

**Dur Hospitality Company**  
**(A Saudi Joint Stock Company)**

**INTERIM CONDENSED CONSOLIDATED**  
**FINANCIAL STATEMENTS (UNAUDITED)**

**31 March 2020**

Dur Hospitality Company  
(A Saudi Joint Stock Company)

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INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)

For the period ended 31 March 2020

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**Independent auditor's review report on the interim condensed consolidated financial statements**  
**To the shareholders of Dur Hospitality Company**  
**(A Saudi Joint Stock Company)**

**Introduction:**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Dur Hospitality Company (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 31 March 2020, and the related interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the three month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements 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" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statements consists of making inquiries, primarily to 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 that are endorsed in the Kingdom of Saudi Arabia 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

for Ernst & Young

  
Fahad M. Al-Toaimi  
Certified Public Accountant  
Registration No. 354

Riyadh: 14 Ramadan 1441H  
(7 May 2020)



Dur Hospitality Company  
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL  
POSITION

As at 31 March 2020

		31 March 2020 (Unaudited) SR	31 December 2019 (Audited) SR
	Note		
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		118,838,168	135,680,579
Trade receivables	5	128,655,684	123,165,195
Due from related parties	6	4,951,968	6,651,168
Prepayments and other current assets	7	69,699,658	69,164,354
Inventories		22,577,038	23,059,545
<b>TOTAL CURRENT ASSETS</b>		<b>344,722,516</b>	<b>357,720,841</b>
<b>NON-CURRENT ASSETS</b>			
Investment at fair value through other comprehensive income (FVOCI)		7,000,000	7,000,000
Investment in equity accounted investees		14,309,065	14,309,065
Right of use assets	8	291,842,110	298,143,110
Advance for rent – noncurrent portion	7	41,138,607	40,316,800
Property and equipment	9	2,480,123,024	2,492,482,172
Capital work in progress	10	342,493,923	319,425,744
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,176,906,729</b>	<b>3,171,676,891</b>
<b>TOTAL ASSETS</b>		<b>3,521,629,245</b>	<b>3,529,397,732</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade payables		62,098,049	58,377,275
Accrued expenses and other current liabilities	11	153,927,067	166,583,022
Due to related parties	6	38,753,600	38,160,305
Term loans - current portion	12	220,925,707	131,912,230
Dividend payable	16	47,227,363	47,230,659
Lease liabilities - current portion	13	17,134,651	21,347,688
Provision for zakat	14	15,071,187	13,169,476
<b>TOTAL CURRENT LIABILITIES</b>		<b>555,137,624</b>	<b>476,780,655</b>
<b>NON-CURRENT LIABILITIES</b>			
Term loans - noncurrent portion	12	744,321,592	841,355,862
Employees' terminal benefits liabilities		60,942,756	59,564,582
Lease liabilities - noncurrent portion	13	358,790,805	359,948,110
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,164,055,153</b>	<b>1,260,868,554</b>
<b>TOTAL LIABILITIES</b>		<b>1,719,192,777</b>	<b>1,737,649,209</b>

The attached notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

Dur Hospitality Company  
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL  
POSITION (CONTINUED)

As at 31 March 2020

	<i>Note</i>	<i>31 March 2020 (Unaudited) SR</i>	<i>31 December 2019 (Audited) SR</i>
<b>EQUITY</b>			
Share capital	15	<b>1,000,000,000</b>	1,000,000,000
Statutory reserve		<b>500,000,000</b>	500,000,000
Contractual reserve		<b>143,002,490</b>	143,002,490
Retained earnings		<b>59,268,624</b>	98,399,490
Proposed dividends	16	<b>50,000,000</b>	-
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>		<b>1,752,271,114</b>	1,741,401,980
Non-controlling interest		<b>50,165,354</b>	50,346,543
<b>TOTAL EQUITY</b>		<b>1,802,436,468</b>	1,791,748,523
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>3,521,629,245</b>	3,529,397,732

The attached notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

Dur Hospitality Company  
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE  
INCOME (UNAUDITED)

For the three-month period ended 31 March 2020

		<i>For the three-month period ended</i>	<i>31 March</i>	<i>31 March</i>
		<b>2020</b>	<b>2019</b>	
	<i>Note</i>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	
		<b>SR</b>	<b>SR</b>	
<b>REVENUES</b>				
Hospitality revenue		<b>109,177,580</b>	87,600,832	
Rental income		<b>30,219,562</b>	26,072,644	
Management fees		<b>516,756</b>	823,663	
<b>TOTAL REVENUES</b>		<b>139,913,898</b>	114,497,139	
<b>DIRECT COSTS</b>		<b>(107,202,351)</b>	(90,308,616)	
<b>GROSS PROFIT</b>		<b>32,711,547</b>	24,188,523	
<b>EXPENSES</b>				
Selling and marketing		<b>(369,553)</b>	(109,832)	
General and administration		<b>(11,303,740)</b>	(10,553,642)	
<b>TOTAL EXPENSES</b>		<b>(11,673,293)</b>	(10,663,474)	
<b>OPERATING PROFIT</b>		<b>21,038,254</b>	13,525,049	
Financial charges on term loans	12	<b>(6,635,371)</b>	(5,919,083)	
Financial charges on lease liabilities	13	<b>(4,111,875)</b>	(4,043,924)	
Finance income		<b>206,610</b>	276,769	
Other income, net	17	<b>1,607,827</b>	7,248,818	
Share in net results of equity accounted investees		<b>-</b>	(442,428)	
<b>INCOME BEFORE ZAKAT</b>		<b>12,105,445</b>	10,645,201	
Zakat	14	<b>(1,417,500)</b>	(1,360,000)	
<b>NET INCOME FOR THE PERIOD</b>		<b>10,687,945</b>	9,285,201	
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>10,687,945</b>	9,285,201	
<b>Attributable to:</b>				
Equity holders of the parent		<b>10,869,134</b>	9,484,281	
Non-controlling interest		<b>(181,189)</b>	(199,080)	
		<b>10,687,945</b>	9,285,201	
Basic and diluted earnings per share attributable to equity holders of the parent	18	<b>0.11</b>	0.09	

