

United Development Company Q.P.S.C.

**Interim condensed consolidated financial statements
as at and for the period ended 30 June 2024**

United Development Company Q.P.S.C.

Interim condensed consolidated financial statements as at and for the period ended 30 June 2024

Contents	Page
Independent Auditor's Report on the review of the interim financial information	1
Interim consolidated statement of profit or loss and other comprehensive income	2
Interim consolidated statement of financial position	3
Interim consolidated statement of changes in equity	4
Interim consolidated statement of cash flows	5
Notes to the interim condensed consolidated financial statements	6 – 16

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF UNITED DEVELOPMENT COMPANY Q.P.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of United Development Company Q.P.S.C. and its subsidiaries (collectively “the Group”) as at 30 June 2024, which comprise the interim consolidated statement of financial position as at 30 June 2024 and the related interim consolidated statement of profit or loss and other comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for six months period then ended and the related explanatory notes.

The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 Interim Financial Reporting (“IAS 34”). 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 Standards on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim condensed consolidated financial statements 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.


Ahmed Sayed
of Ernst & Young
Auditor’s Registration No. 326

Date: 24 July 2024
Doha



United Development Company Q.P.S.C.

Interim consolidated statement of profit or loss and other comprehensive income for the six-month period ended 30 June 2024

	Notes	<u>Six-month period ended 30 June</u>	
		2024 (Reviewed) QR'000	2023 (Reviewed) QR'000
Revenue		828,569	881,112
Cost of revenue		(514,498)	(583,161)
Gross profit		314,071	297,951
Dividend income		-	59
Other operating income		120,128	226,646
Fair value (loss)/gain on investment securities		(9,086)	6,077
Provision for impairment on trade receivables		(1,177)	(6,505)
General and administrative expenses		(168,640)	(172,327)
Sales and marketing expenses		(16,160)	(10,347)
Operating profit before fair value change in investment properties		239,136	341,554
Fair value loss on investment properties		-	(70,000)
Finance income		49,229	54,721
Finance costs		(135,216)	(127,755)
Net finance costs		(85,987)	(73,034)
Net share of results of associate and joint venture		284	(2,320)
Profit before tax		153,433	196,200
Income tax	26	(3,295)	(7,224)
Net profit for the period		150,138	188,976
Net profit for the period attributable to:			
Equity holders of the Parent		145,325	187,590
Non-controlling interests		4,813	1,386
		150,138	188,976
Earnings per share attributable to equity holders of the Parent:			
Basic and diluted earnings per share (QR)	6	0.041	0.053
Other comprehensive income			
Total comprehensive income for the period		150,138	188,976
Total comprehensive income for the period attributable to:			
Equity holders of the Parent		145,325	187,590
Non-controlling interests		4,813	1,386
		150,138	188,976



The attached notes from 1 to 32 form part of these interim condensed consolidated financial statements.

United Development Company Q.P.S.C.

Interim consolidated statement of financial position as at 30 June 2024

	Notes	30 June 2024 (Reviewed) QR'000	31 December 2023 (Audited) QR'000
Assets			
Non-current assets			
Property, plant and equipment	7	3,469,149	3,504,202
Investment properties	8	10,402,622	10,432,175
Right-of-use assets	9	10,161	8,810
Intangible assets	10	6,273	7,105
Investment in associate and joint venture	11	13,568	16,484
Investment securities	12	53,727	62,813
Accounts and other receivables	15	397,094	482,020
Deferred costs	14	109,249	115,621
Total non-current assets		14,461,843	14,629,230
Current assets			
Inventories	13	97,427	97,507
Work in progress		2,290,858	1,821,456
Accounts and other receivables	15	1,283,827	1,285,816
Deferred costs	14	15,187	15,123
Cash and bank balances	16	1,377,497	1,726,980
Total current assets		5,064,796	4,946,882
Total assets		19,526,639	19,576,112
Equity and liabilities			
Equity			
Share capital	17	3,540,862	3,540,862
Legal reserve		1,770,431	1,770,431
Other reserves	18	1,208,727	1,208,727
Retained earnings		4,730,570	4,779,992
Equity attributable to equity holders of the parent		11,250,590	11,300,012
Non-controlling interests		69,261	65,923
Total equity		11,319,851	11,365,935
Liabilities			
Non-current liabilities			
Loans and borrowings	19	4,582,207	3,842,429
Accounts and other payables	20	135,491	125,889
Retention payable	21	27,295	31,080
Deferred revenue	22	628,980	628,980
Employees' end-of-service benefits	23	63,242	59,175
Lease liabilities	24	8,607	7,752
Total non-current liabilities		5,445,822	4,695,305
Current liabilities			
Loans and borrowings	19	667,743	1,305,919
Accounts and other payables	20	1,847,758	1,962,947
Retention payable	21	175,453	176,663
Deferred revenue	22	67,460	67,227
Lease liabilities	24	2,552	2,116
Total current liabilities		2,760,966	3,514,872
Total liabilities		8,206,788	8,210,177
Total equity and liabilities		19,526,639	19,576,112

