



BARWA REAL ESTATE COMPANY Q.P.S.C.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 JUNE 2020

نبني المستقبل

BUILDING THE FUTURE



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QR. 99-8

RN: 1056/MMS/FY2020

INDEPENDENT AUDITOR'S REVIEW REPORT

**The Board of Directors
Barwa Real Estate Company Q.P.S.C.
Doha - Qatar**

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of **Barwa Real Estate Company Q.P.S.C.**, (the "Company") and its subsidiaries (together the "Group") as at June 30, 2020, and the related condensed consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the six month period then ended and certain explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 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 International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of the condensed consolidated 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 are not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

INDEPENDENT AUDITOR'S REVIEW REPORT (CONTINUED)

Emphasis of Matter

We draw attention to note 9 to the condensed consolidated interim financial statements, which describes uncertainties relating to the measurement of the fair value of investment properties due to the effects of Covid-19 as at June 30, 2020. Our conclusion is not modified in respect of this matter.

Other Matter

The information presented in the condensed consolidated interim statements of profit or loss and comprehensive income for the three month period ended June 30, 2020 has not been reviewed.

**Doha – Qatar
July 27, 2020**

**For Deloitte & Touche
Qatar Branch**

A blue circular stamp from Deloitte & Touche Qatar Branch. The stamp contains the text "مراجعة قانونية" at the top, "DELOITTE & TOUCHE" at the bottom, and "PUBLIC ACCOUNTANTS" in the center. A signature in blue ink is written across the stamp.

**Midhat Salha
Partner**

License No. 257

**QFMA Auditor License No.
120156**

BARWA REAL ESTATE COMPANY Q.P.S.C.
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
As at 30 JUNE 2020

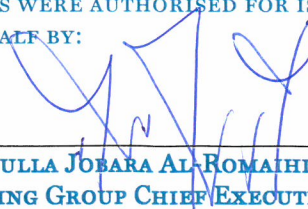
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	NOTES	30 JUNE 2020 (REVIEWED) QR'000	31 DECEMBER 2019 (AUDITED) QR'000
ASSETS			
CASH AND BANK BALANCES	5	544,870	1,254,716
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		25,888	30,619
RECEIVABLES AND PREPAYMENTS	6	723,014	529,728
TRADING PROPERTIES	7	1,505,422	1,509,248
FINANCE LEASE RECEIVABLES	6	69,229	103,770
DUE FROM RELATED PARTIES	8	138,694	208,184
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME		136,352	131,928
ADVANCES FOR PROJECTS AND INVESTMENTS		129,668	140,502
INVESTMENT PROPERTIES	9	27,142,894	26,577,670
PROPERTY, PLANT AND EQUIPMENT		697,768	726,420
RIGHT-OF-USE ASSETS	10	54,644	72,677
INVESTMENTS IN ASSOCIATES	11	434,315	529,947
INTANGIBLE ASSETS	26	132,411	132,411
DEFERRED TAX ASSETS		2,306	2,297
TOTAL ASSETS		31,737,475	31,950,117
LIABILITIES AND EQUITY			
LIABILITIES			
PAYABLES AND OTHER LIABILITIES	12	1,460,651	1,671,610
PROVISIONS	13	100,763	61,014
END OF SERVICE BENEFITS		108,144	101,494
DUE TO RELATED PARTIES	8	568,387	314,174
LEASE LIABILITIES	14	311,839	332,547
OBLIGATIONS UNDER ISLAMIC FINANCE CONTRACTS	15	9,337,603	9,406,049
DEFERRED TAX LIABILITIES		1,759	1,752
TOTAL LIABILITIES		11,889,146	11,888,640
EQUITY			
SHARE CAPITAL		3,891,246	3,891,246
LEGAL RESERVE		1,952,417	1,952,417
GENERAL RESERVE		4,639,231	4,639,231
OTHER RESERVES	22	(409,601)	(401,298)
RETAINED EARNINGS		9,589,233	9,781,402
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		19,662,526	19,862,998
NON-CONTROLLING INTERESTS		185,803	198,479
TOTAL EQUITY		19,848,329	20,061,477
TOTAL LIABILITIES AND EQUITY		31,737,475	31,950,117

THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS WERE AUTHORISED FOR ISSUANCE BY THE BOARD OF DIRECTORS ON 27 JULY 2020 AND SIGNED ON THEIR BEHALF BY:



H.E. SALAH BIN GHANIM AL ALI
CHAIRMAN



ABDULLA JOBARA AL-ROMAIHI
ACTING GROUP CHIEF EXECUTIVE OFFICER

THE ATTACHED NOTES FROM 1 TO 29 FORM AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

BARWA REAL ESTATE COMPANY Q.P.S.C.
 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE SIX MONTHS ENDED 30 JUNE 2020
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

	NOTES	FOR THE THREE MONTHS ENDED 30 JUNE		FOR THE SIX MONTHS ENDED 30 JUNE	
		2020	2019	2020	2019
		(UNREVIEWED) QR'000	(REVIEWED) QR'000	(REVIEWED) QR'000	(REVIEWED) QR'000
RENTAL INCOME		325,681	289,096	629,825	589,990
RENTAL OPERATION EXPENSES	16	(72,088)	(67,789)	(130,922)	(137,547)
NET RENTAL INCOME		253,593	221,307	498,903	452,443
FINANCE LEASE INCOME		3,032	5,305	6,661	11,132
NET RENTAL AND FINANCE LEASE INCOME		256,625	226,612	505,564	463,575
INCOME FROM CONSULTANCY AND OTHER SERVICES		67,796	93,910	150,210	172,232
CONSULTING OPERATION AND OTHER SERVICES EXPENSES	17	(53,537)	(78,507)	(126,875)	(143,271)
NET CONSULTING AND OTHER SERVICES INCOME		14,259	15,403	23,335	28,961
PROFIT ON SALE OF PROPERTY		-	3,344	-	3,344
NET FAIR VALUE GAIN/ (LOSS) ON INVESTMENT PROPERTIES	9	421,689	(1,910)	442,956	290,222
SHARE OF RESULTS OF ASSOCIATES	11	(4,386)	7,885	(3,976)	(3,927)
GENERAL AND ADMINISTRATIVE EXPENSES		(83,959)	(58,056)	(141,857)	(118,721)
NET IMPAIRMENT LOSSES	18	(98,853)	(8,338)	(128,911)	(1,214)
OTHER INCOME	19	4,259	4,176	80,964	26,209
OPERATING PROFIT BEFORE FINANCE COST, DEPRECIATION, AMORTISATION AND INCOME TAX		509,634	189,116	778,075	688,449
FINANCE INCOME	20	1,322	9,694	6,167	19,490
FINANCE COST	20	(77,318)	(87,060)	(158,020)	(166,627)
PROFIT BEFORE DEPRECIATION, AMORTISATION AND INCOME TAX		433,638	111,750	626,222	541,312
DEPRECIATION		(8,574)	(3,652)	(13,653)	(7,291)
AMORTISATION OF RIGHT-OF-USE ASSETS		(8,718)	(10,551)	(17,437)	(20,921)
INCOME TAX EXPENSE		(6,234)	(217)	(6,976)	(521)
NET PROFIT FOR THE PERIOD		410,112	97,330	588,156	512,579
ATTRIBUTABLE TO:					
EQUITY HOLDERS OF THE PARENT		408,920	95,341	586,080	509,635
NON-CONTROLLING INTERESTS		1,192	1,989	2,076	2,944
		410,112	97,330	588,156	512,579
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (EXPRESSED IN QR PER SHARE)	21	0.10	0.02	0.15	0.13

THE ATTACHED NOTES FROM 1 TO 29 FORM AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

BARWA REAL ESTATE COMPANY Q.P.S.C.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	<i>FOR THE THREE MONTHS ENDED 30 JUNE</i>		<i>FOR THE SIX MONTHS ENDED 30 JUNE</i>	
	<i>2020 (UNREVIEWED) QR'000</i>	<i>2019 (REVIEWED) QR'000</i>	<i>2020 (REVIEWED) QR'000</i>	<i>2019 (REVIEWED) QR'000</i>
NET PROFIT FOR THE PERIOD	410,112	97,330	588,156	512,579
OTHER COMPREHENSIVE INCOME				
<i>OTHER COMPREHENSIVE INCOME THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS:</i>				
EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN OPERATIONS	5,421	2,847	(7,647)	4,615
<i>OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS:</i>				
NET CHANGE IN THE FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME/(LOSS)	22,577	(6,920)	54	(2,272)
OTHER RESERVES	(462)	-	(462)	-
OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	27,536	(4,073)	(8,055)	2,343
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	437,648	93,257	580,101	514,922
<i>ATTRIBUTABLE TO:</i>				
EQUITY HOLDERS OF THE PARENT	436,272	90,531	577,777	512,058
NON-CONTROLLING INTERESTS	1,376	2,726	2,324	2,864
	437,648	93,257	580,101	514,922

THE ATTACHED NOTES FROM 1 TO 29 FORM AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

BARWA REAL ESTATE COMPANY Q.P.S.C.
 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE SIX MONTHS ENDED 30 JUNE 2020

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT					TOTAL QR'000	Non- CONTROLLING INTERESTS QR'000	TOTAL EQUITY QR'000
	SHARE CAPITAL QR'000	LEGAL RESERVE QR'000	GENERAL RESERVE QR'000	OTHER RESERVES QR'000	RETAINED EARNINGS QR'000			
BALANCE AT 31 DECEMBER 2019 (AUDITED)	3,891,246	1,952,417	4,639,231	(401,298)	9,781,402	19,862,998	198,479	20,061,477
NET PROFIT FOR THE PERIOD	-	-	-	-	586,080	586,080	2,076	588,156
OTHER COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	-	-	-	(8,303)	-	(8,303)	248	(8,055)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	-	-	-	(8,303)	586,080	577,777	2,324	580,101
<i>SHAREHOLDERS' CONTRIBUTION:</i>								
DIVIDENDS FOR 2019 (NOTE 28)	-	-	-	-	(778,249)	(778,249)	-	(778,249)
DIVIDEND PAID TO NON-CONTROLLING INTEREST	-	-	-	-	-	-	(15,000)	(15,000)
TOTAL TRANSACTIONS WITH OWNERS	-	-	-	-	(778,249)	(778,249)	(15,000)	(793,249)
BALANCE AT 30 JUNE 2020 (REVIEWED)	3,891,246	1,952,417	4,639,231	(409,601)	9,589,233	19,662,526	185,803	19,848,329