The attached notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

Dur Hospitality Company  
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the three-month period ended 31 March 2020

	Note	Share capital SR	Statutory reserve SR	Contractual reserves SR	Retained earnings SR	Proposed dividends SR	Total SR	Non-controlling interest SR	Total equity SR
<b><u>For the three month period ended 31 March 2020</u></b>									
At the beginning of the period (audited)		1,000,000,000	500,000,000	143,002,490	98,399,490	-	1,741,401,980	50,346,543	1,791,748,523
Total comprehensive income for the period		-	-	-	10,869,134	-	10,869,134	(181,189)	10,687,945
Proposed dividends	16	-	-	-	(50,000,000)	50,000,000	-	-	-
<b>At the end of the period (unaudited)</b>		<b>1,000,000,000</b>	<b>500,000,000</b>	<b>143,002,490</b>	<b>59,268,624</b>	<b>50,000,000</b>	<b>1,752,271,114</b>	<b>50,165,354</b>	<b>1,802,436,468</b>
<b><u>For the three month period ended 31 March 2019</u></b>									
At the beginning of the period (audited)		1,000,000,000	500,000,000	143,002,490	131,662,069	-	1,774,664,559	36,332,340	1,810,996,899
Impact of adopting IFRS 16 at 1 January 2019		-	-	-	(59,239,832)	-	(59,239,832)	-	(59,239,832)
Restated balance at the beginning of the period		1,000,000,000	500,000,000	143,002,490	72,422,237	-	1,715,424,727	36,332,340	1,751,757,067
Total comprehensive income for the period		-	-	-	9,484,281	-	9,484,281	(199,080)	9,285,201
Proposed dividends	16	-	-	-	(25,000,000)	25,000,000	-	-	-
<b>At the end of the period (unaudited)</b>		<b>1,000,000,000</b>	<b>500,000,000</b>	<b>143,002,490</b>	<b>56,906,518</b>	<b>25,000,000</b>	<b>1,724,909,008</b>	<b>36,133,260</b>	<b>1,761,042,268</b>

The attached notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

**Dur Hospitality Company**  
**(A Saudi Joint Stock Company)**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(UNAUDITED)**

For the three-month period ended 31 March 2020

		<i>For the three-month period ended</i> <b>31 March</b> <b>2020</b> <b>(unaudited)</b> <b>SR</b>	<i>31 March</i> <b>2019</b> <b>(unaudited)</b> <b>SR</b>
	<i>Note</i>		
<b>OPERATING ACTIVITIES</b>			
Income before zakat		<b>12,105,445</b>	10,645,201
Adjustments for:			
Depreciation of property and equipment	9	<b>20,678,205</b>	15,714,581
Depreciation of rights use of assets	8	<b>4,504,960</b>	3,752,365
Provision for expected credit loss, net	5	<b>1,954,992</b>	832,672
Write-off of slow moving inventory		<b>295,834</b>	409,585
Share in net results of equity accounted investees		-	442,428
Employees' terminal benefits liabilities		<b>2,781,129</b>	3,342,387
		<b>42,320,565</b>	35,139,219
Changes in operating assets and liabilities:			
Trade receivables		<b>10,665,443</b>	(7,063,053)
Prepayments and other current assets		<b>(20,217,071)</b>	(23,680,388)
Advance for rent		<b>821,807</b>	-
Inventories		<b>186,673</b>	(22,347)
Due from related parties		<b>1,699,200</b>	(1,865,391)
Trade payables		<b>3,720,774</b>	(4,930,956)
Accrued expenses and other current liabilities		<b>(15,822,118)</b>	(52,512)
Due to related parties		<b>593,295</b>	(311,467)
Cash from (used in) operations		<b>23,968,568</b>	(2,786,895)
Zakat paid	14	-	(2,461,907)
Employee terminal benefits liabilities paid		<b>(1,402,950)</b>	(3,001,571)
Net cash flow from (used in) operating activities		<b>22,565,618</b>	(8,250,373)
<b>INVESTING ACTIVITIES</b>			
Additions to property and equipment	9	<b>(6,097,233)</b>	(7,813,077)
Additions to capital work in progress	10	<b>(25,290,003)</b>	(80,617,236)
Advance payment for investment in subsidiary		-	(37,980,000)
Net cash flow used in investing activities		<b>(31,387,236)</b>	(126,410,313)
<b>FINANCING ACTIVITIES</b>			
(Payments) proceeds from term loans, net		<b>(8,020,793)</b>	129,003,812
Net cash flow (used in) from financing activities		<b>(8,020,793)</b>	129,003,812
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(16,842,411)</b>	(5,656,874)
Cash and cash equivalents at the beginning of the period		<b>135,680,579</b>	139,789,605
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>118,838,168</b>	134,132,731

The attached notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.