These interim condensed consolidated financial statements were approved by the Board of Directors and signed on their behalf on 24 July 2024 by:

Ibrahim Jassim Al-Othman
President and Chief Executive Officer

Ahmed Ali Al-Hammadi
Chairman of the Board

The attached notes from 1 to 32 form part of these interim condensed consolidated financial statements.

United Development Company Q.P.S.C.

Interim consolidated statement of changes in equity for the six-month period ended 30 June 2024

	Attributable to equity-holders of the parent				Total QR'000	Non- controlling interests QR'000	Total equity QR'000
	Share capital QR'000	Legal reserve QR'000	Other reserves QR'000	Retained earnings QR'000			
Balance at 1 January 2023 (Audited)	3,540,862	1,770,431	1,212,049	4,582,726	11,106,068	70,688	11,176,756
Net profit for the period	-	-	-	187,590	187,590	1,386	188,976
Other comprehensive income for the period	-	-	-	-	-	-	-
Dividend (Note 32)	-	-	-	(194,747)	(194,747)	(4,420)	(199,167)
Balance at 30 June 2023 (Reviewed)	3,540,862	1,770,431	1,212,049	4,575,569	11,098,911	67,654	11,166,565
Balance at 1 January 2024 (Audited)	3,540,862	1,770,431	1,208,727	4,779,992	11,300,012	65,923	11,365,935
Net profit for the period	-	-	-	145,325	145,325	4,813	150,138
Other comprehensive income for the period	-	-	-	-	-	-	-
Dividend (Note 32)	-	-	-	(194,747)	(194,747)	(1,475)	(196,222)
Balance at 30 June 2024 (Reviewed)	3,540,862	1,770,431	1,208,727	4,730,570	11,250,590	69,261	11,319,851

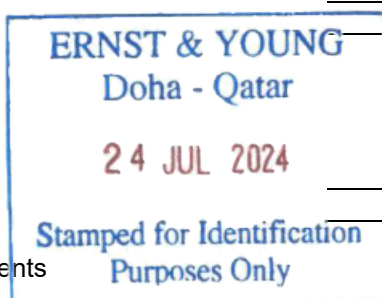


The attached notes from 1 to 32 form part of these interim condensed consolidated financial statements.

United Development Company Q.P.S.C.

Interim consolidated statement of cash flows for the six-month period ended 30 June 2024

	Notes	30 June 2024 (Reviewed) QR'000	30 June 2023 (Reviewed) QR'000
Operating activities:			
Profit before tax		153,433	196,200
Adjustments:			
Net share of results in associates		(284)	2,320
Depreciation on property, plant and equipment	7	65,965	64,684
Amortisation of intangible assets	10	832	425
Amortisation of right-of-use assets	9	2,177	759
Loss on disposal of property, plant and equipment		5	764
Net finance costs		85,987	73,034
Dividend income		-	(59)
Provision for impairment of trade receivables		1,177	6,505
Fair value loss on investment properties	8	-	70,000
Fair value loss/(gain) on investment securities		9,086	(6,077)
Provision for employees' end-of-service benefits	23	6,373	5,461
Operating profit before changes in working capital		324,751	414,016
Changes in working capital:			
Inventories		42,647	6,928
Work in progress		(469,402)	(174,781)
Accounts and other receivables		81,664	214,917
Accounts and other payables		(101,267)	(367,182)
Retention payable		(4,995)	8,365
Deferred revenue and cost, net		6,541	(12,969)
Cash (used in)/generated from operating activities		(120,061)	89,294
Finance costs paid		(142,015)	(124,687)
Employees' end-of-service benefits paid	23	(2,306)	(2,170)
Income tax paid		(4,144)	(4,225)
Net cash used in operating activities		(268,526)	(41,788)
Investing activities:			
Additions to property, plant and equipment	7	(30,917)	(19,892)
Additions to intangible assets	10	-	(735)
Finance income received		45,118	36,957
Additions to investment properties	8	(13,014)	(2,015)
Investment in an associate		-	(1,225)
Repayment of lease liabilities	24	(2,606)	(721)
Principal portion received from lease receivable		8,185	-
Movement in time deposits maturing after three months		(140,733)	(458,628)
Dividend received from associate		3,200	3,259
Net cash used in investing activities		(130,767)	(443,000)
Financing activities:			
Proceeds from loans and borrowings		473,600	70,437
Repayment of loans and borrowings		(367,649)	(275,785)
Dividend		(196,222)	(199,167)
Net cash used in financing activities		(90,271)	(404,515)
Net decrease in cash and cash equivalents		(489,564)	(889,303)
Cash and cash equivalents at the beginning of the period		950,513	1,396,178
Cash and cash equivalents at the end of the period	16	460,949	506,875