	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT					TOTAL QR'000	Non- CONTROLLING INTERESTS QR'000	TOTAL EQUITY QR'000
	SHARE CAPITAL QR'000	LEGAL RESERVE QR'000	GENERAL RESERVE QR'000	OTHER RESERVES QR'000	RETAINED EARNINGS QR'000			
BALANCE AT 31 DECEMBER 2018 (AUDITED)	3,891,246	1,793,489	4,639,231	(430,274)	9,451,322	19,345,014	205,073	19,550,087
NET PROFIT FOR THE PERIOD	-	-	-	-	509,635	509,635	2,944	512,579
OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	-	-	-	2,423	-	2,423	(80)	2,343
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	-	-	2,423	509,635	512,058	2,864	514,922
<i>SHAREHOLDERS' CONTRIBUTION:</i>								
DIVIDENDS FOR 2018 (NOTE 28)	-	-	-	-	(972,812)	(972,812)	-	(972,812)
DIVIDEND PAID TO NON-CONTROLLING INTEREST	-	-	-	-	-	-	(9,000)	(9,000)
TOTAL TRANSACTIONS WITH OWNERS	-	-	-	-	(972,812)	(972,812)	(9,000)	(981,812)
BALANCE AT 30 JUNE 2019 (REVIEWED)	3,891,246	1,793,489	4,639,231	(427,851)	8,988,145	18,884,260	198,937	19,083,197

THE ATTACHED NOTES FROM 1 TO 29 FORM AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

BARWA REAL ESTATE COMPANY Q.P.S.C.
 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE SIX MONTHS ENDED 30 JUNE 2020

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

		30 JUNE 2020 (REVIEWED) QR'000	30 JUNE 2019 (REVIEWED) QR'000
	NOTES		
OPERATING ACTIVITIES			
NET PROFIT FOR THE PERIOD		588,156	512,579
<i>ADJUSTMENTS FOR:</i>			
FINANCE COST	20	137,670	143,601
UNWINDING OF DEFERRED FINANCE COST	20	20,350	23,026
FINANCE INCOME	20	(6,167)	(19,490)
NET FAIR VALUE GAIN ON INVESTMENT PROPERTIES	9	(442,956)	(290,222)
DEPRECIATION	(1)	32,394	33,835
AMORTISATION OF RIGHT-OF-USE ASSETS		17,437	20,921
SHARE OF RESULTS OF ASSOCIATES	11	3,976	3,927
NET IMPAIRMENT LOSSES	18	128,911	1,214
FINANCE LEASE INCOME		(6,661)	(11,132)
OTHER INCOME		(80,964)	(26,209)
OPERATING GAIN BEFORE WORKING CAPITAL CHANGES		392,146	392,050
<i>CHANGES IN WORKING CAPITAL:</i>			
CHANGE IN RECEIVABLES AND PREPAYMENTS		(182,553)	(68,215)
CHANGE IN TRADING PROPERTIES		(6,890)	114,085
CHANGE IN FINANCE LEASE RECEIVABLES		1,786	44,137
CHANGE IN AMOUNTS DUE FROM / DUE TO RELATED PARTIES		348,074	5,303
CHANGE IN PROVISIONS		40,595	-
CHANGE IN PAYABLES AND ACCRUALS		(500,581)	(622,476)
CASH FLOWS FROM / (USED IN) OPERATIONS		92,577	(135,116)
PAYMENT FOR CONSTRUCTION SERVICES		-	(268)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES		92,577	(135,384)
INVESTING ACTIVITIES			
FINANCE INCOME RECEIVED		6,807	29,322
DIVIDENDS RECEIVED FROM ASSOCIATES	11	4,000	4,000
PURCHASE OF INVESTMENT PROPERTIES		(76,772)	(208,752)
ADVANCES PAID FOR PURCHASE OF PROJECTS AND INVESTMENTS		(4,363)	(22,537)
PAYMENTS FOR PURCHASE OF PROPERTY, PLANT AND EQUIPMENT		(4,011)	(4,477)
PROCEEDS FROM SALE OF PROPERTY, PLANT AND EQUIPMENT		-	8
DIVIDEND INCOME RECEIVED		2,712	6,577
PROCEEDS FROM DISPOSAL OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		16,999	12,144
PAYMENTS FOR PURCHASE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		(14,546)	(14,380)
NET MOVEMENT IN SHORT TERM DEPOSITS MATURING AFTER THREE MONTHS		283,455	25,096
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES		214,281	(172,999)

THE ATTACHED NOTES FROM 1 TO 29 FORM AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

BARWA REAL ESTATE COMPANY Q.P.S.C.
 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE SIX MONTHS ENDED 30 JUNE 2020

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (CONTINUED)

		<i>30 JUNE</i> <i>2020</i> <i>(REVIEWED)</i> <i>QR'000</i>	<i>30 JUNE</i> <i>2019</i> <i>(REVIEWED)</i> <i>QR'000</i>
	<i>NOTES</i>		
FINANCING ACTIVITIES			
FINANCE COST PAID		(217,026)	(230,191)
PROCEEDS FROM OBLIGATIONS UNDER ISLAMIC FINANCE CONTRACTS	15	185,000	1,600,000
PAYMENTS FOR OBLIGATIONS UNDER ISLAMIC FINANCE CONTRACTS	15	(286,639)	(236,672)
DIVIDEND PAID TO NON-CONTROLLING INTEREST		(15,000)	(9,000)
DIVIDENDS PAID		(384,314)	(953,547)
PAYMENT OF LEASE LIABILITIES		(23,651)	(22,201)
CHANGE IN RESTRICTED BANK BALANCES		(1,177)	133,792
NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES		(742,807)	282,181
NET DECREASE IN CASH AND CASH EQUIVALENTS		(435,949)	(26,202)
NET FOREIGN EXCHANGE DIFFERENCE		7,678	(1,291)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	5	718,181	331,843
CASH AND CASH EQUIVALENTS AT 30 JUNE	5	289,910	304,350

NOTE:

- (1) DEPRECIATION FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2020 INCLUDES AN AMOUNT OF QR 18,741 THOUSAND CHARGED TO OPERATION EXPENSES IN THE CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS (2019 - QR 26,544 THOUSAND)

NON-CASH MOVEMENTS FOR THE PERIOD ARE SUMMARISED AS FOLLOWS:

DESCRIPTION	<i>30 JUNE</i> <i>2020</i> <i>QR'000</i>	<i>30 JUNE</i> <i>2019</i> <i>QR'000</i>
CHANGE IN RECEIVABLES AND PREPAYMENTS	(30,500)	8,670
CHANGES IN AMOUNTS DUE FROM / DUE TO RELATED PARTIES	24,371	(1,754)
CHANGE IN PAYABLES AND ACCRUALS	(298,510)	(622,343)
CHANGE IN TRADING PROPERTIES	(10,715)	114,085

THE ATTACHED NOTES FROM 1 TO 29 FORM AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

BARWA REAL ESTATE COMPANY Q.P.S.C.
 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE SIX MONTHS ENDED 30 JUNE 2020
 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

BARWA REAL ESTATE COMPANY Q.P.S.C. (“THE COMPANY” OR “THE PARENT”) WAS INCORPORATED PURSUANT TO THE PROVISION OF ARTICLE 68 OF THE QATAR COMMERCIAL COMPANIES LAW No. 5 OF 2002 AS QATARI PUBLIC SHAREHOLDING COMPANY UNDER COMMERCIAL REGISTRATION No. 31901 DATED 27 DECEMBER 2005. THE TERM OF THE COMPANY IS 100 YEARS STARTING FROM THE DATE OF DECLARATION IN THE COMMERCIAL REGISTER. THE COMPANY IS A LISTED ENTITY ON THE QATAR EXCHANGE.

THE COMPANY’S REGISTERED OFFICE ADDRESS IS P.O. Box 27777, DOHA, STATE OF QATAR.

THE PRINCIPAL ACTIVITIES OF THE COMPANY AND ITS SUBSIDIARIES (TOGETHER, “THE GROUP”) INCLUDE INVESTMENT IN ALL TYPES OF REAL ESTATE INCLUDING ACQUIRING, RECLAMATION, DIVIDING, DEVELOPING AND RESELLING OF LAND AND TO ESTABLISH AGRICULTURAL, INDUSTRIAL, COMMERCIAL PROJECTS ON LAND, OR LEASE THOSE LAND, AND ALSO BUYING, SELLING AND LEASING BUILDINGS OR PROJECTS. IT ALSO ADMINISTERS AND OPERATES REAL ESTATE INVESTMENTS IN AND OUTSIDE THE STATE OF QATAR. THE GROUP IS ENGAGED IN THE BUSINESS OF DEVELOPING DOMESTIC AND INTERNATIONAL REAL ESTATE PROJECTS, INVESTING, HOTELS OWNERSHIP AND MANAGEMENT, PROJECTS CONSULTING AND OTHERS.

QATAR COMPANIES LAW No. 11 OF 2015 (COMPANIES LAW) WHICH IS APPLICABLE TO THE GROUP HAS COME INTO EFFECT FROM 16 SEPTEMBER 2015. THE COMPANY AND ITS SUBSIDIARIES’ AMENDED ARTICLES OF ASSOCIATION HAVE BEEN APPROVED BY THE MINISTRY OF COMMERCE AND INDUSTRY (MOCI).

THE GROUP’S SUBSIDIARIES ACCOUNTING FOR MORE THAN 2% OF THE TOTAL ASSETS AND/OR OPERATIONAL RESULTS OF THE GROUP DURING THE CURRENT OR PREVIOUS PERIOD ARE INCLUDED IN THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS LISTED BELOW. IN ADDITION TO THE BELOW LISTED SUBSIDIARIES, THERE ARE A NUMBER OF OTHER SUBSIDIARIES’ FINANCIAL STATEMENTS THAT ARE CONSOLIDATED INTO THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND ARE ACCOUNTING FOR LESS THAN 2% OF THE TOTAL ASSETS AND/OR OPERATIONAL RESULTS OF THE GROUP.