# Dur Hospitality Company (A Saudi Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

At 31 March 2020

### 1 CORPORATE INFORMATION

Dur Hospitality Company (the “Company” or the “Parent Company”) is a Saudi Joint Stock Company formed under the Regulations for Companies and is registered in the Kingdom of Saudi Arabia (“KSA”) under the commercial registration number 1010010726 dated 6 Muharram 1397H (corresponding to 27 December 1976).

The Company's activities comprise of the construction, acquisition, operation, management, entering into partnership and renting of hotels, restaurants, motels, rest stops, entertainment centers, travel agencies, private and public roads and tourism areas. In addition, the activities include the acquisition, development and sale of lands and construction of buildings thereon or renting lands, providing services to pilgrims and visitors of the Prophet's (PBUH) Mosque. The Company shall carry out its activities by itself or through others jointly or separately.

The Company has invested in the following subsidiaries, which are included in these interim condensed consolidated financial statements:

<i>Subsidiaries</i>	<i>Share Capital SR</i>	<i>Direct and indirect Ownership %</i>	
		<i>31 March 2020</i>	<i>31 December 2019</i>
Makkah Hotels Company Limited	165,600,000	<b>99.44%</b>	99.44%
Saudi Hotel Services Company Limited	70,000,000	<b>70%</b>	70%
Alnakheel for Tourist Areas Company Limited	59,250,000	<b>98.73%</b>	98.73%
Nuzul Shada Hospitality Company	40,000,000	<b>60%</b>	60%
Tabuk Hotels Company Limited	27,300,000	<b>97.14%</b>	97.14%
Jude Alia Company Limited	100,000	<b>99%</b>	99%
Almasdar Alamny Company Limited	100,000	<b>95%</b>	95%
Al Sawaed Al Kareemah Investment and Real Estate Development Company	100,000	<b>95%</b>	95%
Sofraa Al Ewaa Hospitality Company (One Person Company)	100,000	<b>100%</b>	100%
Dara Oasis Company Limited (One Person Company)	100,000	<b>100%</b>	100%
Almashrouat Almethaleyah Real Estate Company (One Person Company)	100,000	<b>100%</b>	-
Alsarh Alaniq operation and maintenance Company (One Person Company)	100,000	<b>100%</b>	-

The Company and its subsidiaries are collectively described as (the “Group”) in these interim condensed consolidated financial statements. During the first quarter of 2020, the Group established both Almashrouat Almethaleyah Real Estate Company and Alsarh Alaniq Operation and Maintenance Company, which have not engaged in their commercial activities yet.

The following are details of the subsidiaries and their activities:

#### **Makkah Hotels Company Limited**

Makkah Hotels Company Limited is a Saudi limited liability company and is registered under the commercial registration number 4031011879 dated 20 Ramadan 1402H (corresponding to 12 July 1982). The company is engaged in hospitality services. The Company owns Makarem Ajjad Hotel in Makkah.

#### **Saudi Hotel Services Company Limited**

Saudi Hotel Services Company is a Saudi limited liability company and is registered under the commercial registration number 1010010454 dated 11 Dhul-Qadah 1396H (corresponding to 4 November 1976). The Company owns Crown Plaza Riyadh Palace Hotel.

The attached notes 1 to 23 form an integral part of these interim condensed consolidated financial statements.

# Dur Hospitality Company (A Saudi Joint Stock Company)

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## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)

At 31 March 2020

### 1 CORPORATE INFORMATION (continued)

#### **Alnakheel for Tourist Areas Company Limited**

Alnakheel for Tourist Areas Company Limited is a Saudi limited liability company and is registered under the commercial registration number 4030092204 dated 22 Jumad Thani 1413H (corresponding to 17 December 1992). The Company owns Makarem Alnakheel Hotel and Resort in Jeddah.

#### **Nuzul Shada Hospitality Company**

Nuzul Shada Hospitality Company is a Saudi limited liability company and is registered under the Commercial Registration number 4030166369 dated 8 Muharram 1428H (corresponding to 27 January 2007). The company is engaged in general construction of residential buildings, management and leasing of owned and leased real estate (residential), and management and leasing of real estate owned or leased (non-residential).

#### **Tabuk Hotels Company Limited**

Tabuk Hotels Company Limited is a Saudi limited liability company and is registered under the commercial registration number 3550006303 dated 5 Rabi Thani 1406H (corresponding to 17 December 1985). The Company owns Holiday Inn Tabuk Hotel.

#### **Jude Alia Company Limited**

Jude Alia Company Limited is a Saudi limited liability company and is registered under the commercial registration number 1010428949 dated 25 Safar 1436H (corresponding to 17 December 2014). The principal activities of the Company include building and construction.

#### **Almasdar Alamny Company Limited**

Almasdar Alamny Company Limited is a Saudi limited liability company and is registered under the commercial registration number 1010433370 dated 16 Rajab 1436H (corresponding to 5 May 2015). The Company is engaged in providing special civil security guard services in the Kingdom of Saudi Arabia pursuant to the Public Security letter number (3/1078413) dated 28 Rajab 1435H (corresponding to 27 May 2014).

#### **Al Sawaed Al Kareemah Investment and Real Estate Development Company**

Al Sawaed Al Kareemah Investment and Real Estate Development Company is a Saudi limited liability company and is registered under the commercial registration number 1010437489 dated 26 Dhul-Qadah 1436H (corresponding to 10 September 2015). The Company is engaged in construction, transportation, storage, refrigeration, financial and business services, as well as tourist accommodation services pursuant to the license of the Saudi Commission for Tourism and National Heritage No. (37/0096/F) dated 6 Safar 1437H (corresponding to 18 November 2015).