The attached notes from 1 to 32 form part of these interim condensed consolidated financial statements.

United Development Company Q.P.S.C.

Notes to the interim condensed consolidated financial statements as at and for the six-month period ended 30 June 2024

1. Corporate information and principal activities

United Development Company Q.P.S.C. (the “Company”) (the “Parent”) was incorporated as a Qatari Shareholding Company in accordance with the Emiri Decree No. 2 on 2 February 1999 and whose shares are publicly traded. The registered office of the Company is situated in Doha, State of Qatar and its registered office address is P.O box 7256. The interim condensed consolidated financial statements of the Group as at and for the six-month period ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interest in associate and joint venture. Information regarding the Group’s structure is provided in Note 3.2.

The principal activity of the Group is to contribute and invest in infrastructure and utilities, urban development, environment related businesses, marina and related services, hospitality and leisure, business management and providing information technology solutions.

Pursuant to the Emiri Decree No 17 of 2004, the Company has been provided with a right to develop an island off the shore of Qatar for the sale and/or lease of properties. The Company is presently engaged in the development of this area known as “The Pearl Qatar Project”. The Pearl Qatar Project involves reclamation of land covering an area of 985 acres (4.2 million square meters) into a manmade island and the development of the island into various districts comprising housing beachfront villas, town homes, luxury apartments, retail shopping complex, penthouses, five-star hotels, marinas and schools with related infrastructure and community facilities.

The interim condensed consolidated financial statements of the Group for the six-month period ended 30 June 2024 were authorised for issue in accordance with approval of the Board of the Directors on 24 July 2024.

2. Basis of preparation

The interim condensed consolidated financial statements of the Group have been prepared in accordance with International Accounting Standard 34: *Interim Financial Reporting*.

The interim condensed consolidated financial statements have been prepared on a historical cost basis, except for land categorised as property, plant and equipment, investment securities and investment properties that are presented at fair value in accordance with IFRS.

These interim condensed consolidated financial statements are presented in Qatari Riyals (“QR”), which is the Group’s functional currency. All financial information is presented in Qatari Riyals and all values are rounded to the nearest thousands unless and otherwise indicated.

These interim condensed consolidated financial statements do not include all the information required in the annual consolidated financial statements and should be read in conjunction with the Group consolidated financial statements as at 31 December 2023. In addition, results for the six months period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

The consolidated financial statements of the Group as at and for the year ended 31 December 2023 are available upon request from the Company’s registered office or at the Company’s website www.udcqatar.com.

3. Material accounting policy Information

3.1 New and amended standards and interpretations adopted by Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the consolidated financial statements of the Group as at and for the year ended 31 December 2023, except for the adoption of the following new standards and amendments effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

United Development Company Q.P.S.C.

Notes to the interim condensed consolidated financial statements as at and for the six-month period ended 30 June 2024 (continued)

3. Material accounting policy Information (continued)

3.1 New and amended standards and interpretations adopted by Group (continued)

Following standards and amendments apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group.

- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7
- Lease Liability in a Sale and Leaseback - Amendments to IFRS 16
- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1

3.2 Basis of consolidation

Subsidiaries are entities controlled by the Group. The financial statements of the subsidiaries are included in these interim condensed consolidated financial statements from the date that control commences until that date that control ceases. The Group consolidates all the entities where it has the power to govern the financial and operating policies. All balances and transactions between Group entities included in these interim condensed consolidated financial statements have been eliminated upon consolidation.

