

United Development Company Q.P.S.C.

**Condensed consolidated
interim financial statements
as at 30 June 2020**

United Development Company Q.P.S.C.
Condensed consolidated interim financial statements
As at 30 June 2020

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Independent auditor's report on review of condensed consolidated interim financial statements

To the Board of Directors
United Development Company Q.P.S.C.
Doha
State of Qatar

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of United Development Company Q.P.S.C. (the "Company") as at 30 June 2020, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and the notes to the interim financial statements ("the condensed consolidated interim financial statements"). The Board of Directors is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim 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 condensed consolidated interim financial statements as at and for the six months period ended 30 June 2020 are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Emphasis of Matter

We draw attention to Note 34 (d) to the condensed consolidated interim financial statements, which describes the uncertainty involved in the valuation of investment properties as of the reporting date due to the impact of Covid-19. Our conclusion is not modified in respect of this matter.

29 July 2020
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
Qatar Auditors Registry Number 251
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United Development Company Q.P.S.C.

Condensed consolidated statement of profit or loss and other comprehensive income for the six-month period ended 30 June 2020

	Note	Six-month period ended 30 June	
		2020 (Reviewed) QR'000	2019 (Reviewed) QR'000
Revenue		563,497	912,225
Cost of revenue		<u>(279,685)</u>	<u>(496,660)</u>
Gross profit		283,812	415,565
Dividend income		1,128	1,356
Other operating income		29,245	29,940
Fair value (loss)/gain on investment securities	12	(14,246)	1,168
Provision for impairment on trade receivables		(41,979)	(1,194)
General and administrative expenses		(127,309)	(135,675)
Sales and marketing expenses		<u>(3,632)</u>	<u>(21,702)</u>
Operating profit		127,019	289,458
Finance income		34,062	21,762
Finance cost		<u>(61,301)</u>	<u>(81,511)</u>
Net finance cost		(27,239)	(59,749)
Net share of results of associates	11	<u>1,317</u>	<u>8,184</u>
Net profit for the period		<u>101,097</u>	<u>237,893</u>
Net profit attributable to:			
Equity holders of the Parent		86,947	224,622
Non-controlling interests		<u>14,150</u>	<u>13,271</u>
		<u>101,097</u>	<u>237,893</u>
Other comprehensive income		-	-
Total comprehensive income for the period		<u>101,097</u>	<u>237,893</u>
Total comprehensive income attributable to:			
Equity holders of the Parent		86,947	224,622
Non-controlling interests		<u>14,150</u>	<u>13,271</u>
		<u>101,097</u>	<u>237,893</u>
Earnings per share attributable to equity holders of the Parent:			
Basic and diluted earnings per share (QR)	6	<u>0.025</u>	<u>0.063</u>

The attached notes from 1 to 34 form part of these condensed consolidated interim financial statements.

United Development Company Q.P.S.C.

Condensed consolidated statement of financial position as at 30 June 2020

	Note	30 June 2020 (Reviewed) QR'000	31 December 2019 (Audited) QR'000
Assets			
Non-current assets			
Property, plant and equipment	7	2,926,683	2,974,758
Investment properties	8	9,451,729	9,460,268
Right-of-use assets	9	8,217	5,616
Intangible assets	10	307	449
Investment in associates	11	46,685	48,568
Investment securities	12	48,431	62,677
Accounts and other receivables	15	661,844	589,584
Deferred costs	14	119,777	128,577
Total non-current assets		13,263,673	13,270,497
Current assets			
Inventories, net	13	939,768	939,978
Work in progress		984,284	720,002
Accounts and other receivables	15	1,779,853	1,955,425
Deferred costs	14	17,604	17,600
Cash and bank balances	16	1,459,722	1,298,366
Total current assets		5,181,231	4,931,371
Total assets		18,444,904	18,201,868
Equity and liabilities			
Equity			
Share capital	17	3,540,862	3,540,862
Legal reserve		1,738,482	1,729,787
Other reserve	18	1,212,049	1,212,049
Retained earnings		4,332,341	4,431,132
Equity attributable to equity holders of the parent		10,823,734	10,913,830
Non-controlling interest		339,869	325,719
Total equity		11,163,603	11,239,549
Liabilities			
Non-current liabilities			
Loans and borrowings	19	1,465,959	1,508,651
Accounts and other payables	20	91,364	84,427
Retention payable	21	44,252	21,787
Deferred revenue	22	647,684	676,202
Employees' end-of-service benefits	23	49,037	45,264
Lease liabilities	24	5,969	4,518
Total non-current liabilities		2,304,265	2,340,849
Current liabilities			
Loans and borrowings	19	2,018,789	1,851,584
Accounts and other payables	20	2,778,805	2,587,023
Retention payable	21	120,907	126,332
Deferred revenue	22	56,225	55,318
Lease liabilities	24	2,310	1,213
Total current liabilities		4,977,036	4,621,470
Total liabilities		7,281,301	6,962,319
Total equity and liabilities		18,444,904	18,201,868

These condensed consolidated interim financial statements were approved by the Board of Directors and signed on their behalf on 29 July 2020 by:

Ibrahim Jassim Al-Othman
President and Chief Executive Officer

Turki Bin Mohamed Al-Khater
Chairman of the Board

The attached notes from 1 to 34 form part of these condensed consolidated interim financial statements.

United Development Company Q.P.S.C.

**Notes to the condensed consolidated interim financial statements
for the six-month period ended 30 June 2020 (continued)**