#### **Sofraa Al Ewaa Hospitality Company**

Sofraa Al Ewaa Hospitality Company is Saudi One Person limited liability company and is registered under commercial registration number 1010901133 dated 27 Safar 1439H (corresponding to 16 November 2017). The Company is engaged in providing hospitality services, establishment of restaurants, hotels and exhibitions.

#### **Dara Oasis Company Limited**

Dara Oasis Company Limited is a Saudi One Person limited liability company and is registered under commercial registration number 1010901132 dated 27 Safar 1439H (corresponding to 16 November 2017). The Company is engaged in providing tourism activities.

#### **Almashrouat Almethaleyah Real Estate Company**

Almashrouat Almethaleyah Real Estate Company Limited is a Saudi One Person limited liability company and is registered under commercial registration number 1010596957 dated 30 Muharram 1441H (corresponding to 29 September 2019). The company is engaged in management and leasing of owned and leased real estate residential and non-residential.

#### **Alsarh Alaniq operation and maintenance Company**

Alsarh Alaniq operation and maintenance Company Limited is a Saudi One Person limited liability company and is registered under commercial registration number 1010596958 dated 30 Muharram 1441H (corresponding to 29 September 2019). The company is engaged in cleaning new buildings after construction.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS (UNAUDITED) (continued)

At 31 March 2020

**2 SIGNIFICANT ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION AND MEASUREMENT**

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in KSA.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2019.

The interim condensed consolidated financial statements have been prepared on a historical cost basis. The interim condensed consolidated financial statements are presented in Saudi Riyal ("SR").

**2.2 BASIS OF CONSOLIDATION**

The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2020. The financial statements of the subsidiaries are prepared for the same reporting year as that of the Company, using consistent accounting policies.

The Group controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and has ability to affect those returns through its power over the investee. Subsidiaries are consolidated from the date on which control is transferred to the Company and cease to be consolidated from the date on which the control is transferred from the Company. The results of subsidiaries acquired or disposed of during the year, if any, are included in the interim condensed consolidated statement of income from the effective date of the acquisition or up to the effective date of disposal, as appropriate.

Non-controlling interests represent the portion of net income and of net assets attributable to interests which are not owned, directly or indirectly, by the Company or its subsidiaries and are presented separately in the interim condensed consolidated statement of income and within equity in the interim condensed consolidated statement of financial position, separately from equity attributable to the equity holders of the parent.

Balances between the Company and its subsidiaries, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the interim condensed consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**2.3 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019. Several other amendments and interpretations were issued for the first time in 2020, but have no impact on the Group's interim consolidated financial statements.

**3 SIGNIFICANT ASSUMPTIONS AND ESTIMATES**

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the interim condensed consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS (UNAUDITED) (continued)

At 31 March 2020

**3 SIGNIFICANT ASSUMPTIONS AND ESTIMATES (continued)**

**Impairment of non-financial assets**

An impairment exists when the carrying value of an asset or cash generating units (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

**Impairment of trade receivable**

The Group has applied the standard's simplified approach of impairment in accordance with IFRS 9 and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

**Employees' terminal benefits liabilities**

The present value of the employees' terminal benefits liabilities is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

**Property and equipment useful life and residual value**

Any change in the estimated useful life or depreciation pattern will be accounted for prospectively.

**4 OPERATING SEGMENTS**

The Group has the following three strategic divisions, which represents its reportable segments. These segments offer different services and are managed separately because they have different economic characteristics – such as trends in sales growth, rates of return and level of capital investment – and have different marketing strategies.

The following summary describes the operations of each reportable segment.

*Hospitality:* represents hotels owned by the Group and revenues generated through them whether these hotels are operated by the Group or by a third party.

*Property management:* represents management and operation of hotels and properties that are not owned by the Group.

*Property rental:* represents properties owned by the Group which are leased to others. These properties primarily comprise of residential compounds and commercial complexes.

*Others:* represents corporate office and other support services departments.

**Dur Hospitality Company**  
**(A Saudi Joint Stock Company)**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (continued)**

At 31 March 2020

**4 OPERATING SEGMENTS (continued)**

Following is a summary of certain financial information for the periods ended 31 March 2020 and 2019:

<b>31 March 2020</b>						
<b>SR</b>	<i>Hospitality</i>	<i>Property management</i>	<i>Property Rental</i>	<i>Others</i>	<i>Elimination</i>	<i>Total</i>
Revenue from external customer	109,177,580	516,756	30,219,562	-	-	<b>139,913,898</b>
Inter-segment revenue	2,052,244	2,823,606	1,608,910	-	(6,484,760)	-
Segments costs	(96,801,810)	(1,104,898)	(9,295,643)	-	-	<b>(107,202,351)</b>
Segments gross profit	12,375,770	(588,142)	20,923,919	-	-	<b>32,711,547</b>
Depreciation of property, equipment and rights use of assets	19,070,001	-	5,023,718	1,089,446	-	<b>25,183,165</b>
Property and equipment	909,074,460	-	1,482,416,084	88,632,480	-	<b>2,480,123,024</b>
Right of use assets	271,859,897	-	19,982,213	-	-	<b>291,842,110</b>
Capital work in progress	230,265,450	-	112,228,473	-	-	<b>342,493,923</b>
Segments total assets	1,935,130,191	-	1,497,866,574	88,632,480	-	<b>3,521,629,245</b>
Segments total liabilities	272,382,524	-	1,446,810,253	-	-	<b>1,719,192,777</b>
<b>31 March 2019</b>						
<b>SR</b>	<i>Hospitality</i>	<i>Property management</i>	<i>Property Rental</i>	<i>Others</i>	<i>Elimination</i>	<i>Total</i>
Revenue from external customer	87,600,832	823,663	26,072,644	-	-	114,497,139
Inter-segment revenue	718,709	3,852,259	1,611,118	-	(6,182,086)	-
Segments direct costs	(78,475,256)	(1,233,145)	(10,600,215)	-	-	(90,308,616)
Segments gross profit	9,125,576	(409,482)	15,472,429	-	-	24,188,523
Depreciation of property, equipment and rights use of assets	15,113,433	-	3,373,256	980,257	-	19,466,946
Property and equipment	880,388,501	-	912,457,539	93,136,131	-	1,885,982,171
Right of use assets	279,267,668	-	20,441,165	-	-	299,708,833
Capital work in progress	205,162,473	-	114,263,271	-	-	319,425,744
Segments total assets	1,745,291,696	-	1,544,614,997	93,136,131	-	3,383,042,824
Segments total liabilities	229,542,565	-	1,392,457,991	-	-	1,622,000,556

