



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

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 SEPTEMBER 2020

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BUILDING THE FUTURE



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BARWA REAL ESTATE COMPANY Q.P.S.C.
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT 30 SEPTEMBER 2020

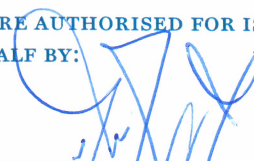
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	30 SEPTEMBER 2020 (UNREVIEWED) QR'000	31 DECEMBER 2019 (AUDITED) QR'000
ASSETS		
CASH AND BANK BALANCES	799,181	1,254,716
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	29,485	30,619
RECEIVABLES AND PREPAYMENTS	733,109	529,728
TRADING PROPERTIES	1,466,662	1,509,248
FINANCE LEASE RECEIVABLES	51,090	103,770
DUE FROM RELATED PARTIES	152,991	208,184
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	160,864	131,928
ADVANCES FOR PROJECTS AND INVESTMENTS	151,566	140,502
INVESTMENT PROPERTIES	27,181,589	26,577,670
PROPERTY, PLANT AND EQUIPMENT	690,464	726,420
RIGHT-OF-USE ASSETS	45,553	72,677
INVESTMENTS IN ASSOCIATES	435,123	529,947
INTANGIBLE ASSETS	132,411	132,411
DEFERRED TAX ASSETS	2,414	2,297
TOTAL ASSETS	32,032,502	31,950,117
LIABILITIES AND EQUITY		
LIABILITIES		
PAYABLES AND OTHER LIABILITIES	1,550,784	1,671,610
PROVISIONS	54,866	61,014
END OF SERVICE BENEFITS	103,608	101,494
DUE TO RELATED PARTIES	237,092	314,174
LEASE LIABILITIES	301,428	332,547
OBLIGATIONS UNDER ISLAMIC FINANCE CONTRACTS	9,762,448	9,406,049
DEFERRED TAX LIABILITIES	1,841	1,752
TOTAL LIABILITIES	12,012,067	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	(375,416)	(401,298)
RETAINED EARNINGS	9,726,672	9,781,402
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	19,834,150	19,862,998
NON-CONTROLLING INTERESTS	186,285	198,479
TOTAL EQUITY	20,020,435	20,061,477
TOTAL LIABILITIES AND EQUITY	32,032,502	31,950,117

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



H.E. SALAH BIN GHANIM AL ALI
CHAIRMAN



ABDULLA JOBARA AL-ROMAIHI
ACTING GROUP CHIEF EXECUTIVE OFFICER



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

	<i>30 SEPTEMBER 2020 (UNREVIEWED) QR'000</i>	<i>30 SEPTEMBER 2019 (REVIEWED) QR'000</i>
RENTAL INCOME	956,277	869,788
RENTAL OPERATION EXPENSES	(194,610)	(206,727)
NET RENTAL INCOME	<u>761,667</u>	<u>663,061</u>
FINANCE LEASE INCOME	9,077	15,896
NET RENTAL AND FINANCE LEASE INCOME	<u>770,744</u>	<u>678,957</u>
INCOME FROM CONSULTANCY AND OTHER SERVICES	234,525	267,787
CONSULTING OPERATION AND OTHER SERVICES EXPENSES	(199,537)	(219,353)
NET CONSULTING AND OTHER SERVICES INCOME	<u>34,988</u>	<u>48,434</u>
PROFIT ON SALE OF PROPERTY	7,609	3,344
NET FAIR VALUE GAIN ON INVESTMENT PROPERTIES	426,326	376,009
SHARE OF RESULTS OF ASSOCIATES	(53,925)	64,067
GENERAL AND ADMINISTRATIVE EXPENSES	(155,615)	(176,206)
NET (IMPAIRMENT LOSSES) / REVERSAL OF IMPAIRMENT	(119,324)	52,889
OTHER INCOME	95,640	27,008
OPERATING PROFIT BEFORE FINANCE COST, DEPRECIATION, AMORTISATION AND INCOME TAX	<u>1,006,443</u>	<u>1,074,502</u>
FINANCE INCOME	7,400	30,551
FINANCE COST	(233,876)	(252,626)
PROFIT BEFORE DEPRECIATION, AMORTISATION AND INCOME TAX	<u>779,967</u>	<u>852,427</u>
DEPRECIATION	(18,107)	(10,897)
AMORTISATION OF RIGHT-OF-USE ASSETS	(26,119)	(31,472)
INCOME TAX EXPENSE	(8,359)	(1,663)
NET PROFIT FOR THE PERIOD	<u>727,382</u>	<u>808,395</u>
ATTRIBUTABLE TO:		
<i>EQUITY HOLDERS OF THE PARENT</i>	723,519	804,129
<i>NON-CONTROLLING INTERESTS</i>	3,863	4,266
	<u>727,382</u>	<u>808,395</u>
BASIC AND DILUTED EARNINGS PER SHARE		
<i>ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (EXPRESSED IN QR PER SHARE)</i>	<u>0.19</u>	<u>0.21</u>