NAME OF SUBSIDIARY	COUNTRY OF INCORPORATION	GROUP EFFECTIVE SHAREHOLDING PERCENTAGE	
		30 JUNE 2020	31 DECEMBER 2019
ASAS REAL ESTATE COMPANY W.L.L	QATAR	100%	100%
AL-WASEEF ASSET MANAGEMENT COMPANY W.L.L.	QATAR	100%	100%
BARWA INTERNATIONAL COMPANY W.L.L.	QATAR	100%	100%
BARWA AL SADD COMPANY W.L.L.	QATAR	100%	100%
BARWA SALWA COMPANY W.L.L	QATAR	100%	100%
BARWA AL- BARAHA COMPANY W.L.L.	QATAR	100%	100%
BARWA VILLAGE COMPANY W.L.L.	QATAR	100%	100%
MASAKEN AL SAILIYA AND MESAIMEER COMPANY W.L.L.	QATAR	100%	100%
QATAR REAL ESTATE INVESTMENT COMPANY P.J.S.C.	QATAR	100%	100%
QATAR PROJECT MANAGEMENT COMPANY Q.P.S.C.	QATAR	70%	70%
LUSAIL GOLF DEVELOPMENT COMPANY W.L.L.	QATAR	100%	100%
BARWA REAL ESTATE SAUDI ARABIA COMPANY W.L.L.	KSA	100%	100%
MADINAT AL MAWATER COMPANY W.L.L.	QATAR	100%	100%

BARWA REAL ESTATE COMPANY Q.P.S.C.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES (CONTINUED)

SIGNIFICANT UPDATES :

- THE OUTBREAK OF NOVEL CORONAVIRUS CONTINUES TO DISRUPT BUSINESS OPERATIONS AND ECONOMIC ACTIVITY GLOBALLY. THE EXTENT AND DURATION OF THE IMPACTS DEPEND HIGHLY ON FUTURE EVENTS THAT CANNOT BE ACCURATELY PREDICTED. AS THE SITUATION IS RAPIDLY EVOLVING, THE IMPACT ON THE GROUP'S ACTIVITIES AND OPERATIONS IS UNCERTAIN AND ACCORDINGLY MANAGEMENT ESTIMATES IN THE MEASUREMENT OF AMOUNTS REPORTED IN THESE FINANCIAL STATEMENTS REMAIN SENSITIVE TO MARKET FLUCTUATIONS.
- INVESTMENT PROPERTIES
 - THE GROUP HAS CONSIDERED THE IMPACT OF COVID 19 ON THE VALUATION OF INVESTMENT PROPERTIES BASED ON THE CHARACTERISTICS OF THE PORTFOLIO INCLUDING DIVERSIFICATION ACROSS ASSET CATEGORIES, LOCATION AND THE NATURE OF SECURED FUTURE CASH FLOW. REFER NOTE 9 FOR ADDITIONAL DETAILS ON IMPACT OF COVID 19 ON VALUATION OF INVESTMENT PROPERTIES AND MANAGEMENT CONSIDERATION.
- EXPECTED CREDIT LOSSES ("ECL") AND IMPAIRMENT OF FINANCIAL ASSETS
 - THE UNCERTAINTIES CAUSED BY COVID-19 HAVE REQUIRED THE GROUP TO REASSESS THE INPUTS AND ASSUMPTIONS USED FOR THE DETERMINATION OF EXPECTED CREDIT LOSSES ("ECLs") AS AT 30 JUNE 2020. THE GROUP HAS UPDATED THE RELEVANT FORWARD-LOOKING INFORMATION WITH RESPECT TO THE WEIGHTAGE OF THE RELEVANT MACROECONOMIC SCENARIOS OF THE MARKET; INCREASE IN CREDIT RISK; AND ASSESSING THE INDICATORS OF IMPAIRMENT FOR THE EXPOSURES IN POTENTIALLY AFFECTED SECTORS.
- COMMITMENTS AND CONTINGENT LIABILITIES
 - THE GROUP HAS ASSESSED THE IMPACT OF ANY OPERATIONAL DISRUPTIONS, INCLUDING ANY CONTRACTUAL CHALLENGES AND CHANGES IN BUSINESS OR COMMERCIAL RELATIONSHIPS AMONG THE GROUP ENTITIES, CUSTOMERS AND SUPPLIERS, TO DETERMINE IF THERE IS ANY POTENTIAL INCREASE IN CONTINGENT LIABILITIES AND COMMITMENTS. REFER TO NOTES 23 AND 24.
- GOING CONCERN
 - THE GROUP HAS PERFORMED AN ASSESSMENT OF WHETHER GOING CONCERN ASSUMPTION IS APPROPRIATE IN THE LIGHT OF CURRENT ECONOMIC CONDITIONS AND ALL AVAILABLE INFORMATION ABOUT FUTURE RISKS AND UNCERTAINTIES. THE PROJECTIONS HAVE BEEN PREPARED COVERING THE GROUP'S FUTURE PERFORMANCE, CAPITAL AND LIQUIDITY. THE IMPACT OF COVID-19 MAY CONTINUE TO EVOLVE, BUT AT THE PRESENT TIME THE PROJECTIONS SHOW THAT THE GROUP HAS SUFFICIENT RESOURCES TO CONTINUE IN OPERATIONAL EXISTENCE AND ITS ASSUMPTION ON GOING CONCERN REMAINS LARGELY UNAFFECTED AND UNCHANGED FROM 31 DECEMBER 2019. AS A RESULT, THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS HAVE BEEN APPROPRIATELY PREPARED ON A GOING CONCERN BASIS.
 - THE GROUP WILL CONTINUE TO CLOSELY MONITOR THE IMPACT OF COVID-19 AS THE SITUATION PROGRESSES TO MANAGE THE POTENTIAL BUSINESS DISRUPTION COVID-19 OUTBREAK MAY HAVE ON ITS 'OPERATIONS AND FINANCIAL PERFORMANCE IN 2020.
 - DURING THE PERIOD ENDED 30 JUNE 2020, AN EXISTING LAND LEASE CONTRACT FOR A PLOT OF LAND LOCATED IN AL KHOR AREA HAS BEEN MODIFIED. THE MODIFICATION WAS IN SUBSTANCE APPROVED DURING THE PERIOD AND FORMALLY EXECUTED ON 6 JULY 2020. THE IMPACT OF THE MODIFICATION HAS BEEN REFLECTED IN THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2020.
 - DURING THE PERIOD ENDED 30 JUNE 2020, BASED ON MANAGEMENT'S IMPAIRMENT ASSESSMENT, THE GROUP RECOGNISED AN IMPAIRMENT OF QR 83,287 THOUSAND AGAINST ITS INVESTMENTS IN ASSOCIATES.

BARWA REAL ESTATE COMPANY Q.P.S.C.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

2 BASIS OF PREPARATION

THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2020 HAVE BEEN PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS, IAS 34 "INTERIM FINANCIAL REPORTING".

THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS ARE PRESENTED IN QATARI RIYALS, WHICH IS THE GROUP'S FUNCTIONAL AND PRESENTATIONAL CURRENCY AND ALL VALUES ARE ROUNDED OFF TO THE NEAREST THOUSANDS (QR'000) EXCEPT WHEN OTHERWISE INDICATED.

THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS DO NOT INCLUDE ALL INFORMATION AND DISCLOSURES REQUIRED IN THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ IN CONJUNCTION WITH THE GROUP'S ANNUAL CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019. IN ADDITION, RESULTS FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020 ARE NOT NECESSARILY INDICATIVE OF THE RESULTS THAT MAY BE EXPECTED FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2020.

3 SIGNIFICANT ACCOUNTING POLICIES

A) *THE ACCOUNTING POLICIES ADOPTED IN THE PREPARATION OF THE CONDENSED CONSOLIDATED INTERIM 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.*

B) *NEW STANDARDS AND INTERPRETATIONS EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER 1 JANUARY 2020:*

- | | |
|--|--|
| • AMENDMENTS TO IFRS 3 | AMENDMENTS TO CLARIFY THE DEFINITION OF A BUSINESS |
| • AMENDMENTS TO IFRS 7 | AMENDMENTS REGARDING PRE-REPLACEMENT ISSUES IN THE CONTEXT OF THE IBOR REFORM. |
| • AMENDMENTS TO IFRS 9 | AMENDMENTS REGARDING PRE-REPLACEMENT ISSUES IN THE CONTEXT OF THE IBOR REFORM. |
| • AMENDMENTS TO IAS 1, IAS 8 | AMENDMENTS REGARDING THE DEFINITION OF MATERIAL |
| • AMENDMENTS TO REFERENCES TO THE CONCEPTUAL FRAMEWORK | AMENDMENTS TO REFERENCES TO THE CONCEPTUAL FRAMEWORK IN IFRS STANDARDS |

B) *NEW STANDARDS AND INTERPRETATIONS EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER 1 JANUARY 2020 (CONTINUED)*

EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER 1 JUNE 2020

- AMENDMENTS TO IFRS 16 AMENDMENTS TO RENT CONCESSIONS (COVID-19-RELATED)

C) *NEW AND REVISED STANDARDS AND INTERPRETATIONS BUT NOT YET EFFECTIVE:*

EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER 1 JANUARY 2022

- AMENDMENTS REGARDING THE CLASSIFICATION OF LIABILITIES
- AMENDMENTS REGARDING IAS 16 PROPERTY, PLANT AND EQUIPMENT — PROCEEDS BEFORE INTENDED USE
- ANNUAL IMPROVEMENT 2018-2020 CYCLE
- REFERENCE TO THE CONCEPTUAL FRAMEWORK (AMENDMENTS TO IFRS 3)
- ONEROUS CONTRACTS — COST OF FULFILLING A CONTRACT (AMENDMENTS TO IAS 37)

EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER 1 JANUARY 2022

- ORIGINAL ISSUE REGARDING IFRS 17 INSURANCE CONTRACTS
- AMENDMENTS REGARDING IFRS 17

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4 ACCOUNTING ESTIMATES

THE PREPARATION OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS REQUIRES MANAGEMENT TO MAKE JUDGEMENTS, ESTIMATES AND ASSUMPTIONS THAT AFFECT THE APPLICATION OF ACCOUNTING POLICIES AND THE REPORTED AMOUNTS OF ASSETS, LIABILITIES, INCOME AND EXPENSE. ACTUAL RESULTS MAY DIFFER FROM THESE ESTIMATES. INFORMATION ABOUT SIGNIFICANT AREAS OF ESTIMATION UNCERTAINTY AND CRITICAL JUDGEMENT IN APPLYING ACCOUNTING POLICIES THAT HAVE THE MOST SIGNIFICANT EFFECT ON THE AMOUNT RECOGNISED IN THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT IS DESCRIBED IN NOTE 48 OF THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019. IN PREPARING THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS, THE SIGNIFICANT JUDGMENTS MADE BY THE MANAGEMENT IN APPLYING THE GROUP'S ACCOUNTING POLICIES AND THE KEY SOURCES OF ESTIMATION UNCERTAINTY WERE THE SAME AS THOSE THAT WERE APPLIED TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019.

