	UAE	50%	50%	Developing, operating, renting and equipping of car parking.
Q Active for Technologies LLC	UAE	51%	51%	Telecommunication system installation and maintenance.
ABNIA for Industrial Holding LLC *	UAE	50%	50%	Activities of cement, glass, iron, wood and electro mechanical industries.
Al Qudra Belarus Ltd.	Belarus	100%	100%	General Investment.
Al Qudra Holding - Yemen	Yemen	100%	100%	General Investment.
Al Qudra Holding Industrial LLC	UAE	100%	100%	Consultancy in alternative power and industrial projects.
Q Parks Establishment	UAE	100%	100%	Touristic resort management & entertainment investment.
Al Qudra Health Care LLC	UAE	100%	100%	Health care & hospitality.
QP International LLC	UAE	60%	60%	Project Management.
Al Rayan Investment PSC	UAE	99.97%	99.65%	Develop, manage and invest in real estate enterprises.
Construction workers residential City LLC	UAE	65%	65%	Real Estate Investment.
Moon Flower Real Estate Development LLC	UAE	100%	100%	Real Estate Investment.
Green Precast Systems Technology LLC	UAE	100%	60%	General Contracting.
Earth Care Agricultural Products LLC	UAE	100%	100%	Agriculture Business.
Apex Residential LLC	UAE	100%	100%	Real Estate Investment.
Al Rayan Global Real Estate LLC	UAE	100%	100%	Real Estate Investment.
Q construction LLC	UAE	100%	100%	General contracting.
Radiant & Moonflower Real Estate Development LLC	UAE	100%	100%	Real Estate Investment.

*Although the Group owns 50% of the outstanding shares of Al Qudra New Line Oil & Gas LLC, Q Car Park LLC and ABNIA for Industrial Holding LLC, the investment has been classified as a subsidiary by virtue of control over the investee.

Al Qudra Holding PSC and its subsidiaries

Notes to the condensed consolidated interim financial information for the six-month ended 30 June 2019 (continued)

2 Basis of preparation and significant accounting policies

2.1 Basis of preparation

This condensed consolidated interim financial information for the six-month period ended 30 June 2019 ("the period") has been prepared in accordance with Accounting Standard IAS 34 'Interim Financial Reporting'.

The condensed consolidated interim financial information does not contain all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2018.

The condensed consolidated interim financial information has been presented in thousand United Arab Emirates Dirham ("AED'000"), which is the functional and presentation currency of the Company and its subsidiary.

2.2 Significant accounting policies

The accounting policies applied in the preparation of the condensed consolidated interim financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018 except for the new and amended standards as set out below.

(a) New and amended standards adopted by the Group

- IFRS 16, 'Leases'

This standard replaces IAS 17 and is a far reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees.

For lessors, the accounting remains mainly unchanged. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The impact of the adoption of the leasing standard and the new accounting policies are disclosed in Note 18.

Al Qudra Holding PSC and its subsidiaries

Notes to the condensed consolidated interim financial information for the six-month ended 30 June 2019 (continued)

2 Basis of preparation and significant accounting policies (continued)

2.2 Significant accounting policies (continued)

(a) New and amended standards adopted by the Group (continued)

- Amendment to IFRS 9, 'Financial instrument'

The amendment permits more assets to be measured at amortised cost than under the previous version of IFRS 9, in particular some prepayable financial assets. The amendment also confirms that modifications in financial liabilities will result in the immediate recognition of a gain or loss. The amendment did not have a material impact of the Group's condensed interim consolidated financial information.

(b) New standards and amendments applicable on periods starting on or after 1 January 2020 and not early adopted by the Group.

- Amendments to IFRS 3; and
- Amendments to IAS 1 and IAS 8.

The Group is currently assessing the impact of these amendments to standards on the future consolidated financial statements of the Group and intends to adopt these, if applicable, when they become effective.