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**4 OPERATING SEGMENTS (continued)**

*Reconciliation of information on reportable segments to Income before zakat of the Group:*

	<i>For the three-month period ended</i>	
	<i>31 March 2020 SR</i>	<i>31 March 2019 SR</i>
Gross profit of segments	<b>32,711,547</b>	24,188,523
<b>Un-allocated amount:</b>		
Selling and marketing expenses	<b>(369,553)</b>	(109,832)
General and administration expenses	<b>(11,303,740)</b>	(10,553,642)
Finance income	<b>206,610</b>	276,769
Financial charges	<b>(6,635,371)</b>	(5,919,083)
Financial charges from lease liabilities	<b>(4,111,875)</b>	(4,043,924)
Other income, net	<b>1,607,827</b>	7,248,818
Share in net results of equity accounted investees	<b>-</b>	(442,428)
<b>Total un-allocated amount</b>	<b>(20,606,102)</b>	(13,543,322)
<b>Income before zakat</b>	<b>12,105,445</b>	10,645,201

**5 TRADE RECEIVABLES**

	<i>31 March 2020 SR</i>	<i>31 December 2019 SR</i>
Trade receivables	<b>149,948,825</b>	143,209,328
Provision for expected credit loss	<b>(21,293,141)</b>	(20,044,133)
	<b>128,655,684</b>	123,165,195

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**6 RELATED PARTY TRANSACTIONS AND BALANCES**

During its ordinary course of business, the Group transacts with related parties mentioned below, these transactions are made in accordance with terms approved by management. The transactions represent services exchanged between the entities.

Details of transactions amounts and resulted balances are as follows:

*a) Due from related parties*

			<i>Amount of transactions for the three-month period ended</i>		<i>Amount of transactions for the year ended</i>	<i>Balance</i>	
			<i>31 March 2020</i>	<i>31 March 2019</i>	<i>31 December 2019</i>	<i>31 March 2020</i>	<i>31 December 2019</i>
<i>Related party</i>	<i>Relation</i>	<i>Nature of transaction</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Makarem Alsaqareyah Hotel	Affiliate	Management fees	<b>119,491</b>	-	920,000	<b>1,775,750</b>	1,656,259
Um Al Qura Hotel	Affiliate	Management fees	<b>62,962</b>	71,414	777,917	<b>1,394,302</b>	928,775
Al Yasmin Compound	Affiliate	Management fees	<b>124,432</b>	117,732	507,326	<b>1,047,797</b>	1,047,797
Al-Maather Compound	Affiliate	Management fees	<b>97,636</b>	-	85,540	<b>258,162</b>	1,319,543
Other	Affiliate	Management fees	<b>74,601</b>	556,283	1,052,597	<b>475,957</b>	1,698,794
						<b>4,951,968</b>	6,651,168

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**6 RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

b) *Due to related parties*

<i>Related Party</i>	<i>Relation</i>	<i>Nature of transaction</i>	<i>Amount of transactions for the three-month period ended</i>		<i>Amount of transactions for the year ended</i>	<i>Balance</i>	
			<i>31 March 2020</i>	<i>31 March 2019</i>	<i>31 December 2019</i>	<i>31 March 2020</i>	<i>31 December 2019</i>
			SR	SR	SR	SR	SR
Al Jazira and Dawudia compounds	Affiliate	Real estate management	-	-	-	<b>18,460,369</b>	18,460,369
Al Madinah limited Company Limited	Associate	Real estate management	-	-	-	<b>14,651,496</b>	14,651,496
Al Rawda Residence Compound	Affiliate	Management fees	<b>76,593</b>	66,994	296,617	<b>2,540,026</b>	2,636,782
Makarem Mena Hotel	Affiliate	Management fees	<b>1,476</b>	-	229,367	<b>1,128,008</b>	1,169,043
Al Andalus Residence Compound	Affiliate	Management fees	<b>49,034</b>	10,343	217,147	<b>1,037,809</b>	1,006,709
Other	Affiliate	Management fees	<b>16,366</b>	18,316	287,261	<b>935,892</b>	235,906
						<b>38,753,600</b>	38,160,305

*Transactions with key management personnel:*

	<i>Amount of transactions for the three-month period ended</i>	
	<i>31 March 2020</i>	<i>31 March 2019</i>
	SR	SR
Salaries, bonuses and end of service of the Group's key management persons	<b>1,022,560</b>	1,524,336

*Terms and conditions relating to related party balances*

Outstanding balances with related parties at the year-end are unsecured, interest free, settled in cash and due within 12 months of statement of interim condensed consolidated financial position date. There have been no guarantees provided or received for any related party receivables or payables. For the three-month periods ended 31 March 2020 and 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each reporting period by examining the financial position of the related party and the market in which the related party operates.