5 CASH AND BANK BALANCES

CASH AND BANK BALANCES ARE COMPRISED OF THE FOLLOWING:

	<i>AS AT 30 JUNE 2020 (REVIEWED) QR'000</i>	<i>AS AT 31 DECEMBER 2019 (AUDITED) QR'000</i>
CASH ON HAND	355	304
SHORT TERM DEPOSITS (I)	154,748	814,807
CURRENT ACCOUNTS	95,848	141,731
CALL ACCOUNTS	127,101	132,935
RESTRICTED BALANCES	165,364	164,269
MARGIN BANK ACCOUNTS	3,537	3,455
	546,953	1,257,501
ALLOWANCE FOR IMPAIRMENT	(2,083)	(2,785)
	544,870	1,254,716
TOTAL CASH AND BANK BALANCES	544,870	1,254,716
SHORT TERM BANK DEPOSITS MATURING AFTER 3 MONTHS	(88,141)	(371,596)
RESTRICTED BANK BALANCES AND MARGIN ACCOUNTS (II)	(168,901)	(167,724)
REVERSAL OF NON-CASH PROVISION	2,083	2,785
CASH AND CASH EQUIVALENTS	289,910	718,181

NOTES:

- (I) SHORT TERM BANK DEPOSITS ARE MADE FOR VARYING PERIODS DEPENDING ON THE CASH REQUIREMENTS OF THE GROUP WITH ORIGINAL MATURITY PERIOD RANGING UP TO TWELVE MONTHS CARRYING PROFIT AT COMMERCIAL MARKET RATES. CASH AND CASH EQUIVALENTS INCLUDE FIXED DEPOSITS MATURING WITHIN THREE MONTHS AMOUNTING TO QR 66,607 THOUSAND (2019: QR 443,211 THOUSAND).
- (II) RESTRICTED BANK BALANCES ARE RESTRICTED MAINLY TO COVER CERTAIN BANK GUARANTEES ISSUED BY THE GROUP AND THE SETTLEMENT OF DIVIDENDS YET UNCLAIMED BY THE PARENT'S SHAREHOLDERS.

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6 CURRENT AND NON-CURRENT PRESENTATION OF RECEIVABLES AND PREPAYMENTS AND FINANCE LEASE RECEIVABLES

THE FOLLOWING TABLE PRESENTS THE CURRENT AND NON-CURRENT CLASSIFICATION OF RECEIVABLES AND PREPAYMENTS AND FINANCE LEASE RECEIVABLES AT THE REPORTING DATE:

	<i>RECEIVABLES AND PREPAYMENTS</i>		<i>FINANCE LEASE RECEIVABLES</i>	
	<i>30 JUNE 2020 (REVIEWED) QR'000</i>	<i>31 DECEMBER 2019 (AUDITED) QR'000</i>	<i>30 JUNE 2020 (REVIEWED) QR'000</i>	<i>31 DECEMBER 2019 (AUDITED) QR'000</i>
CURRENT	711,991	518,653	67,697	71,956
NON-CURRENT	11,023	11,075	1,532	31,814
	<u>723,014</u>	<u>529,728</u>	<u>69,229</u>	<u>103,770</u>

AT 30 JUNE 2020, TRADE RECEIVABLES AMOUNTING TO QR 121,644 THOUSAND (2019: QR 87,820 THOUSAND) WERE IMPAIRED AND FULLY PROVIDED FOR. MOVEMENTS IN THE ALLOWANCE FOR IMPAIRMENT OF TRADE RECEIVABLES IS AS FOLLOWS:

	<i>30 JUNE 2020 (REVIEWED) QR'000</i>	<i>31 DECEMBER 2019 (AUDITED) QR'000</i>
AT 1 JANUARY	87,820	75,308
ALLOWANCE CHARGE FOR THE PERIOD (NOTE 18)	35,487	15,922
REVERSAL OF PROVISION (NOTE 18)	(1,663)	(3,410)
	<u>121,644</u>	<u>87,820</u>

7 TRADING PROPERTIES

	<i>30 JUNE 2020 (REVIEWED) QR'000</i>	<i>31 DECEMBER 2019 (AUDITED) QR'000</i>
PROPERTIES AVAILABLE FOR SALE (I)	114,470	114,470
PROPERTIES UNDER DEVELOPMENT-NET (II)	1,390,952	1,394,778
	<u>1,505,422</u>	<u>1,509,248</u>

(I) MOVEMENTS OF PROPERTIES AVAILABLE FOR SALE DURING THE PERIOD WERE AS FOLLOWS:

	<i>30 JUNE 2020 (REVIEWED) QR'000</i>	<i>31 DECEMBER 2019 (AUDITED) QR'000</i>
AT 1 JANUARY	114,470	150,573
SOLD DURING THE PERIOD	-	(36,656)
TRANSFER FROM TRADING PROPERTIES - PROPERTIES UNDER DEVELOPMENT	-	553
	<u>114,470</u>	<u>114,470</u>

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7 TRADING PROPERTIES (CONTINUED)

(II) MOVEMENTS OF PROPERTIES UNDER DEVELOPMENT DURING THE PERIOD WERE AS FOLLOWS:

	<i>30 JUNE</i> 2020 <i>(REVIEWED)</i> QR'000	<i>31 DECEMBER</i> 2019 <i>(AUDITED)</i> QR'000
AT 1 JANUARY	1,394,778	1,421,966
ADDITIONS	6,890	6,454
CAPITALISED FINANCE COST (NOTE 20)	1,706	89,789
TRANSFERRED TO INVESTMENT PROPERTIES (NOTE 9)	-	(126,802)
TRANSFER TO TRADING PROPERTIES - PROPERTIES AVAILABLE FOR SALE	-	(553)
NET (IMPAIRMENT LOSSES) / REVERSAL OF IMPAIRMENT	(12,691)	4,171
FOREIGN EXCHANGE ADJUSTMENT	269	(247)
	<u>1,390,952</u>	<u>1,394,778</u>

8 RELATED PARTY DISCLOSURES

QATARI DIAR REAL ESTATE INVESTMENT COMPANY Q.S.C IS THE MAIN SHAREHOLDER OF THE COMPANY, WHICH OWNS 45% OF THE COMPANY'S SHARES INCLUDING ONE PREFERRED SHARE THAT CARRIES PREFERRED RIGHTS OVER THE FINANCIAL AND OPERATING POLICIES. THE REMAINING 55% OF THE SHARES ARE WIDELY HELD AND PUBLICLY TRADED AT THE QATAR EXCHANGE.

THE GROUP HAS TRANSACTIONS WITH RELATED PARTIES, I.E. MAIN SHAREHOLDER, ASSOCIATED COMPANIES, DIRECTORS AND KEY MANAGEMENT OF THE COMPANY, AND ENTITIES CONTROLLED, JOINTLY CONTROLLED OR SIGNIFICANTLY INFLUENCED BY SUCH PARTIES. PRICING POLICIES AND TERMS OF THESE TRANSACTIONS ARE APPROVED BY THE GROUP'S MANAGEMENT.

RELATED PARTY TRANSACTIONS

TRANSACTIONS WITH RELATED PARTIES DURING THE PERIOD WERE AS FOLLOWS:

	<i>30 JUNE</i> 2020 <i>(REVIEWED)</i> QR'000	<i>30 JUNE</i> 2019 <i>(REVIEWED)</i> QR'000
INCOME FROM CONSULTANCY AND OTHER SERVICES - MAIN SHAREHOLDER	<u>29,780</u>	<u>32,438</u>
RENTAL INCOME - MAIN SHAREHOLDER	<u>1,138</u>	<u>6,045</u>
OTHER INCOME	<u>74,647</u>	<u>-</u>

BALANCES WITH RELATED PARTIES INCLUDED IN THE CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION WERE AS FOLLOWS:

	<i>DUE FROM RELATED PARTIES</i>		<i>DUE TO RELATED PARTIES</i>	
	<i>30 JUNE</i> 2020 <i>(REVIEWED)</i> QR'000	<i>31 DECEMBER</i> 2019 <i>(AUDITED)</i> QR'000	<i>30 JUNE</i> 2020 <i>(REVIEWED)</i> QR'000	<i>31 DECEMBER</i> 2019 <i>(AUDITED)</i> QR'000
QATARI DIAR REAL ESTATE INVESTMENT Co. Q.S.C. AND ASSOCIATED COMPANIES	134,515	203,848	541,183	290,308
ASSOCIATE COMPANIES	3,872	3,872	22,612	20,010
OTHER RELATED PARTIES	307	464	4,592	3,856
	<u>138,694</u>	<u>208,184</u>	<u>568,387</u>	<u>314,174</u>

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8 RELATED PARTY DISCLOSURES (CONTINUED)

CURRENT AND NON-CURRENT PORTIONS OF DUE FROM AND DUE TO RELATED PARTIES WERE AS FOLLOWS:

	<i>DUE FROM RELATED PARTIES</i>		<i>DUE TO RELATED PARTIES</i>	
	<i>30 JUNE 2020 (REVIEWED) QR'000</i>	<i>31 DECEMBER 2019 (AUDITED) QR'000</i>	<i>30 JUNE 2020 (REVIEWED) QR'000</i>	<i>31 DECEMBER 2019 (AUDITED) QR'000</i>
CURRENT	138,694	208,184	567,808	313,595
NON-CURRENT	-	-	579	579
	<u>138,694</u>	<u>208,184</u>	<u>568,387</u>	<u>314,174</u>

COMPENSATION OF DIRECTORS AND OTHER KEY MANAGEMENT PERSONNEL

THE REMUNERATION OF DIRECTORS AND OTHER MEMBERS OF KEY MANAGEMENT OF THE PARENT DURING THE PERIOD WERE AS FOLLOWS:

	<i>FOR THE SIX MONTHS ENDED 30 JUNE</i>	
	<i>2020 (REVIEWED) QR'000</i>	<i>2019 (REVIEWED) QR'000</i>
SHORT TERM BENEFITS	8,101	9,529
END OF SERVICE BENEFITS	886	1,017