2.3 Basis of consolidation

The condensed consolidated interim financial information as at, and for the six-month period ended 30 June 2019 comprises results of the Company and its subsidiaries. The financial information of the subsidiaries is prepared for the same reporting period as that of the Company, using consistent accounting policies. All inter-company transactions, profits and balances are eliminated on consolidation.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

2.4 Change in the presentation of consolidated statement of comprehensive income

During 2019, the Group has changed the categorisation and presentation of its 'revenues' and 'expenses' in the 'Condensed consolidated interim statement of profit or loss' from 'by function' to 'by nature', both of which are allowed as per International Financial Reporting Standards. Accordingly, the presentation of comparative information for the six-month period ended 30 June 2018 has been amended to be consistent. There is no impact of the change on income, the total amount of expenses or on profit for the period. It is merely a change in presentation.

The new presentation 'by nature' provides information, which the Group believes to be more relevant to the operations of a real estate business, compared to the previous presentation.

Al Qudra Holding PSC and its subsidiaries

Notes to the condensed consolidated interim financial information for the six-month ended 30 June 2019 (continued)

2 Basis of preparation and significant accounting policies (continued)

2.4 Change in the presentation of consolidated statement of comprehensive income (continued)

The table below shows the impact of the change in classification of revenues and expenses of the period ended 30 June 2018:

Presentation of expenses by nature	2018 AED'000	Presentation of expenses by function	2018 AED'000
Revenue from contracts with customers	65,477	Revenues	115,766
Rental income	50,289		
	<u>115,766</u>		
Contract Cost	26,001	Direct costs	<u>32,018</u>
Staff costs	3,477		
Depreciation	2,540		
	<u>32,018</u>		
Staff costs	50,378	General and administrative expenses	<u>86,265</u>
Water and electricity	3,960		
Depreciation and amortization	3,717		
Rentals	1,586		
Other expenses	26,624		
	<u>86,265</u>		

There is no change to the condensed consolidated statement of financial position presentation or amounts as a result of the above change.

3 Critical accounting estimates and judgements

The preparation of condensed consolidated interim 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 this condensed consolidated interim financial information, 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 as at and for the year ended 31 December 2018.

Al Qudra Holding PSC and its subsidiaries

Notes to the condensed consolidated interim financial information for the six-month ended 30 June 2019 (continued)

4 Financial risk management

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements; therefore, it should be read in conjunction with the Group's annual consolidated financial statements as of and for the year ended 31 December 2018. The Group's financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements as of and for the year ended 31 December 2018.

4.2 Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities. The Group manages liquidity risk by maintaining adequate bank balances and credit facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

4.3 Fair value estimation

The Group classifies valuation of its financial instruments carried at fair value and investment properties for which fair value is disclosed in the following levels of fair value hierarchy:

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

Al Qudra Holding PSC and its subsidiaries

Notes to the condensed consolidated interim financial information for the six-month ended 30 June 2019 (continued)

4 Financial risk management (continued)

4.3 Fair value estimation (continued)

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000 (Unaudited)
At 30 June 2019				
Investment properties	-	-	4,234,235	4,234,235
Financial assets at fair value through other comprehensive income	1,529	392,533	73,059	467,121
	<u>1,529</u>	<u>392,533</u>	<u>4,307,294</u>	<u>4,701,356</u>
(Audited)				
At 31 December 2018				
Investment properties	-	-	3,753,511	3,753,511
Financial assets at fair value through other comprehensive income	1,665	410,522	87,569	499,756
	<u>1,665</u>	<u>410,522</u>	<u>3,841,080</u>	<u>4,253,267</u>

The following valuation techniques and significant unobservable inputs were used in measuring level 3 fair value for financial instruments measured at fair value in the condensed consolidated interim statement of financial position.

- (i) Valuation techniques and significant unobservable inputs

Financial assets measured at fair value through other comprehensive income

Unquoted shares

Valuation technique: The assets' fair value is estimated on the basis of an analysis of the investee's financial position and results, risk profile, prospects and other factors.

Significant unobservable input: the investee's financial position and results, risk profile, prospects and other factors used for the valuation is unobservable.