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**7 PREPAYMENTS AND OTHER CURRENT ASSETS**

	<i>31 March 2020 SR</i>	<i>31 December 2019 SR</i>
Other receivables	<b>26,420,250</b>	27,053,348
Advance for rent (*)	<b>17,680,000</b>	17,680,000
Advances to real estate projects	<b>5,383,841</b>	5,383,841
Advances to suppliers and contractors	<b>5,001,068</b>	5,301,984
Prepaid insurance	<b>5,477,153</b>	3,751,514
Staff advances	<b>3,195,568</b>	4,474,657
Others	<b>6,541,778</b>	5,519,010
	<b>69,699,658</b>	69,164,354

(\*) Advance for rent represent a payment to lease a hotel building in Makkah Al-Mukaramah for period a of three and a half years. The non-current portion amounted SAR 41.1 million have been classified under non-current assets

**8 RIGHT OF USE ASSETS**

The Group leases several assets including lands and a building. Information about assets for which the Group is a lessee is presented below:

<b>31 March 2020</b>	<i>Land SR</i>	<i>Building SR</i>	<i>Total SR</i>
<b>Cost:</b>			
At the beginning of the period	51,342,270	263,671,549	315,013,819
<b>Depreciation:</b>			
At the beginning of the period	1,290,192	15,580,517	16,870,709
Charged during the period	429,454	4,075,506	4,504,960
Adjustment	-	1,796,040	1,796,040
At the end of the period	1,719,646	21,452,063	23,171,709
<b>Net book values:</b>			
<b>As at 31 March 2020</b>	<b>49,622,624</b>	<b>242,219,486</b>	<b>291,842,110</b>
<b>31 December 2019</b>	<i>Land SR</i>	<i>Building SR</i>	<i>Total SR</i>
<b>Cost:</b>			
At the beginning of the period	51,342,270	252,397,365	303,739,635
Related to the acquisition of a subsidiary	-	11,274,184	11,274,184
	51,342,270	263,671,549	315,013,819
<b>Depreciation:</b>			
Charged during the period	(1,290,192)	(15,580,517)	(16,870,709)
<b>Net book values:</b>			
<b>As at 31 December 2019</b>	<b>50,052,078</b>	<b>248,091,032</b>	<b>298,143,110</b>

There were no leases with residual value guarantees to which the Group is committed.

There were no lease contracts for which the Group is committed and the properties has not been delivered.

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**9 PROPERTY AND EQUIPMENT**

The estimated useful lives of the assets for the calculation of depreciation are as follows:

Buildings	50-75 years	Motor vehicles	4 years
Building improvements	5-10 years	Devices and equipment	5-10 years
Furniture	10 years	Elevators and central air conditioning	40 years

	<i>Lands</i> SR	<i>Buildings</i> SR	<i>Building improvements</i> SR	<i>Furniture</i> SR	<i>Motor vehicles</i> SR	<i>Devices and equipment</i> SR	<i>Elevators and central air conditioning</i> SR	<i>Total</i> SR
<b>Cost:</b>								
At the beginning of the period	738,422,519	1,940,405,492	121,035,645	345,570,237	7,291,889	120,482,739	107,291,738	<b>3,380,500,259</b>
Additions	-	-	730,276	135,652	84,634	5,084,311	62,360	<b>6,097,233</b>
Transfer from capital work in progress (note 10)	-	-	-	-	-	2,221,824	-	<b>2,221,824</b>
At the end of the period	<u>738,422,519</u>	<u>1,940,405,492</u>	<u>121,765,921</u>	<u>345,705,889</u>	<u>7,376,523</u>	<u>127,788,874</u>	<u>107,354,098</u>	<b><u>3,388,819,316</u></b>
<b>Depreciation:</b>								
At the beginning of the period	-	495,248,368	81,886,199	223,528,949	6,783,210	47,749,492	32,821,869	<b>888,018,087</b>
Charge for the period	-	8,248,874	2,579,507	4,899,260	38,795	3,818,849	1,092,920	<b>20,678,205</b>
At the end of the period	<u>-</u>	<u>503,497,242</u>	<u>84,465,706</u>	<u>228,428,209</u>	<u>6,822,005</u>	<u>51,568,341</u>	<u>33,914,789</u>	<b><u>908,696,292</u></b>
<b>Net book values:</b>								
As at 31 March 2020	<u><b>738,422,519</b></u>	<u><b>1,436,908,250</b></u>	<u><b>37,300,215</b></u>	<u><b>117,277,680</b></u>	<u><b>554,518</b></u>	<u><b>76,220,533</b></u>	<u><b>73,439,309</b></u>	<b><u>2,480,123,024</u></b>

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**9 PROPERTY AND EQUIPMENT (continued)**