9 INVESTMENT PROPERTIES

	<i>30 JUNE 2020 (REVIEWED) QR'000</i>	<i>31 DECEMBER 2019 (AUDITED) QR'000</i>
AT 1 JANUARY	26,577,670	18,261,969
ADDITIONS	89,031	287,583
CAPITALISED FINANCE COST (NOTE 20)	48,891	53,290
RIGHT-OF-USE ASSETS (FIRST TIME ADOPTION OF IFRS 16)	-	265,640
TRANSFER FROM INTANGIBLE ASSETS (NOTE 26)	-	1,605,364
TRANSFER FROM TRADING PROPERTIES - PROPERTIES UNDER DEVELOPMENT (NOTE 7.11)	-	126,802
TRANSFER FROM PROPERTY, PLANT AND EQUIPMENT	-	5,539
TRANSFER FROM ADVANCES FOR PURCHASE OF PROPERTY	-	4,832,246
NET FAIR VALUE GAIN	442,956	1,131,425
FOREIGN EXCHANGE ADJUSTMENT	(15,654)	7,812
	<u>27,142,894</u>	<u>26,577,670</u>

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9 INVESTMENT PROPERTIES (CONTINUED)

AS A RESULT OF THE COVID-19 OUTBREAK AND THE WIDE RANGING IMPACTS ON BUSINESSES GLOBALLY AS WELL AS LOCALLY IN THE STATE OF QATAR, THE GROUP'S EXTERNAL VALUERS HAVE TAKEN INTO ACCOUNT LATEST GUIDELINES FROM RICS AND REPORTED THE GROUP'S INVESTMENT PROPERTY VALUATIONS ON THE BASIS OF 'MATERIAL VALUATION UNCERTAINTY'. MANAGEMENT HAVE EVALUATED THE BASIS, AND MEANING, OF SUCH PREPARATION. ALTHOUGH UNCERTAINTY IS PRESENT WITHIN THE WIDER REAL ESTATE MARKET, WITH VARYING IMPACTS BEING OBSERVED, MANAGEMENT CONSIDERS THAT THE EXISTING INVESTMENT PROPERTY PORTFOLIO OF THE GROUP TO BE LESS IMPACTED BY SUCH ADVERSE EVENTS DUE TO INHERENT CHARACTERISTICS OF THE PORTFOLIO INCLUDING DIVERSIFICATION ACROSS ASSET CATEGORIES, GEOGRAPHIC SPREAD LOCALLY AND THE NATURE OF PARTIALLY SECURED FUTURE CASHFLOW IN RELATION TO THE INCOME GENERATING PORTFOLIO OF ASSETS. MANAGEMENT UNDERSTANDS THE BASIS OF SUCH PREPARATION, WHICH PRIMARILY INTENDS TO HIGHLIGHT FUTURE UNCERTAINTY AND A HIGHER DEGREE OF CAUTION. MANAGEMENT HAVE CONSIDERED THIS IN RESPECT OF KEY SOURCES OF ESTIMATION UNCERTAINTY AND HAVE CONCLUDED BASED UPON THE GROUP'S INVESTMENT PROPERTY PORTFOLIO INHERENT CHARACTERISTICS AND TRENDS OBSERVED, RELATIVE TO THE WIDER REAL ESTATE MARKET IN THE STATE OF QATAR, THAT THE EVENTS OF COVID-19 DO NOT GIVE RISE TO NEW COURSE OF KEY ESTIMATION UNCERTAINTY, NOR DO THEY IMPACT THE POTENTIAL SENSITIVITY LEVEL OF A REASONABLE AND POSSIBLE CHANGE THAT MAY OCCUR WITHIN THE NEXT 12 MONTHS.

NOTES:

- (i) INVESTMENT PROPERTIES ARE LOCATED IN THE STATE OF QATAR, KINGDOM OF SAUDI ARABIA, KINGDOM OF BAHRAIN, REPUBLIC OF CYPRUS AND UNITED KINGDOM.
- (ii) FAIR VALUES OF INTERNATIONAL INVESTMENT PROPERTIES HAVE BEEN VALUED INTERNALLY AS OF 30 JUNE 2020, EXCEPT FOR 2 PROPERTIES LOCATED IN THE KINGDOM OF BAHRAIN AND THE KINGDOM OF SAUDI ARABIA, WHICH HAVE BEEN VALUED AT 31 DECEMBER 2019. INVESTMENT PROPERTIES LOCATED IN THE STATE OF QATAR ARE STATED AT FAIR VALUE BASED ON VALUATIONS PERFORMED BY ACCREDITED INDEPENDENT VALUERS AS AT 30 JUNE 2020. THOSE VALUERS ARE ACCREDITED INDEPENDENT VALUERS WITH RECOGNISED AND RELEVANT PROFESSIONAL QUALIFICATIONS AND WITH RECENT EXPERIENCE IN THE LOCATION AND CATEGORY OF THOSE INVESTMENT PROPERTIES BEING VALUED. IN ARRIVING AT ESTIMATED MARKET VALUES THE VALUERS HAVE USED THEIR MARKET KNOWLEDGE AND PROFESSIONAL JUDGMENT AND NOT ONLY RELIED ON HISTORICAL TRANSACTIONAL COMPARABLE. IN THE ABSENCE OF CURRENT PRICES IN AN ACTIVE MARKET, THE VALUATIONS ARE BASED ON THE AGGREGATE OF THE ESTIMATED CASH FLOWS EXPECTED TO BE RECEIVED FROM RENTING THE PROPERTY. A YIELD THAT REFLECTS THE SPECIFIC RISKS INHERENT IN THE NET CASH FLOWS IS APPLIED TO THE NET ANNUAL CASH FLOWS TO ARRIVE AT THE PROPERTY VALUATION.
- (iii) THE GROUP HAS NO RESTRICTIONS ON THE REALISABILITY OF ITS INVESTMENT PROPERTIES AND NO CONTRACTUAL OBLIGATIONS TO EITHER PURCHASE, CONSTRUCT OR DEVELOP INVESTMENT PROPERTIES OR FOR REPAIRS, MAINTENANCE AND ENHANCEMENTS, OTHER THAN THE COMMITMENTS DISCLOSED IN NOTE 24.
- (iv) INCLUDED IN INVESTMENT PROPERTIES ARE CERTAIN PROPERTIES WITH A CARRYING VALUE OF QR 8,902,927 THOUSAND AT 30 JUNE 2020 (31 DECEMBER 2019 – QR 8,988,190 THOUSAND) FOR WHICH THE TITLE DEEDS WILL BE TRANSFERRED TO THE GROUP UPON COMPLETION OF THE CONSTRUCTION OF THE PROJECTS. THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS HAVE BEEN PREPARED ON THE BASIS THAT THE BENEFICIAL INTEREST OF THESE INVESTMENT PROPERTIES RESIDES WITH THE GROUP.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

9 INVESTMENT PROPERTIES (CONTINUED)

(v) DESCRIPTION OF VALUATION TECHNIQUES USED BY THE GROUP AND KEY INPUTS TO VALUATION ON SOME OF THE INVESTMENT PROPERTIES ARE AS FOLLOWS:

<i>TYPE OF PROPERTIES</i>	<i>VALUATION TECHNIQUE</i>	<i>SIGNIFICANT UNOBSERVABLE INPUTS</i>	<i>RANGE (WEIGHTED AVERAGE) 30 JUNE 2020</i>	<i>RANGE (WEIGHTED AVERAGE) 31 DECEMBER 2019</i>
COMMERCIAL PROPERTIES	DCF METHOD	ESTIMATED RENTAL VALUE PER SQM PER MONTH	QR 20-250	QR 20-250
		RENT GROWTH P.A.	0%-2.5%	0%-2.5%
		LONG-TERM VACANCY RATE	0% - 25%	0%-25%
		DISCOUNT RATE	6.75% - 7.90%	7.50% - 7.90%
		MARKET CAP	7.50%	7.50%
RESIDENTIAL PROPERTIES	DCF METHOD	ESTIMATED RENTAL VALUE PER UNIT PER MONTH	QR 2,000 -22,250	QR 2,000 -22,250
		RENT GROWTH P.A.	0%-2.5%	0%-2.5%
		LONG-TERM VACANCY RATE	0%-30%	0%-30%
		DISCOUNT RATE	6.55% - 7.90%	7.30% - 7.90%
		MARKET CAP	7.50%	7.50%
LAND BANK	DIRECT COMPARISON	ESTIMATED LAND VALUE PER SQM	QR 1,063 - 11,657	QR 1,050 - QR 13,090

DISCOUNTED CASH FLOW METHOD (DCF): IT IS CONSIDERED THE MOST COMMONLY USED TECHNIQUE FOR ASSESSING MARKET VALUE WITHIN THE INCOME APPROACH. THIS IS A FINANCIAL MODELLING TECHNIQUE BASED ON EXPLICIT ASSUMPTIONS REGARDING THE PROSPECTIVE CASH-FLOW TO A PROPERTY OR BUSINESS AND THE COSTS ASSOCIATED WITH BEING ABLE TO GENERATE THE INCOME. A MARKET-DERIVED DISCOUNT IS APPLIED TO ESTIMATE CASH FLOWS TO ESTABLISH A PRESENT VALUE OF THE INCOME STREAM. THIS NET PRESENT VALUE ("NPV") IS AN INDICATION OF MARKET VALUE.

DIRECT COMPARISON APPROACH: THIS APPROACH INVOLVES A COMPARISON OF THE SUBJECT PROPERTY TO SIMILAR PROPERTIES THAT HAVE ACTUALLY BEEN SOLD IN ARMS'-LENGTH TRANSACTIONS OR ARE OFFERED FOR SALE. THIS APPROACH DEMONSTRATES WHAT BUYERS HAVE HISTORICALLY BEEN WILLING TO PAY (AND SELLERS WILLING TO ACCEPT) FOR SIMILAR PROPERTIES IN AN OPEN AND COMPETITIVE MARKET AND IS PARTICULARLY USEFUL IN ESTIMATING THE VALUE OF THE LAND AND PROPERTIES THAT ARE TYPICALLY TRADED ON A UNIT BASIS. GENERALLY, THE OPINION ON VALUE IS BASED ON EVIDENCE OF OPEN MARKET TRANSACTIONS IN SIMILAR PROPERTY WITH ADJUSTMENTS OF THE COMPARABLE TO DIFFERENTIATE THE DIFFERENCES BETWEEN THE SUBJECT PROPERTY AND THE COMPARABLE.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

10 RIGHT-OF-USE ASSETS

THE GROUP LEASES SEVERAL ASSETS INCLUDING BUILDINGS AND LAND. THE LEASE TERMS RANGE FROM 2 TO 92 YEARS.