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

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	<i>30</i> <i>SEPTEMBER</i> <i>2020</i> <i>(UNREVIEWED)</i> <i>QR'000</i>	<i>30</i> <i>SEPTEMBER</i> <i>2019</i> <i>(REVIEWED)</i> <i>QR'000</i>
NET PROFIT FOR THE PERIOD	<u>727,382</u>	<u>808,395</u>
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	8,195	(7,060)
<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)	18,251	(6,036)
OTHER RESERVES	<u>(462)</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	<u>25,984</u>	<u>(13,096)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>753,366</u>	<u>795,299</u>
ATTRIBUTABLE TO:		
EQUITY HOLDERS OF THE PARENT	749,401	788,688
NON-CONTROLLING INTERESTS	<u>3,965</u>	<u>6,611</u>
	<u>753,366</u>	<u>795,299</u>



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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	<i>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</i>					<i>TOTAL</i>	<i>Non-CONTROLLING INTERESTS</i>	<i>Total EQUITY</i>
	<i>SHARE CAPITAL</i>	<i>LEGAL RESERVE</i>	<i>GENERAL RESERVE</i>	<i>OTHER RESERVES</i>	<i>RETAINED EARNINGS</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>	<i>QR'000</i>	<i>QR'000</i>
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	-	-	-	-	723,519	723,519	3,863	727,382
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	-	-	-	25,882	-	25,882	102	25,984
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	-	-	25,882	723,519	749,401	3,965	753,366
<i>SHAREHOLDERS' CONTRIBUTION:</i>								
DIVIDENDS FOR 2019	-	-	-	-	(778,249)	(778,249)	-	(778,249)
DIVIDEND PAID TO NON-CONTROLLING INTEREST	-	-	-	-	-	-	(16,159)	(16,159)
TOTAL TRANSACTIONS WITH OWNERS	-	-	-	-	(778,249)	(778,249)	(16,159)	(794,408)
BALANCE AT 30 SEPTEMBER 2020 (UNREVIEWED)	<u>3,891,246</u>	<u>1,952,417</u>	<u>4,639,231</u>	<u>(375,416)</u>	<u>9,726,672</u>	<u>19,834,150</u>	<u>186,285</u>	<u>20,020,435</u>

	<i>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</i>					<i>TOTAL</i>	<i>Non-CONTROLLING INTERESTS</i>	<i>Total EQUITY</i>
	<i>SHARE CAPITAL</i>	<i>LEGAL RESERVE</i>	<i>GENERAL RESERVE</i>	<i>OTHER RESERVES</i>	<i>RETAINED EARNINGS</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>	<i>QR'000</i>	<i>QR'000</i>
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	-	-	-	-	804,129	804,129	4,266	808,395
OTHER COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	-	-	-	(15,441)	-	(15,441)	2,345	(13,096)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	-	-	(15,441)	804,129	788,688	6,611	795,299
<i>SHAREHOLDERS' CONTRIBUTION:</i>								
DIVIDENDS FOR 2018	-	-	-	-	(972,812)	(972,812)	-	(972,812)
DIVIDEND PAID TO NON-CONTROLLING INTEREST	-	-	-	-	-	-	(11,318)	(11,318)
TOTAL TRANSACTIONS WITH OWNERS	-	-	-	-	(972,812)	(972,812)	(11,318)	(984,130)
BALANCE AT 30 SEPTEMBER 2019 (REVIEWED)	<u>3,891,246</u>	<u>1,793,489</u>	<u>4,639,231</u>	<u>(445,715)</u>	<u>9,282,639</u>	<u>19,160,890</u>	<u>200,366</u>	<u>19,361,256</u>