Interrelationship between significant unobservable inputs and fair value: The estimated fair value would increase/(decrease) if these significant unobservable inputs were better/(worse).

During the reporting period ended 30 June 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.

Al Qudra Holding PSC and its subsidiaries

Notes to the condensed consolidated interim financial information for the six-month ended 30 June 2019 (continued)

5 Seasonality of operations

The results for the period ended 30 June 2019 reflect the results of the Group's continuing projects and new projects commenced during the period and are not significantly affected by any seasonal or cyclical operations.

Management has concluded that this does not constitute "highly seasonal" as considered by IAS 34 Interim Financial Reporting. Notwithstanding, the results for the six-month period ended 30 June 2019 are not necessarily indicative of the results that might be expected for the year ending 31 December 2019.

6 Business combination

On 12 June 2017, the Company had acquired 99.35% of the shares and voting interests in Al Rayan Investment PSC through shares swap. The Company and Al Rayan Investment PSC agreed that the share swap conversion rate would be 2.61 shares of Al Rayan Investment PSC for one share in Al Qudra Holding PSC.

Accordingly, the Company issued 208,984 thousand shares at a par value of 1 AED each, to the shareholders of Al Rayan Investment PSC as a consideration for their shares in Al Rayan which amounted to AED 545,449 thousand.

	AED' 000 (Audited)
Shares issued in Al Qudra Holding PSC (208,984 thousand shares 1 AED each)	(208,984)
Shares acquired in Al Rayan Investments PSC (5,454 thousand 100 AED each)	545,449
Merger reserve	<u>336,465</u>

7 Property, plant and equipment

During the six-month period ended 30 June 2019, the Group purchased various property, plant and equipment with a cost of AED 156,078 thousand (Year ended 31 December 2018: AED 39,609). The depreciation charge for the six-month period is AED 6,671 (six-month period ended 30 June 2018: AED 6,041 thousand).

Al Qudra Holding PSC and its subsidiaries

Notes to the condensed consolidated interim financial information for the six-month ended 30 June 2019 (continued)

8 Investment properties

	30 June 2019 AED'000 (Unaudited)	31 December 2018 AED'000 (Audited)
Property under development (i)	2,609,498	2,128,774
Camps (ii)	806,000	806,000
Land (iii)	738,237	738,237
Buildings (iv)	80,500	80,500
	<u>4,234,235</u>	<u>3,753,511</u>

The Group's investment properties are valued on annual basis. As at 31 December 2018, investment properties were valued by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. There have been no major changes in the fair value during the reporting period.

(i) Properties under development

- Labour/staff camp

During the year 2012, Zones Corp provided a plot of land to Moon Flower Real Estate Development LLC ("Moon Flower"), a sub-subsidiary of the Group for a lease period of thirty years. Moon Flower is in the final process of completing the construction of the labour/staff camp on this land.

The valuation had been based on the discounted cash flow of valuation. The main assumptions used in the valuation are, discount rate of 10%, and that the property will have 5,908 labour accommodation rooms. Total additions during the period was AED 63,919 thousand.

- Complex

During the year 2018, the Group started developing a new complex that represents a new Traditional Souq (the Souq) situated between Al Maqta'a bridge and Khaleej Al Arabi Street located at the gateway to the Abu Dhabi. The Souq mainly comprises of commercial units and hubs which are expected to yield rental from its use. At the date of reporting, the Souq was presented at the actual cost paid.

During the six-month period ended 30 June 2019, total additions of AED 480,724 thousand have been capitalised. It also includes interest cost capitalised during the period.

Al Qudra Holding PSC and its subsidiaries

Notes to the condensed consolidated interim financial information for the six- month ended 30 June 2019 (continued)

8 Investment properties (continued)

(ii) Labour camp

The fair value of Construction Workers Residential City project (labour camp) had been based on income approach with a yield rate of 11.5%, amounted to AED 806,000 thousand (as at 31 December 2018). This had been determined based on a valuation exercise performed by an external independent valuer. During the period, there are no changes made in the estimates used to value this property.