THE MOVEMENT OF RIGHT OF USE ASSETS DURING THE PERIOD IS ILLUSTRATED AS FOLLOWS:

	<i>30 JUNE</i> 2020 (REVIEWED) QR'000	<i>31 DECEMBER</i> 2019 (AUDITED) QR'000
1 JANUARY	72,677	134,020
MODIFICATIONS	-	(26,412)
AMORTISATION EXPENSE	(17,437)	(34,931)
TRANSLATION ADJUSTMENT	(596)	-
	<u>54,644</u>	<u>72,677</u>

AMOUNTS RECOGNISED IN PROFIT OR LOSS DURING THE PERIOD IS SUMMARIZED AS FOLLOWS:

	30 JUNE 2020 (REVIEWED) QR'000	30 JUNE 2019 (REVIEWED) QR'000
AMORTISATION OF RIGHT-OF-USE ASSETS	17,437	20,921
EXPENSE RELATING TO SHORT-TERM LEASES	-	7,407
INCOME FROM SUBLEASING RIGHT-OF-USE ASSETS	9,382	10,983

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

11 INVESTMENTS IN ASSOCIATES

THE FOLLOWING TABLE ILLUSTRATES THE SUMMARISED FINANCIAL INFORMATION OF THE GROUP'S INVESTMENTS IN ASSOCIATES:

	<i>30 JUNE 2020 (REVIEWED) QR'000</i>	<i>31 DECEMBER 2019 (AUDITED) QR'000</i>
AT 1 JANUARY	529,947	509,763
DIVIDENDS FROM ASSOCIATES	(4,000)	(30,608)
SHARE OF RESULTS OF ASSOCIATES	(3,976)	63,949
DISPOSAL DURING THE PERIOD / YEAR	-	(11,207)
NET IMPAIRMENT LOSSES (NOTE 18)	(83,287)	(3,850)
SHARE OF CHANGE IN FAIR VALUE RESERVE	(4,371)	(5,126)
FOREIGN EXCHANGE ADJUSTMENT	2	7,026
	<u>434,315</u>	<u>529,947</u>
	<i>30 JUNE 2020 (REVIEWED) QR'000</i>	<i>30 JUNE 2019 (REVIEWED) QR'000</i>
TOTAL GROUP'S SHARE OF THE ASSOCIATES' STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE :		
TOTAL ASSETS	1,357,394	1,388,693
TOTAL LIABILITIES	<u>(923,079)</u>	<u>(911,279)</u>
GROUP SHARE OF NET ASSETS OF ASSOCIATES	<u>434,315</u>	<u>477,414</u>
CARRYING AMOUNT OF THE INVESTMENTS	<u>434,315</u>	<u>477,414</u>
GROUP'S SHARE OF ASSOCIATES' REVENUES AND RESULTS FOR THE SIX MONTHS ENDED 30 JUNE :		
REVENUES	<u>135,755</u>	<u>196,244</u>
RESULTS	<u>(3,976)</u>	<u>(3,927)</u>

BARWA REAL ESTATE COMPANY Q.P.S.C.
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12 PAYABLES AND OTHER LIABILITIES

	<i>30 JUNE</i> <i>2020</i> <i>(REVIEWED)</i> <i>QR'000</i>	<i>31 DECEMBER</i> <i>2019</i> <i>(AUDITED)</i> <i>QR'000</i>
CONTRACTORS AND SUPPLIERS	337,783	403,482
CLIENTS ADVANCES AND UNEARNED INCOME	31,450	68,753
RETENTION PAYABLE	105,860	115,571
CONTRIBUTION TO SOCIAL AND SPORTS FUND	37,569	37,569
ACCRUED EXPENSES	234,544	256,642
ACCRUED FINANCE COST	39,795	48,203
OTHER PAYABLES	673,650	741,390
	<u>1,460,651</u>	<u>1,671,610</u>

THE MATURITY OF PAYABLES AND OTHER LIABILITIES ARE AS FOLLOWS:

NON-CURRENT	439,360	480,592
CURRENT	1,021,291	1,191,018
	<u>1,460,651</u>	<u>1,671,610</u>

13 PROVISIONS

	<i>30 JUNE</i> <i>2020</i> <i>(REVIEWED)</i> <i>QR'000</i>	<i>31 DECEMBER</i> <i>2019</i> <i>(AUDITED)</i> <i>QR'000</i>
AT 1 JANUARY	61,014	51,014
PROVIDED DURING THE PERIOD/YEAR	44,668	10,000
UTILISED DURING THE PERIOD	(4,073)	-
REVERSAL DURING THE PERIOD	(846)	-
	<u>100,763</u>	<u>61,014</u>

PROVISIONS ARE ANALYSED BY NATURE AS FOLLOWS:

	<i>30 JUNE</i> <i>2020</i> <i>(REVIEWED)</i> <i>QR'000</i>	<i>31 DECEMBER</i> <i>2019</i> <i>(AUDITED)</i> <i>QR'000</i>
PROVISION FOR LITIGATIONS	31,800	27,114
PROVISION FOR CLAIMS	68,963	33,900
	<u>100,763</u>	<u>61,014</u>

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14 LEASE LIABILITIES

	2020 (REVIEWED) QR'000	2019 (AUDITED) QR'000
AT 1 JANUARY	332,547	362,152
ADDITIONS	-	49,691
MODIFICATION	(433)	(49,026)
UNWINDING OF DEFERRED FINANCE COST (NOTE 20)	6,530	14,633
PAYMENTS	(16,064)	(34,157)
PREPAID	(10,355)	(10,746)
FOREIGN EXCHANGE ADJUSTMENT	(386)	-
BALANCE AS AT 30 JUNE / 31 DECEMBER	<u>311,839</u>	<u>332,547</u>
<i>LEASE LIABILITIES ARE FURTHER ANALYSED AS FOLLOWS:</i>		
CURRENT	72,639	63,668
NON-CURRENT	<u>239,200</u>	<u>268,879</u>
BALANCE AS AT 30 JUNE / 31 DECEMBER	<u>311,839</u>	<u>332,547</u>
	2020 (REVIEWED) QR'000	2019 (AUDITED) QR'000
<i>MATURITY ANALYSIS:</i>		
YEAR 1	84,125	76,208
YEAR 2	46,863	68,055
YEAR 3	36,354	35,890
YEAR 4	34,070	28,469
YEAR 5	18,342	25,697
LATER THAN 5 YEARS	<u>251,462</u>	<u>264,198</u>
DEFERRED FINANCE COST	<u>(159,377)</u>	<u>(165,970)</u>
BALANCE AS AT 30 JUNE / 31 DECEMBER	<u>311,839</u>	<u>332,547</u>

THE GROUP DOES NOT FACE A SIGNIFICANT LIQUIDITY RISK WITH REGARD TO ITS LEASE LIABILITIES. LEASE LIABILITIES ARE MONITORED BY THE GROUP'S TREASURY FUNCTION.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

15 OBLIGATIONS UNDER ISLAMIC FINANCE CONTRACTS

THE MOVEMENTS IN THE OBLIGATIONS UNDER ISLAMIC FINANCE CONTRACTS WERE AS FOLLOWS:

	<i>30 JUNE 2020 (REVIEWED) QR'000</i>	<i>31 DECEMBER 2019 (AUDITED) QR'000</i>
AT 1 JANUARY	9,406,049	7,925,280
ADDITIONAL FACILITIES OBTAINED	185,000	2,000,000
ACCRUED FINANCE COST	29,393	-
REPAYMENTS	(286,639)	(517,724)
DEFERRED FINANCE CHARGES	3,874	(1,551)
FOREIGN EXCHANGE ADJUSTMENT	(74)	44
	<u>9,337,603</u>	<u>9,406,049</u>

THE MATURITY PROFILE OF OBLIGATIONS UNDER ISLAMIC FINANCE CONTRACTS WERE AS FOLLOWS:

	<i>30 JUNE 2020 (REVIEWED) QR'000</i>	<i>31 DECEMBER 2019 (AUDITED) QR'000</i>
NON-CURRENT PORTION	6,875,396	8,332,020
CURRENT PORTION	<u>2,462,207</u>	<u>1,074,029</u>
	<u>9,337,603</u>	<u>9,406,049</u>

DURING THE PERIOD, THE GROUP SIGNED A NEW FACILITY AGREEMENT AMOUNTING TO QR 185 MILLION WHICH HAS BEEN WITHDRAWN IN FULL (2019: QR 2,000 MILLION, OF WHICH QR 1,600 MILLION HAD BEEN PARTIALLY WITHDRAWN)

NOTE:

- (i) THE ISLAMIC FINANCE CONTRACTS HAVE BEEN OBTAINED FOR THE PURPOSE OF FINANCING LONG TERM PROJECTS, WORKING CAPITAL REQUIREMENTS OF THE GROUP AND SETTLEMENT OF PREVIOUSLY OBTAINED BANKING FACILITIES. THE CONTRACTS CARRY PROFITS AT COMMERCIAL RATES. THERE WERE NO SECURITIES PLEDGED AGAINST ANY OF THE CONTRACTS AT 30 JUNE 2020 AND 31 DECEMBER 2019.