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit recognised upon loss of control is recognised in the condensed consolidated interim statement of profit or loss. If the Group retains any interest in the previous subsidiary, such interest is measured at fair value as at the date control is lost. Subsequently it is accounted as an equity-accounted investee or as a financial asset under IFRS 9 depending on the level of influence retained.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the condensed consolidated interim statements of profit or loss and financial position separately from the Company shareholders' interests.

The interim condensed consolidated financial statements comprise the financial statements of the Company and all its subsidiaries as at 30 June 2024. The financial statements of the subsidiaries are prepared for the same reporting period as the parent Company using consistent accounting policies. The interim condensed consolidated financial statements include the financial statements of The Parent and its subsidiaries listed in the following table:

Name of the subsidiary	% equity interest		Country of incorporation	Principal activities
	2024	2023		
Qatar District Cooling Company Q.C.S.C.*	91.06	91.06	Qatar	District cooling services
Installation Integrity 2006 W.L.L.	91.06	91.06	Qatar	Engineering consultancy
Cool Tech Qatar W.L.L.	91.06	91.06	Qatar	Water treatment services
Ronautica Middle East W.L.L.	100	100	Qatar	Operation of marina
The Pearl Qatar Company W.L.L.	100	100	Qatar	Real estate investments
Hospitality Development Company W.L.L.	100	100	Qatar	Management of restaurants
Lebanese Restaurants Development L.L.C.	100	100	Qatar	Management of restaurants
Flavours of Mexico L.L.C.	100	100	Qatar	Management of restaurants
The Rising Sun L.L.C.	95.68	95.68	Qatar	Management of restaurants
Wafflemeister Restaurant L.L.C	100	100	Qatar	Management of restaurants
Isla Mexican Kitchen W.L.L.	100	100	Qatar	Management of restaurants
Arabesque Restaurant W.L.L.	100	100	Qatar	Management of restaurants
The Circle Café W.L.L.	100	100	Qatar	Management of restaurants
Chocolate Jar W.L.L.	100	100	Qatar	Management of restaurants
Bread and Crumbs W.L.L.	100	100	Qatar	Management of restaurants
Shirvan Metisse Doha Restaurant W.L.L.	100	100	Qatar	Management of restaurants
The Pearl Souvenir Trading W.L.L.	100	100	Qatar	Retail trading
Madina Centrale Company W.L.L.	100	100	Qatar	Real estate investments
Abraj Al-Mutahida Company W.L.L.	100	100	Qatar	Real estate development

United Development Company Q.P.S.C.

Notes to the interim condensed consolidated financial statements as at and for the six-month period ended 30 June 2024 (continued)

3. Material accounting policy Information (continued)

3.2 Basis of consolidation (continued)

Name of the subsidiary	% equity interest		Country of incorporation	Principal activities
	2024	2023		
United Facilities Management Company W.L.L	100	100	Qatar	Facilities management
Scoop Media and Communication Company W.L.L	100	100	Qatar	Advertising activities
Pragmatech Company W.L.L.	100	100	Qatar	Information technology solutions
Glitter W.L.L.	100	100	Qatar	Cleaning related services
Insure Plus W.L.L.	100	100	Qatar	Insurance agency
Madina Innova W.L.L.	100	100	Qatar	Master community services
The Pearl Owners Corporation W.L.L.	100	100	Qatar	Property management
United Development Investment Company	100	100	Cayman Island	Real estate development
United Technology Solution W.L.L.	100	100	Qatar	Information technology solutions
Resorts and Leisure Company W.L.L.	100	100	Qatar	Operation of hotels and resorts
United School International W.L.L.	51	51	Qatar	Operation of school
ProMan L.L.C.	100	100	Qatar	Support services
United Medical Company W.L.L.	65	65	Qatar	Operation of hospital
United District Energy International W.L.L.	99	99	Qatar	Investment in infrastructure projects

* At an extraordinary general meeting held on 9 June 2024, the Shareholders have approved the sale of a 40% stake in Qatar District Cooling Company Q.C.S.C. As of the reporting date, the transaction has yet to be executed, with the definitive terms and conditions to be agreed.