(iii) Land

The following table illustrates the details of the plots of land, which are owned by the Group:

Plot	Location	30 June	31 December
		2019	2018
		AED'000	AED'000
		(Unaudited)	(Audited)
Manarah Bay (a)	Abu Dhabi, UAE	265,000	265,000
Khalifa city A (b)	Abu Dhabi, UAE	165,000	165,000
Khalifa city B (b)	Abu Dhabi, UAE	155,000	155,000
Rif Dimashk (c)	Syrian Arab Republic	92,737	92,737
Reem Island plot RT6-C7 (d)	Abu Dhabi, UAE	44,000	44,000
Hydra golf walk (d)	Abu Dhabi, UAE	16,500	16,500
		<u>738,237</u>	<u>738,237</u>

(a) Manarah Bay

The fair value of Manarah Bay has been determined by considering both the direct comparison and residual approaches. As at 31 December 2018 the fair value as per the valuation report was AED 265,000 thousand. During the period, there are no changes made in the estimates used to value this property.

(b) Khalifa city A and Khalifa city B

The Group owns two plots of land in Khalifa City A and Khalifa City B for which the Group intends to construct investment properties for rental income. The fair value of these plots were determined using comparable method after making specific adjustments.

Al Qudra Holding PSC and its subsidiaries

Notes to the condensed consolidated interim financial information for the six- month ended 30 June 2019 (continued)

8 Investment properties (continued)

(iii) Land (continued)

(c) Damascus Syria

The Group holds a plot of land in Syrian Arab Republic. The Group's intention is to develop this plot in future. The plot has been valued by an independent valuer based in Lebanon who had valued the plot at AED 219,409 thousand. Management reduced the fair value to AED 92,737 thousand considering economy downturn and devaluation of currency. Furthermore, management took into consideration the political situation.

(d) Reem Island plot RT6-C7 and Hydra golf walk

The Group owns two plots of land in Reem Island and Hydra golf walk, respectively, for which the Group intends to construct investment properties for rental income. The fair value of these plots were determined using "Direct Comparison" approach.

(iv) Buildings

Plot	Location	30 June	31 December
		2019	2018
		AED'000	AED'000
		(Unaudited)	(Audited)
Al Qudra building (a)	Abu Dhabi, UAE	50,800	50,800
Ain Al Faydah Resort (b)	Al Ain, UAE	28,700	28,700
Al Ghadeer Project - Villa	Abu Dhabi, UAE	1,000	1,000
		<u>80,500</u>	<u>80,500</u>

(a) Al Qudra building

During the year 2016, the Group transferred its head office building's ground floor, mezzanine floor and floors 1-3 to investment properties as those areas of the property started were used for rental income generation. The fair value of this building was determined using investment method of valuation (Income Capitalisation).

(b) Ain Al Faydah Resort

The fair value had been determined using the investment method of valuation (net income capitalisation method).

Al Qudra Holding PSC and its subsidiaries

Notes to the condensed consolidated interim financial information for the six-month ended 30 June 2019 (continued)

9 Financial assets at fair value through other comprehensive income

	30 June 2019 AED'000 (Unaudited)	31 December 2018 AED'000 (Audited)
Quoted securities	1,529	1,665
Unquoted securities	465,592	498,091
	<u>467,121</u>	<u>499,756</u>

The movement in financial assets at fair value through other comprehensive income during the period/year is as follows:

	30 June 2019 AED'000 (Unaudited)	31 December 2018 AED'000 (Audited)
At 1 January	499,756	605,740
Redemptions	(1,007)	(12,001)
Change in fair value net of loss/profits recycled to retained earnings	(31,628)	(93,983)
At 30 June/31 December	<u>467,121</u>	<u>499,756</u>

The Group's exposure to Abraaj is as follows:

	30 June 2019 AED'000 (Unaudited)	31 December 2018 AED'000 (Audited)
Infrastructure Growth Capital	36,061	37,685
Abraaj Buyout Fund II	12,622	12,622
	<u>48,683</u>	<u>50,307</u>