	<i>Lands</i> SR	<i>Buildings</i> SR	<i>Building improvements</i> SR	<i>Furniture</i> SR	<i>Motor vehicles</i> SR	<i>Devices and equipment</i> SR	<i>Elevators and central air conditioning</i> SR	<i>Total</i> SR
<b>Cost:</b>								
At the beginning of the year	724,671,319	1,446,117,622	91,273,743	288,989,119	8,335,587	80,806,988	63,112,221	2,703,306,599
Related to the acquisition of a subsidiary	13,751,200	34,094,612	-	2,293,891	246,005	1,723,610	-	52,109,318
Additions	-	-	2,899,730	593,348	246,533	15,576,762	4,969,666	24,286,039
Disposals	-	(398,483)	-	(487,530)	(1,536,236)	(24,794)	(669,771)	(3,116,814)
Transfer from capital work in progress (note 10)	-	460,591,741	26,862,172	54,181,409	-	22,400,173	39,879,622	603,915,117
At the end of the year	<u>738,422,519</u>	<u>1,940,405,492</u>	<u>121,035,645</u>	<u>345,570,237</u>	<u>7,291,889</u>	<u>120,482,739</u>	<u>107,291,738</u>	<u>3,380,500,259</u>
<b>Depreciation:</b>								
At the beginning of the year	-	459,362,398	75,549,430	203,661,472	7,954,318	32,448,425	30,032,999	809,009,042
Related to the acquisition of a subsidiary	-	2,904,427	-	1,579,234	183,626	1,490,068	-	6,157,355
Charge for the year	-	32,981,543	6,336,769	18,775,746	181,502	13,829,428	3,458,605	75,563,593
Disposals	-	-	-	(487,503)	(1,536,236)	(18,429)	(669,735)	(2,711,903)
At the end of the year	<u>-</u>	<u>495,248,368</u>	<u>81,886,199</u>	<u>223,528,949</u>	<u>6,783,210</u>	<u>47,749,492</u>	<u>32,821,869</u>	<u>888,018,087</u>
<b>Net book values:</b>								
As at 31 December 2019	<u>738,422,519</u>	<u>1,445,157,124</u>	<u>39,149,446</u>	<u>122,041,288</u>	<u>508,679</u>	<u>72,733,247</u>	<u>74,469,869</u>	<u>2,492,482,172</u>

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**10 CAPITAL WORK IN PROGRESS**

*Movement in capital work in progress:*

	<i>For the three-month period ended 31 March 2020 SR</i>	<i>For the year ended 31 December 2019 SR</i>
At the beginning of the period / year	<b>319,425,744</b>	685,421,245
Additions during the period / year	<b>25,290,003</b>	237,919,616
Transfers to property and equipment (note 9) (*)	<b>(2,221,824)</b>	(603,915,117)
At the end of the period / year	<b>342,493,923</b>	319,425,744

(\*) Capital work in progress represents the costs of construction of Marriot Hotel in Diplomatic Quarter, renovation cost of Marriot Riyadh Airport Hotel and Darraq Housing Project (Phases 5) as at 31 December 2019.

***Capitalised borrowing costs***

The amount of borrowing costs capitalised for the three month periods ended 31 March 2020 was SR 3.5 million (year ended 31 December 2019: SR 12.2 million). The rate used to determine the amount of borrowing costs eligible for using interest rate of the weighted average borrowings.

**11 ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES**

	<i>31 March 2020 SR</i>	<i>31 December 2019 SR</i>
Revenue received in advance	<b>68,993,055</b>	70,187,209
Payable retentions	<b>28,383,560</b>	27,075,913
Payable to contractors	<b>21,920,498</b>	21,710,724
Accrued staff benefits	<b>15,326,270</b>	20,038,664
Accrued services expenses	<b>3,094,418</b>	7,505,245
Accrued management fees	<b>562,226</b>	1,598,987
Accrued marketing expenses	<b>396,066</b>	1,529,998
Others	<b>15,250,974</b>	16,936,282
	<b>153,927,067</b>	166,583,022

**12 TERM LOANS**

The Group has secured term loans in the form of Murabaha financing with a total value of SR 965.3 million (31 December 2019: SR 973.2 million) which accrue Murabaha commission at market prevailing rates. These financing are secured by promissory notes and assignment of proceeds from Darraq project rentals.

The management assessed that the fair value of term loans approximates their carrying amounts.

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**13 LEASE LIABILITIES**

The minimum lease payments for the years subsequent to the date of the interim condensed statement of financial position are as follows:

	<b>31 March 2020 SR</b>	<b>31 December 2019 SR</b>
<i>Maturity analysis - contractual undiscounted cash flows</i>		
Within one year	<b>32,644,380</b>	32,611,952
After one year but not more than five years	<b>107,890,451</b>	106,310,585
More than five years	<b>472,576,417</b>	485,641,756
Total undiscounted lease liabilities	<b>613,111,248</b>	624,564,293

The net present value of the net lease payments is as follows:

	<b>31 March 2020 SR</b>	<b>31 December 2019 SR</b>
<i>Lease liabilities included in the interim condensed consolidated statement of financial position</i>		
Current portion of lease liabilities	<b>17,134,651</b>	21,347,688
Non-current portion of lease liabilities	<b>358,790,805</b>	359,948,110
	<b>375,925,456</b>	381,295,798

**14 ZAKAT**

The Company and its subsidiaries file their Zakat returns individually based on their financial statements. Therefore, Zakat base is identified and calculated for the Company and its subsidiaries individually, and total estimated Zakat is presented in the interim condensed consolidated statement of income for the Group.

The Company has finalized its Zakat status with the General Authority of Zakat and Tax ("the GAZT") for all years up to and including 31 December 2009, the Company has further filed its Zakat returns for all years up to 2018 and paid the Zakat payable and obtained the relevant zakat certificate. However, the Company is still waiting to get the final assessments from the GAZT.