Non-controlling interests

	Profit allocation for the six-month period ended		Accumulated balance as at	
	30 June 2024 (Reviewed) QR'000	30 June 2023 (Reviewed) QR'000	30 June 2024 (Reviewed) QR'000	31 December 2023 (Audited) QR'000
Qatar District Cooling Company Q.C.S.C.	7,328	6,526	90,503	84,650
United Medical Company W.L.L.	(1,052)	-	(1,140)	(88)
The Rising Sun L.L.C.	-	-	351	351
United School International W.L.L.	(1,463)	(5,140)	(20,453)	(18,990)
	4,813	1,386	69,261	65,923

4. Estimates and judgments

The preparation of interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The critical estimates and judgments used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the Group's consolidated financial statements for the year ended 31 December 2023.

5. Financial risk management

The Group financial risk management objectives and policies are consistent with those disclosed in the Group's consolidated financial statements for the year ended 31 December 2023.

United Development Company Q.P.S.C.

Notes to the interim condensed consolidated financial statements as at and for the six-month period ended 30 June 2024 (continued)

6. Basic and diluted earnings per share

Basic and diluted earnings per share is calculated by dividing the net profit for the year attributable to equity holders of the parent by the weighted average number of shares outstanding during the period. There were no instruments or items that could cause a dilutive effect on the earnings per share calculation.

	Six-month period ended 30-June	
	2024 (Reviewed) QR'000	2023 (Reviewed) QR'000
Profit for the year attributable to equity holders of the Parent (QR'000)	145,325	187,590
Weighted average number of outstanding shares during the year ('000)	3,540,862	3,540,862
Basic and diluted earnings per share (QR)	<u>0.041</u>	<u>0.053</u>

7. Property, plant and equipment

	30 June 2024 (Reviewed) QR'000	31 December 2023 (Audited) QR'000
Carrying value at the beginning of the period/year	3,504,202	3,561,834
Additions	30,917	88,182
Revaluation	-	(3,322)
Impairment	-	(8,144)
Disposals, net	(5)	(6,412)
Depreciation for the period/year	(65,965)	(127,936)
Carrying value at the end of the period/year	<u>3,469,149</u>	<u>3,504,202</u>

8. Investment properties

	30 June 2024 (Reviewed) QR'000	31 December 2023 (Audited) QR'000
Balance at the beginning of the period/year	10,432,175	10,794,047
Additions	13,014	6,229
Transfers, net	(42,567)	(235,700)
Fair value loss	-	(132,401)
Balance at the end of the period/year	<u>10,402,622</u>	<u>10,432,175</u>

9. Right-of-use assets

	30 June 2024 (Reviewed) QR'000	31 December 2023 (Audited) QR'000
Balance at the beginning of the period/year	8,810	8,913
Additions	3,528	3,026
Amortisation for the period/year	(2,177)	(3,129)
Balance at the end of the period/year	<u>10,161</u>	<u>8,810</u>

United Development Company Q.P.S.C.

Notes to the interim condensed consolidated financial statements as at and for the six-month period ended 30 June 2024 (continued)

10. Intangible assets

	30 June 2024 (Reviewed) QR'000	31 December 2023 (Audited) QR'000
Balance at the beginning of the period/year	7,105	3,911
Additions	-	5,043
Amortisation for the period/year	(832)	(1,849)
Balance at the end of the period/year	<u>6,273</u>	<u>7,105</u>

11. Investment in associate and joint venture

	30 June 2024 (Reviewed) QR'000	31 December 2023 (Audited) QR'000
United Readymix W.L.L. (i)	13,501	16,128
Diarona District Energy Limited (ii)	67	356
	<u>13,568</u>	<u>16,484</u>
Balance at the beginning of the period/year	16,484	27,436
Additions	-	1,079
Share of results for the period/year	284	(4,031)
Dividend received	(3,200)	(8,000)
Balance at the end of the period/year	<u>13,568</u>	<u>16,484</u>

- (i) Represents the Group's shareholding of 32% in United Readymix W.L.L., a company incorporated in the State of Qatar engaged in the production and sale of ready-mix concrete and other building materials.
- (ii) Represents the Group's shareholding of 33% in Diarona District Energy Limited, a company incorporated in the Kingdom of Saudi Arabia engaged in the provision of district cooling services.