Al Qudra Holding PSC and its subsidiaries

Notes to the condensed consolidated interim financial information for the six-month ended 30 June 2019 (continued)

10 Trade and other receivables

	30 June 2019 AED'000 (Unaudited)	31 December 2018 AED'000 (Audited)
Trade receivables	573,680	630,554
Advances to contractors	115,027	146,959
Due from customers on contracts	42,835	42,835
Retention receivables	108,641	108,641
Prepayments and other advances	103,365	126,078
Other receivables	7,084	33,285
	<u>950,632</u>	<u>1,088,352</u>
Impairment allowance	(84,227)	(142,771)
	<u>866,405</u>	<u>945,581</u>
Non-current	39,075	41,096
Current	827,330	904,485
	<u>866,405</u>	<u>945,581</u>

11 Related party balances and transactions

Related parties comprise the shareholders, directors, key management personnel and any businesses which are controlled, either directly or indirectly, or jointly controlled by them or over which they exercise significant influence. Pricing and terms of transactions with related parties are in accordance with agreements between the related parties and are approved by the Group's management.

(a) Balances due from related parties

	30 June 2019 AED'000 (Unaudited)	31 December 2018 AED'000 (Audited)
Non-current		
Connection Real Estate	5,905	5,905
Others	90	90
	<u>5,995</u>	<u>5,995</u>
Less: provision for impairment	(650)	(650)
	<u>5,345</u>	<u>5,345</u>

Al Qudra Holding PSC and its subsidiaries

Notes to the condensed consolidated interim financial information for the six-month ended 30 June 2019 (continued)

11 Related party balances and transactions (continued)

Balances and transaction with related parties

(a) Balances due from related parties (continued)

	30 June 2019 AED'000 (Unaudited)	31 December 2018 AED'000 (Audited)
Current		
<u>Joint venture/Associate</u>		
Barary Ain Al Fayda	24,493	294
Al Qudra Sports Management	8,927	10,533
	<u>33,420</u>	<u>10,827</u>
<u>Other related parties</u>		
Projects International Dubai	6,868	6,868
SKM-Q L.L.C.	3,635	3,635
Viola Communications LLC	2,281	-
Hydra Properties	161	161
Others	3,139	1,662
	<u>16,084</u>	<u>12,326</u>
	49,504	23,153
Less: provision for impairment	<u>(7,486)</u>	<u>(7,840)</u>
	<u>42,018</u>	<u>15,313</u>

(b) Balances due to related parties

	30 June 2019 AED'000 (Unaudited)	31 December 2018 AED'000 (Audited)
<u>Other related parties</u>		
Center of Excellence for Applied Research & Training	28,256	28,256
Lootah BCGas	8,467	8,467
GSE Power Systems, Inc.	8,065	8,065
Emirates Link Group	4,661	4,661
Others	10,670	11,218
	<u>60,119</u>	<u>60,667</u>

Al Qudra Holding PSC and its subsidiaries

Notes to the condensed consolidated interim financial information for the six-month ended 30 June 2019 (continued)

11 Related party balances and transactions (continued)

Balances and transaction with related parties (continued)

(c) Significant transactions with related parties:

	<u>Six-month period ended</u>	
	<u>30 June 2019 AED'000 (Unaudited)</u>	<u>30 June 2018 AED'000 (Unaudited)</u>
Key management compensation		
Salaries and short-term benefits	6,747	22,724
Transactions with related parties		
Finance income	326	503
Purchases	333	1,641
Sales	17,350	73

12 Development work in progress

	<u>30 June 2019 AED'000 (Unaudited)</u>	<u>31 December 2018 AED'000 (Audited)</u>
Al Sadu project - Abu Dhabi	376,047	376,000
Reem Downtown	111,000	111,000
Barary Ain Al Fayda	90,493	-
Others	43,695	43,552
	<u>621,235</u>	<u>530,552</u>
Less: impairment allowance	<u>(35,624)</u>	<u>(35,624)</u>
	<u>585,611</u>	<u>494,928</u>

Development work in progress represents development and construction costs incurred on properties under construction.