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	<i>30 SEPTEMBER 2020 (UNREVIEWED) QR'000</i>	<i>30 SEPTEMBER 2019 (REVIEWED) QR'000</i>
OPERATING ACTIVITIES		
NET PROFIT FOR THE PERIOD	727,382	808,395
<i>ADJUSTMENTS FOR:</i>		
FINANCE COST	203,825	218,386
UNWINDING OF DEFERRED FINANCE COST	30,051	34,240
FINANCE INCOME	(7,400)	(30,551)
NET FAIR VALUE GAIN ON INVESTMENT PROPERTIES	(426,326)	(376,009)
DEPRECIATION	47,117	49,562
AMORTISATION OF RIGHT-OF-USE ASSETS	26,119	31,472
SHARE OF RESULTS OF ASSOCIATES	53,925	(64,067)
NET IMPAIRMENT LOSSES/ (REVERSAL OF IMPAIRMENT)	119,324	(52,889)
FINANCE LEASE INCOME	(9,077)	(15,896)
OTHER INCOME	(95,640)	(27,008)
OPERATING GAIN BEFORE WORKING CAPITAL CHANGES	669,300	575,635
<i>CHANGES IN WORKING CAPITAL:</i>		
CHANGE IN RECEIVABLES AND PREPAYMENTS	(220,659)	(104,542)
CHANGE IN TRADING PROPERTIES	33,972	29,238
CHANGE IN FINANCE LEASE RECEIVABLES	9,551	85,139
CHANGE IN AMOUNTS DUE FROM / DUE TO RELATED PARTIES	(27,159)	15,241
CHANGE IN PROVISIONS	4,685	100
CHANGE IN PAYABLES AND ACCRUALS	(57,024)	(639,691)
CASH FLOWS FROM / (USED IN) OPERATIONS	412,666	(38,880)
PAYMENT FOR CONSTRUCTION SERVICES	-	(268)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	412,666	(39,148)
INVESTING ACTIVITIES		
FINANCE INCOME RECEIVED	8,186	32,308
DIVIDENDS RECEIVED FROM ASSOCIATES	4,000	30,608
PROCEEDS FROM DISPOSAL OF AN ASSOCIATE	-	1,996
PURCHASE OF INVESTMENT PROPERTIES	(92,099)	(200,388)
ADVANCES PAID FOR PURCHASE OF PROJECTS AND INVESTMENTS	(30,820)	(26,950)
PAYMENTS FOR PURCHASE OF PROPERTY, PLANT AND EQUIPMENT	(11,161)	(5,255)
PROCEEDS FROM SALE OF PROPERTY, PLANT AND EQUIPMENT	6	103
DIVIDEND INCOME RECEIVED	2,940	6,578
PROCEEDS FROM DISPOSAL OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	25,857	12,713
PAYMENTS FOR PURCHASE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	(23,201)	(16,979)
NET MOVEMENT IN SHORT TERM DEPOSITS MATURING AFTER THREE MONTHS	322,396	(17,682)
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	206,104	(182,948)



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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (CONTINUED)

	<i>30 SEPTEMBER 2020 (UNREVIEWED) QR'000</i>	<i>30 SEPTEMBER 2019 (REVIEWED) QR'000</i>
FINANCING ACTIVITIES		
FINANCE COST PAID	(264,098)	(362,704)
PROCEEDS FROM OBLIGATIONS UNDER ISLAMIC FINANCE CONTRACTS	1,558,657	2,000,000
PAYMENTS FOR OBLIGATIONS UNDER ISLAMIC FINANCE CONTRACTS	(1,246,445)	(353,198)
DIVIDEND PAID TO NON-CONTROLLING INTEREST	(16,159)	(11,318)
DIVIDENDS PAID	(757,894)	(958,745)
PAYMENT OF LEASE LIABILITIES	(41,461)	(24,032)
CHANGE IN RESTRICTED BANK BALANCES	5,415	138,665
NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES	(761,985)	428,668
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(143,215)	206,572
NET FOREIGN EXCHANGE DIFFERENCE	15,028	(1,005)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	718,182	331,843
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	589,995	537,410