12. Investment securities

	30 June 2024 (Reviewed) QR'000	31 December 2023 (Audited) QR'000
Balance at the beginning of the period/year	62,813	51,493
Fair value (loss)/gain	(9,086)	11,320
Balance at the end of the period/year	<u>53,727</u>	<u>62,813</u>
Quoted shares inside Qatar	26,161	29,158
Quoted shares outside Qatar	27,566	33,655
	<u>53,727</u>	<u>62,813</u>

13. Inventories

	30 June 2024 (Reviewed) QR'000	31 December 2023 (Audited) QR'000
Land and properties held for trading	62,848	65,553
Energy transfer stations	7,602	6,996
Material and spare parts	21,107	17,355
Food, beverage and consumables	5,870	7,603
	<u>97,427</u>	<u>97,507</u>

United Development Company Q.P.S.C.

Notes to the interim condensed consolidated financial statements as at and for the six-month period ended 30 June 2024 (continued)

14. Deferred costs

These represent costs incurred in respect of connection revenue and one-time capacity revenue that is recognised on a straight-line basis over the term of the contracts with the customers, which is in line with the recognition of revenue from these sources.

15. Accounts and other receivables

	30 June 2024 (Reviewed) QR'000	31 December 2023 (Audited) QR'000
Non-current:		
Accounts receivable	192,153	294,153
Finance lease receivables	172,998	160,879
Long term deposits	30,538	25,583
Deferred tax asset	1,405	1,405
	<u>397,094</u>	<u>482,020</u>
Current:		
Accounts receivable, net	914,612	900,673
Advances to contractors	276,490	312,657
Finance lease receivables	28,912	20,664
Prepayments and accruals	43,066	31,409
Others	20,747	20,413
	<u>1,283,827</u>	<u>1,285,816</u>

16. Cash and bank balances

	30 June 2024 (Reviewed) QR'000	31 December 2023 (Audited) QR'000
Cash in hand and bank balances	403,110	557,325
Time deposits	974,387	1,169,655
Total cash and bank balances	<u>1,377,497</u>	<u>1,726,980</u>
Less: Declared unclaimed dividend	(14,726)	(15,378)
Less: Time deposits with original maturities greater than 90 days	(901,822)	(761,089)
Cash and cash equivalents	<u>460,949</u>	<u>950,513</u>

17. Share capital

At the reporting date, share capital represents 3,540,862,500 authorised, issued and fully paid ordinary shares of QR 1 each.

18. Other reserves

Other reserves represent revaluation reserve which is used to recognise increases in the fair value of property, plant and equipment that were subject to fair valuation. Decrease in fair value is recognised in the reserve only to the extent it relates to an increase in fair value of the same asset previously recognised in equity.

United Development Company Q.P.S.C.

Notes to the interim condensed consolidated financial statements as at and for the six-month period ended 30 June 2024 (continued)

19. Loans and borrowings

	30 June 2024 (Reviewed) QR'000	31 December 2023 (Audited) QR'000
Loans and borrowings	5,278,605	5,172,654
Unamortised costs associated with raising finance	<u>(28,655)</u>	<u>(24,306)</u>
	<u>5,249,950</u>	<u>5,148,348</u>
Presented as:		
Non-current liability	4,582,207	3,842,429
Current liability	<u>667,743</u>	<u>1,305,919</u>
	<u>5,249,950</u>	<u>5,148,348</u>

20. Accounts and other payables

	30 June 2024 (Reviewed) QR'000	31 December 2023 (Audited) QR'000
Non-current:		
Master community reserve fund	<u>135,491</u>	<u>125,889</u>
Current:		
Accounts payable	141,683	109,778
Accrued contract costs	183,611	193,925
Advances received from customers	383,477	456,682
Other accruals	686,542	712,813
Income tax payable	6,654	7,503
Amounts due to related parties (Note 25)	6,015	5,899
Other liabilities	<u>439,776</u>	<u>476,347</u>
	<u>1,847,758</u>	<u>1,962,947</u>

21. Retention payable

Retention payable represents amounts withheld from payments to contractors as per contractual terms. These amounts are payable upon completion of work and satisfactory discharge of obligations by the relevant contractors.

22. Deferred revenue

Deferred revenue represents connection fees and one-time capacity revenues that will be recognised in the statement of profit or loss on a straight-line basis over the term of the contracts with customers. Related direct costs are recognised into the statement of profit or loss at the same time (Note 14).