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

16 RENTAL OPERATION EXPENSES

	<i>30 JUNE 2020 (REVIEWED) QR'000</i>	<i>30 JUNE 2019 (REVIEWED) QR'000</i>
STAFF COSTS	39,822	40,645
MAINTENANCE AND UTILITIES EXPENSE	87,688	93,750
PROFESSIONAL FEES & OTHER EXPENSES	3,310	3,031
DEPRECIATION	102	121
	<u>130,922</u>	<u>137,547</u>

17 CONSULTING OPERATION AND OTHER SERVICES EXPENSES

	<i>30 JUNE 2020 (REVIEWED) QR'000</i>	<i>30 JUNE 2019 (REVIEWED) QR'000</i>
STAFF COSTS	40,089	43,560
HOTEL OPERATION COSTS	34,588	41,898
MAINTENANCE AND UTILITIES EXPENSE	28,886	23,223
DEPRECIATION	18,639	26,423
OTHER EXPENSES	4,673	8,167
	<u>126,875</u>	<u>143,271</u>

18 NET IMPAIRMENT LOSSES

	<i>30 JUNE 2020 (REVIEWED) QR'000</i>	<i>30 JUNE 2019 (REVIEWED) QR'000</i>
<u>IMPAIRMENT LOSSES :</u>		
CASH AND BANK BALANCES (NOTE 5)	(20)	(433)
RECEIVABLES (NOTE 6)	(35,487)	(12,508)
TRADING PROPERTIES (NOTE 7.II)	(12,691)	-
INVESTMENT IN ASSOCIATES (NOTE 11)	(83,287)	(1,150)
DUE FROM RELATED PARTIES	(1,736)	(1,754)
<u>REVERSAL OF IMPAIRMENT:</u>		
CASH AND BANK BALANCES (NOTE 5)	722	644
RECEIVABLES (NOTE 6)	1,663	268
INVESTMENT IN ASSOCIATES (NOTE 11)	-	12,600
DUE FROM RELATED PARTIES	107	-
FINANCE LEASE RECEIVABLES	1,818	1,119
NET IMPAIRMENT LOSSES	<u>(128,911)</u>	<u>(1,214)</u>

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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19 OTHER INCOME

	<i>30 JUNE</i> <i>2020</i> <i>(REVIEWED)</i> <i>QR'000</i>	<i>30 JUNE</i> <i>2019</i> <i>(REVIEWED)</i> <i>QR'000</i>
DIVIDEND INCOME	2,802	6,627
LOSS FROM REVALUATION OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	(2,479)	(505)
GAIN FROM REVERSAL OF A PROVISION	1,644	-
OTHERS	78,997	20,087
	<u>80,964</u>	<u>26,209</u>

20 NET FINANCE COST

	<i>30 JUNE</i> <i>2020</i> <i>(REVIEWED)</i> <i>QR'000</i>	<i>30 JUNE</i> <i>2019</i> <i>(REVIEWED)</i> <i>QR'000</i>
<i>FINANCE COSTS</i>		
FINANCE COSTS ON ISLAMIC FINANCE CONTRACTS	(186,559)	(211,196)
LESS: CAPITALIZED FINANCE COSTS (NOTE 7.II & 9)	<u>50,597</u>	<u>68,920</u>
	(135,962)	(142,276)
UNWINDING OF DEFERRED FINANCE COST	(13,820)	(15,694)
FINANCE COST - LEASE LIABILITY (NOTE 14)	(6,530)	(7,332)
NET FOREIGN EXCHANGE LOSS	<u>(1,708)</u>	<u>(1,325)</u>
FINANCE COSTS FOR THE PERIOD	<u>(158,020)</u>	<u>(166,627)</u>
<i>FINANCE INCOME</i>		
INCOME FROM MURABAHA AND ISLAMIC DEPOSITS	5,762	19,490
OTHERS	405	-
FINANCE INCOME FOR THE PERIOD	<u>6,167</u>	<u>19,490</u>
NET FINANCE COST FOR THE PERIOD	<u>(151,853)</u>	<u>(147,137)</u>

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21 BASIC AND DILUTED EARNINGS PER SHARE

BASIC EARNINGS PER SHARE IS CALCULATED BY DIVIDING THE PROFIT FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT BY THE WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES OUTSTANDING DURING THE PERIOD AS FOLLOWS:

	<i>FOR THE THREE MONTHS ENDED</i>		<i>FOR THE SIX MONTHS ENDED</i>	
	<i>30 JUNE</i>		<i>30 JUNE</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	(UNREVIEWED)	(REVIEWED)	(REVIEWED)	(REVIEWED)
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT (QR'000)	408,920	95,341	586,080	509,635
ORDINARY SHARES AUTHORIZED, ISSUED AND FULLY PAID (THOUSANDS) (I)	3,891,246	3,891,246	3,891,246	3,891,246
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING DURING THE PERIOD (THOUSANDS)	3,891,246	3,891,246	3,891,246	3,891,246
BASIC AND DILUTED EARNINGS PER SHARE (QR)	0.10	0.02	0.15	0.13

THERE WERE NO POTENTIALLY DILUTIVE SHARES OUTSTANDING AT ANY TIME DURING THE PERIOD AND THEREFORE THE DILUTED EARNINGS PER SHARE ARE EQUAL TO THE BASIC EARNINGS PER SHARE.

(I) SHARE SPLIT

DURING THE EXTRAORDINARY GENERAL MEETING CONVENED ON 28 MARCH 2019, THE SHAREHOLDERS OF THE PARENT APPROVED AMENDING THE PAR VALUE OF THE ORDINARY SHARES FROM QR 10 PER SHARE TO QR 1 PER SHARE, IN LINE WITH THE INSTRUCTIONS ISSUED BY THE QATAR FINANCIAL MARKETS AUTHORITY.

THE SHARE SPLIT HAS BEEN IMPLEMENTED ON 1 JULY 2019 AND THIS HAS LED TO AN INCREASE IN THE NUMBER OF AUTHORISED, ISSUED AND FULLY PAID SHARES FROM 389,124,637 SHARES TO 3,891,246,369 ORDINARY SHARES AND ONE PREFERRED SHARE.

22 OTHER RESERVES

	<i>2020</i>	<i>2019</i>
	(REVIEWED)	(AUDITED)
	QR'000	QR'000
FAIR VALUE RESERVE (I)	(179,727)	(179,781)
TRANSLATION RESERVE (II)	(229,412)	(221,517)
OTHER RESERVE	(462)	-
AT 30 JUNE / 31 DECEMBER	(409,601)	(401,298)

(I) FAIR VALUE RESERVE:

THE FAIR VALUE RESERVE COMPRISES THE CUMULATIVE NET CHANGE IN THE FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME.

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22 OTHER RESERVES (CONTINUED)

(II) TRANSLATION RESERVE:

THE TRANSLATION RESERVE COMPRISES ALL FOREIGN CURRENCY DIFFERENCES ARISING FROM THE TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN OPERATIONS, AS WELL AS FROM THE TRANSLATION OF ASSETS AND LIABILITIES THAT FORM PART OF COMPANY'S NET INVESTMENT IN FOREIGN OPERATIONS. THIS RESERVE IS NOT AVAILABLE FOR DISTRIBUTION.

23 CONTINGENT LIABILITIES

THE GROUP HAD THE FOLLOWING CONTINGENT LIABILITIES FROM WHICH IT IS ANTICIPATED THAT NO MATERIAL LIABILITIES WILL ARISE:

	<i>30 JUNE 2020 (REVIEWED) QR'000</i>	<i>31 DECEMBER 2019 (AUDITED) QR'000</i>
BANK GUARANTEES	<u>134,344</u>	<u>141,388</u>

24 COMMITMENTS

	<i>30 JUNE 2020 (REVIEWED) QR'000</i>	<i>31 DECEMBER 2019 (AUDITED) QR'000</i>
CONTRACTUAL COMMITMENTS TO CONTRACTORS AND SUPPLIERS FOR PROPERTIES UNDER DEVELOPMENT	<u>232,992</u>	<u>329,087</u>
COMMITMENTS FOR PURCHASE OF INVESTMENTS	<u>8,587</u>	<u>8,587</u>

25 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

25.1 FINANCIAL RISK FACTORS

THE GROUP'S ACTIVITIES ARE EXPOSED TO A VARIETY OF FINANCIAL RISKS: MARKET RISK (INCLUDING CURRENCY RISK, FAIR VALUE PROFIT RATE RISK, CASH FLOW PROFIT RATE RISK AND PRICE RISK), CREDIT RISK AND LIQUIDITY RISK.

THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS DO NOT INCLUDE ALL FINANCIAL RISK MANAGEMENT INFORMATION AND DISCLOSURES REQUIRED IN THE ANNUAL FINANCIAL STATEMENTS; THEY SHOULD BE READ IN CONJUNCTION WITH THE GROUP'S ANNUAL FINANCIAL STATEMENTS AS AT 31 DECEMBER 2019 AND NOTE 3 TO THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS.

THERE HAVE BEEN NO CHANGES IN THE RISK MANAGEMENT POLICIES SINCE THE YEAR END.

25.2 LIQUIDITY RISK

COMPARED TO 31 DECEMBER 2019, THERE WERE NO MATERIAL CHANGES IN THE CONTRACTUAL UNDISCOUNTED CASH OUTFLOWS FOR THE FINANCIAL LIABILITIES, EXCEPT FOR A NEW OBLIGATION UNDER ISLAMIC FINANCE CONTRACT SIGNED DURING THE PERIOD AMOUNTING TO QR 185,000 THOUSAND.

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

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25 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

25.3 FAIR VALUE ESTIMATION

THE CARRYING AMOUNTS OF THE GROUP'S FINANCIAL INSTRUMENTS AS AT 30 JUNE 2020 AND 31 DECEMBER 2019 APPROXIMATE THEIR FAIR VALUE.

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 VALUES ARE NOT BASED ON OBSERVABLE MARKET DATA.

FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AMOUNTING TO QR 47,452 THOUSAND (31 DECEMBER 2019 - QR 49,797 THOUSAND) ARE UNQUOTED EQUITY SECURITIES CARRIED AT FAIR VALUE. INFORMATION FOR SUCH INVESTMENTS IS USUALLY LIMITED TO PERIODIC INVESTMENT PERFORMANCE REPORTS FROM THE INVESTMENT MANAGERS. MANAGEMENT HAS PERFORMED A REVIEW OF ITS UNQUOTED EQUITY INVESTMENTS TO ASSESS THE VALUE OF THESE INVESTMENTS. BASED ON THE LATEST FINANCIAL INFORMATION AVAILABLE IN RESPECT OF THESE INVESTMENTS AND THEIR OPERATIONS, MANAGEMENT IS OF THE VIEW THAT THE FAIR VALUE OF THESE INVESTMENTS IS NOT VALUED BY MORE THAN WHAT IS ALREADY RECORDED.

AS AT 30 JUNE 2020 AND 31 DECEMBER 2019, THE GROUP HELD THE FOLLOWING CLASSES OF FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE:

FINANCIAL ASSETS

	<i>30 JUNE 2020 (REVIEWED) QR'000</i>	<i>LEVEL 1 QR'000</i>	<i>LEVEL 2 QR'000</i>	<i>LEVEL 3 QR'000</i>
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	25,888	25,888	-	-
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	136,352	88,900	47,452	-
	<u>162,240</u>	<u>114,788</u>	<u>47,452</u>	<u>-</u>
	<i>31 DECEMBER 2019 (AUDITED) QR'000</i>	<i>LEVEL 1 QR'000</i>	<i>LEVEL 2 QR'000</i>	<i>LEVEL 3 QR'000</i>
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	30,619	30,619	-	-
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	131,928	82,131	49,797	-
	<u>162,547</u>	<u>112,750</u>	<u>49,797</u>	<u>-</u>

DURING THE PERIOD, THERE WERE NO TRANSFERS BETWEEN LEVEL 1 AND LEVEL 2 FAIR VALUE MEASUREMENTS, AND NO TRANSFERS INTO AND OUT OF LEVEL 3 FAIR VALUE MEASUREMENT.