Al Qudra Holding PSC and its subsidiaries

Notes to the condensed consolidated interim financial information for the six-month ended 30 June 2019 (continued)

13 Cash and bank balances

	30 June 2019 AED'000 (Unaudited)	31 December 2018 AED'000 (Audited)
Cash at bank	10,826	23,594
Term deposits	13,393	13,393
Margin deposits	16,234	16,322
	<u>40,453</u>	<u>53,309</u>

14 Trade and other payables

	30 June 2019 AED'000 (Unaudited)	31 December 2018 AED'000 (Audited)
Trade payables	1,675,009	1,482,645
Advance from customers	52,427	54,448
Provision for infrastructure construction cost	59,111	59,111
Retention payable	354,441	336,749
Dividend payable	70,762	34,282
Accrued expenses	50,018	54,435
Accrued interest	3,365	2,924
Other payables	74,640	67,939
	<u>2,339,773</u>	<u>2,092,533</u>
Non-current	564,185	527,665
Current	<u>1,775,588</u>	<u>1,564,868</u>
	<u>2,339,773</u>	<u>2,092,533</u>

Al Qudra Holding PSC and its subsidiaries

Notes to the condensed consolidated interim financial information for the six-month ended 30 June 2019 (continued)

15 Borrowings

	30 June 2019 AED'000 (Unaudited)	31 December 2018 AED'000 (Audited)
Bank overdraft	-	15,679
Term loans	1,891,822	1,501,262
	<u>1,891,822</u>	<u>1,516,941</u>
Less: non-current portion of term loans	(1,702,190)	(1,294,549)
	<u>189,632</u>	<u>222,392</u>

- Bank overdrafts are repayable on demand and bear interest at prevailing inter-bank rates.
- Term loans' are obtained for the purpose of financing the construction of projects and for other operational purpose. The term loans carry variable interest rates and are secured against various collaterals.

16 Earnings per share

Earnings per share is calculated by dividing the profit attributable to the owners of the Company for the six-month period ended 30 June 2019, amounting to AED 79,347 (six-month period ended 30 June 2018: AED 31,801 thousand) by the weighted average number of shares outstanding during the period of 808,984 thousand (30 June 2018: 808,984 thousand). There are no diluted earnings per share in the period presented.

17 Commitments and contingent liabilities

The commitments relate to the construction of property under development (Note 8).

	30 June 2019 AED'000 (Unaudited)	31 December 2018 AED'000 (Audited)
Within one year	393,443	994,083
More than one year to five years	306,077	306,077
Above five years	-	142,820
Guarantees	99,906	153,024

Al Qudra Holding PSC and its subsidiaries

Notes to the condensed consolidated interim financial information for the six- month ended 30 June 2019 (continued)

18 Change in accounting policies

This note explains the impact of the adoption of IFRS 16 Leases on the Group's condensed consolidated interim financial information and discloses the new accounting policies that have been applied from 1 January 2019 in Note 18(b) below.

The Group has adopted IFRS 16 using simplified approach at 1 January 2019, and has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening statement of financial position on 1 January 2019.

a) Adjustments recognised on adoption of IFRS 16

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The average incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 6.35%.

	2019 AED'000 (Unaudited)
Operating lease commitments as at 31 December 2018	146,312
Discount using the lessee's incremental borrowing rate at the date of initial application	<u>(61,524)</u>
Lease liability recognised as at 1 January 2019	<u>84,788</u>

Al Qudra Holding PSC and its subsidiaries

Notes to the condensed consolidated interim financial information for the six-month ended 30 June 2019 (continued)

18 Changes in accounting policies (continued)

(a) Adjustments recognised on adoption of IFRS 16 (continued)

The associated right-of-use assets for property leases were measured at the amount equal to the lease liability as at 1 January 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets relate to land upon which the Group is developing properties.