23. Employees' end-of-service benefits

	30 June 2024 (Reviewed) QR'000	31 December 2023 (Audited) QR'000
Balance at the beginning of the period/year	59,175	54,279
Charge for the period/year	6,373	10,388
Payments during the period/year	<u>(2,306)</u>	<u>(5,492)</u>
Balance at the end of the period/year	<u>63,242</u>	<u>59,175</u>

United Development Company Q.P.S.C.

Notes to the interim condensed consolidated financial statements as at and for the six-month period ended 30 June 2024 (continued)

24. Lease liabilities

	30 June 2024 (Reviewed) QR'000	31 December 2023 (Audited) QR'000
Balance at the beginning of the period/year	9,868	9,509
Additions	3,528	3,026
Lease payments during the period/year	(2,606)	(3,157)
Interest expense on lease liabilities	369	490
Balance at the end of the period/year	<u>11,159</u>	<u>9,868</u>
Presented as:		
Non-current liabilities	8,607	7,752
Current liabilities	<u>2,552</u>	<u>2,116</u>
	<u>11,159</u>	<u>9,868</u>

25. Related parties

Note 3.2 and Note 11 provide information about the Group structure for subsidiaries, associate and joint venture respectively. During the period certain transactions have occurred with related parties on the same commercial terms and conditions as third parties. Pricing policies and terms of these transactions are approved by the Group's management.

Balances with the related parties and nature of significant transactions and amounts involved are as follows:

	30 June 2024 (Reviewed) QR'000	31 December 2023 (Audited) QR'000
Due to Orbital Doha Limited (Other related party) (Note 20)	<u>6,015</u>	<u>5,899</u>
	<u>Six-month period ended 30-June</u>	
	2024	2023
	(Reviewed)	(Reviewed)
	QR'000	QR'000
<u>Compensation and remuneration to key management personnel</u>		
Salaries and other short-term benefits	24,896	31,734
Other long-term benefits	<u>2,798</u>	<u>1,518</u>
	<u>27,694</u>	<u>33,252</u>

26. Income tax

	<u>Six-month period ended 30-June</u>	
	2024	2023
	(Reviewed)	(Reviewed)
	QR'000	QR'000
Expense for the current period	3,303	7,149
Change in estimate related to prior year	<u>(8)</u>	<u>75</u>
	<u>3,295</u>	<u>7,224</u>

United Development Company Q.P.S.C.

Notes to the interim condensed consolidated financial statements as at and for the six-month period ended 30 June 2024 (continued)

27. Contingent liabilities

	30 June 2024 (Reviewed) QR'000	31 December 2023 (Audited) QR'000
Bank guarantees and bonds	<u>9,177</u>	<u>13,062</u>

The Group anticipates that no material liability will arise from the above guarantees which are issued in the ordinary course of business.

There is a court case between the Company and a developer wherein the developer filed a case against the Company and the Company filed a counterclaim against the developer each seeking compensation for recovery of costs incurred and damages suffered. The case was substantially decreed in favour of the Company, however the developer's claim regarding costs incurred was decreed in favour of the developer which was appealed by the Company. Based on the assessment of the Company's lawyers, the provision maintained in the financial statements is adequate and no material additional liability is expected to arise from this case.

28. Capital commitments

	30 June 2024 (Reviewed) QR'000	31 December 2023 (Audited) QR'000
Contractual commitments to contractors and suppliers	<u>1,142,974</u>	<u>1,342,605</u>

29. Financial instruments

The material accounting policies and methods adopted, including the criteria for recognition, basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset and financial liability are the same as those that were applied in the consolidated financial statements of the Group as at and for the year ended 31 December 2023.

30. Fair values of financial instruments

Financial assets consist of investment securities, cash and bank balances and receivables. Financial liabilities consist of loans and borrowings, payables, and accrued expenses.

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. Differences can therefore arise between book value under historical cost method and fair value estimates.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The management considers the carrying amounts of the financial assets and financial liabilities recognised in these interim condensed consolidated financial statements are approximate to their fair values. The entire portfolio of investment securities (Note 12) is classified as Level 1, property, plant and equipment (Note 7) and investment properties (Note 8) are classified as Level 3. There were no transfers between Level 1 and Level 2 fair value measurements during the period.

United Development Company Q.P.S.C.

Notes to the interim condensed consolidated financial statements as at and for the six-month period ended 30 June 2024 (continued)

31. Segment information

Operating segments

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services and are managed separately because they require separate business strategies. For each of the strategic business units, the Group reviews internal management reports on a regular basis.