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26 INTANGIBLE ASSETS

	<i>GOODWILL</i>		<i>SERVICE CONCESSION ARRANGEMENT</i>		<i>TOTAL</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
					(REVIEWED)	(AUDITED)
AT 1 JANUARY	132,411	210,180	-	1,605,096	132,411	1,815,276
ADDITIONS	-	-	-	268	-	268
IMPAIRMENT LOSSES	-	(77,769)	-	-	-	(77,769)
TRANSFER TO INVESTMENT PROPERTIES (NOTE 9)	-	-	-	(1,605,364)	-	(1,605,364)
AT 30 JUNE/ 31 DECEMBER	132,411	132,411	-	-	132,411	132,411

SERVICE CONCESSION ARRANGEMENT

THE SERVICE CONCESSION ARRANGEMENT REPRESENTS A CONSTRUCTION SERVICE REVENUE RECOGNIZED TILL 31 DECEMBER 2018 FOR THE AFFORDABLE HOUSING LABOUR PROJECT LOCATED IN SALWA ROAD.

ON 14 DECEMBER 2017, THE GROUP ENTERED INTO AN AGREEMENT WITH THE MINISTRY OF MUNICIPALITY AND ENVIRONMENT (MME) TO DEVELOP A LABOUR RESIDENTIAL PROJECT ON A LAND LEASED FROM THE MME WITH A TOTAL AREA OF 1,179,114 SQUARE METERS. BASED ON THE AGREEMENT, THE GROUP IS COMMITTED TO BUILD AND OPERATE THE PROJECT DURING THE LEASE TERM OF 27 YEARS.

THE TERMS OF THE SERVICE ARRANGEMENT REQUIRE THE GROUP TO CONSTRUCT A LABOUR HOUSING PROJECT, A BUS PARKING AREA AND RELATED INFRASTRUCTURE AND MAINTAIN AND OPERATE THE PROPERTY TO A SPECIFIED STANDARD WITH A RIGHT TO COLLECT RENTAL INCOME AT A CAPPED RENTAL RATE. NO OTHER PERFORMANCE OBLIGATIONS HAVE BEEN IDENTIFIED. THE MME HAS THE RIGHT TO UNILATERALLY TERMINATE THE AGREEMENT FOR THE PUBLIC INTEREST. THE LAND ALONG WITH THE PROJECT WILL BE TRANSFERRED BACK TO THE MME AT THE END OF THE LEASE.

DURING 2019 AND BASED ON CHANGES IN THE FACTS AND CIRCUMSTANCES RELATING TO THE ARRANGEMENT, THE TRANSACTION CEASED TO MEET THE RECOGNITION CRITERIA OF "SERVICE CONCESSION ARRANGEMENT" UNDER IFRIC 12. ACCORDINGLY THE MANAGEMENT TRANSFERRED THE PREVIOUSLY RECOGNIZED INTANGIBLE ASSET TO INVESTMENT PROPERTIES UNDER IAS 40 (NOTE 9).

NO SUCH TRANSACTION EXISTED DURING THE PERIOD ENDED 30 JUNE 2020.

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27 SEGMENT INFORMATION

THE GROUP HAS THREE REPORTABLE SEGMENTS, AS DESCRIBED BELOW, WHICH ARE THE GROUP'S STRATEGIC DIVISIONS. THE STRATEGIC DIVISIONS OFFER DIFFERENT BUSINESSES AND ARE MANAGED SEPARATELY BECAUSE THEY REQUIRE DIFFERENT EXPERTISE. FOR EACH OF THE STRATEGIC DIVISIONS, THE GROUP'S TOP MANAGEMENT (THE CHIEF OPERATING DECISION MAKER) REVIEWS INTERNAL MANAGEMENT REPORTS ON A REGULAR BASIS. THE REAL ESTATE SEGMENT DEVELOPS, SELLS AND LEASES CONDOMINIUMS, VILLAS, RETAIL SHOPS, WAREHOUSES, WORKSHOPS AND PLOTS OF LAND. BUSINESS SERVICES SEGMENT PROVIDES BUSINESS SUPPORT SERVICES AND OTHER SERVICES COMPRISE COOLING AND OTHER SERVICES.

THE OPERATING SEGMENTS ARE MONITORED AND STRATEGIC DECISIONS ARE MADE ON THE BASIS OF ADJUSTED SEGMENT OPERATING RESULTS, WHICH ARE CONSIDERED AS A MEASURE OF THE INDIVIDUAL SEGMENT'S PROFIT OR LOSS.

OPERATING SEGMENTS

THE OPERATING SEGMENTS ARE PRESENTED AS FOLLOWS:

FOR THE SIX MONTHS ENDED 30 JUNE 2020 (REVIEWED):

	<i>REAL ESTATE</i>	<i>BUSINESS SERVICES</i>	<i>OTHER SERVICES</i>	<i>ELIMINATIONS</i>	<i>TOTAL</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
REVENUES AND GAINS					
EXTERNAL PARTIES	1,079,442	89,169	138,029	-	1,306,640
INTERNAL SEGMENTS	71,438	57,020	-	(128,458) (1)	-
TOTAL REVENUES AND GAINS	1,150,880	146,189	138,029	(128,458)	1,306,640
NET PROFIT FOR THE PERIOD	540,343	25,107	65,977	(43,271)	588,156
NET FINANCE COST	(151,238)	(615)	-	-	(151,853)
DEPRECIATION	(12,646)	(1,111)	(18,637)	-	(32,394)
SHARE OF RESULTS OF ASSOCIATES	-	-	(3,976)	-	(3,976)

FOR THE SIX MONTHS ENDED 30 JUNE 2019 (REVIEWED):

	<i>REAL ESTATE</i>	<i>BUSINESS SERVICES</i>	<i>OTHER SERVICES</i>	<i>ELIMINATIONS</i>	<i>TOTAL</i>
	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>	<i>QR'000</i>
REVENUES AND GAINS					
- EXTERNAL PARTIES	774,089	210,926	104,187	-	1,089,202
- INTERNAL SEGMENTS	61,640	46,510	-	(108,150) (1)	-
TOTAL REVENUES AND GAINS	835,729	257,436	104,187	(108,150)	1,089,202
NET PROFIT FOR THE PERIOD	392,886	113,907	27,020	(21,234)	512,579
NET FINANCE (COST)/ INCOME	(149,151)	2,014	-	-	(147,137)
DEPRECIATION	(6,211)	(1,201)	(26,423)	-	(33,835)
SHARE OF RESULTS OF ASSOCIATES	-	-	(3,927)	-	(3,927)

NOTE:

(1) INTER-SEGMENT REVENUES AND GAINS ARE ELIMINATED AT THE CONSOLIDATED LEVEL.

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 FOR THE SIX MONTHS ENDED 30 JUNE 2020
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27 SEGMENT INFORMATION (CONTINUED)

THE FOLLOWING TABLE PRESENTS SEGMENT ASSETS AND LIABILITIES OF THE GROUP'S OPERATING SEGMENTS AS AT 30 JUNE 2020 AND 31 DECEMBER 2019:

<i>At 30 June 2020 (Reviewed)</i>	<i>REAL ESTATE QR'000</i>	<i>BUSINESS SERVICES QR'000</i>	<i>OTHER SERVICES QR'000</i>	<i>ELIMINATIONS QR'000</i>	<i>TOTAL QR'000</i>
CURRENT ASSETS	2,581,587	322,348	192,129	-	3,096,064
NON-CURRENT ASSETS	27,965,609	440,464	649,545	(414,207)	28,641,411
TOTAL ASSETS	30,547,196	762,812	841,674	(414,207)	31,737,475
CURRENT LIABILITIES	(3,993,021)	(190,703)	(42,266)	-	(4,225,990)
NON-CURRENT LIABILITIES	(7,390,505)	(253,887)	(468,518)	449,754	(7,663,156)
TOTAL LIABILITIES	(11,383,526)	(444,590)	(510,784)	449,754	(11,889,146)
<i>At 31 December 2019 (Audited)</i>	<i>REAL ESTATE QR'000</i>	<i>BUSINESS SERVICES QR'000</i>	<i>OTHER SERVICES QR'000</i>	<i>ELIMINATIONS QR'000</i>	<i>TOTAL QR'000</i>
CURRENT ASSETS	3,215,489	324,734	178,476	-	3,718,699
NON-CURRENT ASSETS	27,461,001	381,998	740,557	(352,138)	28,231,418
TOTAL ASSETS	30,676,490	706,732	919,033	(352,138)	31,950,117
CURRENT LIABILITIES	(2,505,481)	(164,898)	(29,226)	-	(2,699,605)
NON-CURRENT LIABILITIES	(8,884,639)	(201,961)	(469,477)	367,042	(9,189,035)
TOTAL LIABILITIES	(11,390,120)	(366,859)	(498,703)	367,042	(11,888,640)

GEOGRAPHIC SEGMENTS

THE GEOGRAPHIC SEGMENTS IN 2020 ARE PRESENTED AS FOLLOWS:

- 94 % OF THE GROUP'S ASSETS ARE LOCATED IN THE STATE OF QATAR.
- 97 % OF THE GROUP'S REVENUES HAVE BEEN GENERATED IN THE STATE OF QATAR.
- 113 % OF THE GROUP'S NET PROFIT HAS BEEN RECOGNIZED IN THE STATE OF QATAR .

28 DIVIDENDS

THE SHAREHOLDERS OF THE PARENT COMPANY APPROVED AT THE ANNUAL GENERAL MEETING HELD ON 15 APRIL 2020 A CASH DIVIDEND OF QR 0.20 PER SHARE, AMOUNTING TO QR 778,249 THOUSAND FROM THE PROFIT OF 2019 (2019: CASH DIVIDEND OF QR 0.25 PER SHARE; AMOUNTING TO QR 972,812 THOUSAND FROM THE PROFIT OF 2018).

29 SUBSEQUENT EVENT

ON 5TH JULY 2020, THE GROUP SIGNED A MURABAHA FINANCING AGREEMENT WITH ONE OF THE LOCAL BANKS AMOUNTING TO QR 1,925,000 THOUSAND FOR THE PURPOSE OF REFINANCING ONE OF THE GROUP'S EXISTING FACILITIES.