***Movement in provision for zakat:***

	<b>For the three- month period ended 31 March 2020 SR</b>	<b>For the year ended 31 December 2019 SR</b>
At the beginning of the period / year	<b>13,169,476</b>	15,627,777
Related to the acquisition of a subsidiary	-	486,962
Provided during the period / year	<b>1,417,500</b>	5,250,451
Other	<b>484,211</b>	(608,239)
Payments made during the period / year	-	(7,587,475)
At the end of the period / year	<b>15,071,187</b>	13,169,476

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**15 SHARE CAPITAL**

The authorised, issued and fully paid share capital of the Company consists of 100 million shares of SR 10 each (31 December 2019: 100 million shares of SR 10 each).

**16 DIVIDENDS DECLARATION AND APPROVAL**

On 19 February 2020, the Board of Directors approved cash dividends of SR 50 million (SR 0.50 per share) for the year 2019 which is subject to approval by General Assembly in its upcoming meeting held on 12 April 2020.

On 14 March 2019, the Board of Directors approved cash dividends of SR 25 million (SR 0.25 per share) for the second half of the year 2018 which will be subject to approval by General Assembly in its upcoming meeting held on 12 May 2019.

Current liabilities include the balance of dividends payable amounting to SR 47.2 million (2019: SR 47.2 million), which represents amounts due to shareholders for dividends in previous years that were not claimed by them as at the date of the consolidated statement of financial position.

**17 OTHER INCOME, NET**

	<i>For the three-month period ended</i>	
	<i>31 March 2020 SR</i>	<i>31 March 2019 SR</i>
Delay penalties	<b>708,000</b>	-
Recovery of bad debts previously written off	<b>697,031</b>	7,144,667
Others, net	<b>202,796</b>	104,151
	<b><u>1,607,827</u></b>	<b><u>7,248,818</u></b>

**18 BASIC AND DILUTED EARNINGS PER SHARE**

Basic and diluted earnings per share for the period / year are calculated by dividing net income by the weighted average number of issued and outstanding shares of 100 million.

**19 COMMITMENTS AND CONTINGENCIES**

*Capital commitments*

For the three month periods ended 31 March 2020, the Group has entered into capital commitments of SR 7.1 million (31 December 2019: SR 13.2 million) related to its capital work in progress.

*Contingencies*

For the three month periods ended 31 March 2020, the Group had issued letters of guarantee amounting to SR 29.6 million (31 December 2019: SR 30.2 million). These guarantees are without cash margin.

*Legal claim contingency*

The Group is involved in litigation matters in the ordinary course of business, which are being defended. While the ultimate results of these matters cannot be determined with certainty, the Group's management does not expect that they will have a material adverse effect on the interim condensed consolidated financial statements of the Group.

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**20 INTERIM RESULTS**

Interim results may not necessarily be indicative of the annual results of the Group.

**21 FAIR VALUES OF FINANCIAL INSTRUMENTS**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial instruments comprise of financial assets and financial liabilities. The Group's financial assets consist of Investment at fair value through other comprehensive income, trade receivables and amounts due from related parties. Its financial liabilities consist of term loans, payables, and amounts due to related parties.

The management assessed that fair value of Investment at fair value through other comprehensive income, trade receivables, amounts due from related parties, term loans, payables and amounts due to related parties approximate their carrying amounts largely due to the short-term maturities of these instruments.

*i) Financial Assets*

	<i>31 March 2020 SR</i>	<i>31 December 2019 SR</i>
<b>Financial assets classified as available for sale</b>		
Investment at fair value through other comprehensive income (FVOCI)	<b>7,000,000</b>	7,000,000
<b>Financial assets carried at amortized cost</b>		
Trade receivables	<b>128,655,684</b>	131,897,918
Due from related parties	<b>4,951,968</b>	6,651,168
Total financial assets carried at amortized cost	<b>133,607,652</b>	138,549,086
Total financial assets	<b>140,607,652</b>	145,549,086
 Total current financial assets	 <b>133,607,652</b>	 138,549,086
Total non-current financial assets	<b>7,000,000</b>	7,000,000
Total financial assets	<b>140,607,652</b>	145,549,086

*ii) Financial liabilities*

	<i>31 March 2020 SR</i>	<i>31 December 2019 SR</i>
<b>Financial liabilities carried at amortized cost</b>		
Trade payables	<b>62,098,049</b>	58,377,275
Term loans	<b>965,247,299</b>	973,268,092
Due to related parties	<b>38,753,600</b>	38,160,305
Total financial liabilities carried at amortized cost	<b>1,066,098,948</b>	1,069,805,672
Total current financial liabilities	<b>321,777,356</b>	228,449,810
Total non-current financial liabilities	<b>744,321,592</b>	841,355,862
Total financial liabilities carried at amortized cost	<b>1,066,098,948</b>	1,069,805,672

The carrying amounts of the financial assets and liabilities reasonably approximate to their fair values.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS (UNAUDITED) (continued)

At 31 March 2020

**22 SIGNIFICANT EVENTS**

During 2020, fears of the spread of the virus (Covid-19) caused an impact on the group's business, as regulators took some precautionary measures during March 2020. The Group expects its hotel revenues to be substantially affected as of the second quarter of 2020. The exact duration and impact of these events cannot be precisely predicted. Given the persistent economic volatility, the impact of these events cannot be estimated reliably as at the date of the approval of these interim condensed consolidated financial statements. These events can affect the financial results, future cash flows and the future financial position of the group. Management will continue to assess impact based on future developments.

Nevertheless, the Group does not expect this disruption to have a significant impact on its ability to continue as a going concern.

**23 APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

These interim condensed consolidated financial statements were approved on 12 Ramadan 1441H (corresponding to 5 May 2020).