The following summary describes the operations in each of the Group's reportable segments:

<u>Reportable segment</u>	<u>Nature of operations</u>
Urban development	Real estate development and construction activities
Hospitality and leisure	Investment and development of hotel, leisure facilities and selling of luxurious items
Infrastructure and utilities	Construction and management of district cooling systems and marina activities
Other operations	Providing information technology solutions and other services

The accounting policies of the reportable segments are the same as described in note 3.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit, as included in the internal management reports that are reviewed by the Management. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

	Urban development QR'000	Hospitality and Leisure QR'000	Infra structure & utilities QR'000	Others QR'000	Inter- segment elimination QR'000	Total QR'000
<u>30 June 2024 (Reviewed)</u>						
Real estate revenue	434,721	-	-	-	(20,615)	414,106
Capacity charges	-	-	158,128	-	(13,192)	144,936
Consumption & ETS sale	-	-	85,765	-	-	85,765
Marina operations	-	-	17,728	-	-	17,728
Food and beverage sale	-	25,570	-	-	-	25,570
Others	-	-	-	186,468	(46,004)	140,464
Revenue	434,721	25,570	261,621	186,468	(79,811)	828,569
Finance income	30,585	-	13,643	5,001	-	49,229
Finance costs	(125,533)	(429)	(13,888)	(10,436)	15,070	(135,216)
Depreciation	(11,494)	(1,766)	(32,441)	(2,326)	(17,938)	(65,965)
Net share of results in associates	573	-	(289)	-	-	284
Profit/(loss) for the period	87,889	(21,823)	82,622	20,991	(19,541)	150,138

United Development Company Q.P.S.C.

Notes to the interim condensed consolidated financial statements as at and for the six-month period ended 30 June 2024 (continued)

31. Segment information

Operating segments (continued)

	Urban development QR'000	Hospitality and Leisure QR'000	Infra structure & utilities QR'000	Others QR'000	Inter- segment elimination QR'000	Total QR'000
<u>30 June 2023 (Reviewed)</u>						
Real estate revenue	526,872	-	-	-	(16,433)	510,439
Capacity charges	-	-	155,469	-	(17,120)	138,349
Consumption & ETS sale	-	-	75,716	-	-	75,716
Marina operations	-	-	17,976	-	-	17,976
Food and beverage sale	-	26,041	-	-	-	26,041
Others	-	-	-	156,769	(44,178)	112,591
Revenue	<u>526,872</u>	<u>26,041</u>	<u>249,161</u>	<u>156,769</u>	<u>(77,731)</u>	<u>881,112</u>
Finance income	37,776	5	12,543	4,397	-	54,721
Finance costs	(121,007)	(87)	(11,501)	(8,560)	13,400	(127,755)
Depreciation	(6,757)	(245)	(29,178)	(10,568)	(17,936)	(64,684)
Net share of results in associates	(2,320)	-	-	-	-	(2,320)
Profit/(loss) for the period	<u>182,763</u>	<u>(26,761)</u>	<u>74,322</u>	<u>9,661</u>	<u>(51,009)</u>	<u>188,976</u>
<u>30 June 2024 (Reviewed)</u>						
Segment assets	17,491,214	59,660	2,551,390	1,253,242	(1,828,867)	19,526,639
Segment liabilities	7,054,874	246,704	1,429,323	700,611	(1,224,724)	8,206,788
<u>31 December 2023 (Audited)</u>						
Segment assets	17,645,794	44,373	2,463,944	1,193,766	(1,771,765)	19,576,112
Segment liabilities	7,102,622	209,595	1,408,904	661,956	(1,172,900)	8,210,177

Geographical segments

The Group has not diversified its activities outside of the State of Qatar except for United Development Investment Company (Note 3.2) and Diarona District Energy Limited (Note 11). Majority of the Group assets are in the State of Qatar, accordingly, there are no distinctly identifiable geographical segments in the Group as at 30 June 2024.

32. Dividend

On 31 March 2024 the Company held its annual general meeting for the year 2023 which, among other things, approved a cash dividend of 5.5% of share capital amounting to QR 194.7 million.

On 6 March 2023, the Company held its annual general meeting for the year 2022 which, among other things, approved a cash dividend of 5.5% of share capital amounting to QR 194.7 million.