The change in accounting policy affected the following items in the balance sheet on 1 January 2019 and 30 June 2019:

	Right-of-use assets AED'000 (Unaudited)	Lease liability non-current AED'000	Lease liability current AED'000
At 1 January 2019	84,788	79,072	5,716
Depreciation charges	(2,203)	-	-
Interest cost	-	2,511	-
At 30 June 2019	<u>82,585</u>	<u>81,583</u>	<u>5,716</u>

Practical expedients applied

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- reliance on previous assessments on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying IAS 17 and IFRIC 4 in determining whether a contract contains lease.

Al Qudra Holding PSC and its subsidiaries

Notes to the condensed consolidated interim financial information for the six-month ended 30 June 2019 (continued)

18 Changes in accounting policies (continued)

(b) The Group's leasing activities and how these are accounted for

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentive received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise motor vehicles and small items of office furniture.

Variable lease payments

Variable lease payments that depend on sales or other conditions are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Extension and termination options

Extension and termination options are included in lease contracts across the Group. The majority of extension and termination options held are exercisable only by the respective lessor and not by the Group.

Al Qudra Holding PSC and its subsidiaries

Notes to the condensed consolidated interim financial information for the six-month ended 30 June 2019 (continued)

19 Segment reporting

Information regarding the Group's operating segments is set out below in accordance with IFRS 8 Operating Segments. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the "Executive management" who are the Chief Operating decision-makers in order to allocate resources to the segment and to assess its performance.

	Real Estate	Hospitality	Labour accommodation	Others	Total
Six-month period ended 30 June 2019					
(Unaudited)					
Income	99,024	15,130	56,302	8,673	179,129
Expenses	(29,765)	(14,990)	(24,475)	(7,422)	(76,652)
Operating profit	69,259	140	31,827	1,251	102,477
Finance cost	(11,975)	(1,048)	(10,675)	(19)	(23,717)
Share of profit on investment in associates	13,748	-	-	-	13,748
Share of profit on investment in joint ventures	346	-	-	-	346
Net segment results	71,378	(908)	21,152	1,232	92,854
Six-month period ended 30 June 2018					
(Unaudited)					
Income	111,413	15,662	50,330	3,043	180,448
Expenses	(84,132)	(15,946)	(15,791)	(6,934)	(122,803)
Operating profit	27,281	(284)	34,539	(3,891)	57,645
Finance cost	(2,173)	(437)	(9,790)	(17)	(12,417)
Share of profit on investment in joint ventures	85	-	-	-	85
Net segment results	25,193	(721)	24,749	(3,908)	45,313

Al Qudra Holding PSC and its subsidiaries

Notes to the condensed consolidated interim financial information for the six-month ended 30 June 2019 (continued)

19 Segment reporting (continued)

30 June 2019 (Unaudited)	Real Estate	Hospitality	Labour accommodation	Others	Total
Segment assets	2,861,366	119,614	3,285,928	342,315	6,609,223
Segment liabilities	1,564,907	115,506	1,771,189	688,199	4,139,801

31 December 2018 (Audited)

	Real Estate	Hospitality	Labour accommodation	Others	Total
Segment assets	2,374,554	91,881	3,341,433	337,067	6,144,935
Segment liabilities	1,060,356	86,860	1,851,185	685,956	3,684,357

20 Going concern

During the six-month period ended 30 June 2019, the Group has recognised profit for the period of AED 92,854 thousand (six-month period ended 30 June 2018: AED 45,313 thousand) and as at 30 June 2019 had retained earnings of AED 543,532 thousand (31 December 2018: AED 520,814 thousand) and net assets of AED 2,469,422 thousand (31 December 2018: AED 2,460,578 thousand). However, the Group carried net current liabilities of AED 533,264 thousand (31 December 2018: AED 377,396 thousand) at the reporting date.

The Board of Directors projected the expected future net cash inflows from various projects which the existing assets will be generating and they are of the view that the future net cash inflows from operations will be sufficient for the Group to enable it to meet both its liabilities as they fall due and to carry on its business without a significant curtailment of operations in the foreseeable future. Accordingly, these condensed consolidated interim financial information have been prepared on a going concern basis.