

ZAD HOLDING COMPANY Q.S.C.
CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED
30 JUNE 2016

ZAD HOLDING COMPANY Q.S.C.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2016**

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Independent auditors' report on review of condensed consolidated interim financial statements to the Board of Directors of Zad Holding Company Q.S.C.

Introduction

We have reviewed the accompanying 30 June 2016 condensed consolidated interim financial statements of Zad Holding Company Q.S.C. (the "Company") and its subsidiaries (together the "Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 June 2016;
- the condensed consolidated statement of income for the six month period ended 30 June 2016;
- the condensed consolidated statement of profit or loss and other comprehensive income for the six month period ended 30 June 2016;
- the condensed consolidated statement of changes in equity for the six month period ended 30 June 2016;
- the condensed consolidated statement of cash flows for the six month period ended 30 June 2016; and
- Notes to the condensed consolidated interim financial statements.

The Board of Directors of the Company 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 this 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 information 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.

Basis of qualified conclusion

As more fully explained in note 7 of these financial statements, receivable from the Government of Qatar includes compensation amounting to QR 68,368,576 in respect of subsidized flour sold during earlier years as per the provisions of the compensation agreement that was enforced until 13 December 2007. The quantification of the claim in respect of subsidized flour is still under discussion with the Government of Qatar. We have been unable to obtain assurance that this amount will be recovered in full. Further, the Government of Qatar loan of QR 59,959,040 has been netted off against the amount due in respect of the subsidies to arrive at the net outstanding balance due from the Government of Qatar. The Company has been unable to demonstrate to us that the right of set off exists. Accordingly, we have been unable to obtain assurance that the set off is appropriate.



Qualified conclusion

Based on our review, with the exception of the matter described in preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying 30 June 2016 condensed consolidated interim financial statements is not prepared, in all material respects, in accordance with IAS 34 – “*Interim Financial Reporting*”.

Emphasis of matter

Without further qualifying our opinion, we draw attention to note 10(b) to the condensed consolidated interim financial statements; the Company is in the process of listing its 8,464,132 equity shares at a par value of QR 10 each that were issued to the shareholders of an acquired subsidiary during the year 2011. The financial position and operating results of the acquired subsidiary are consolidated with these consolidated financial statements.

13 August 2016
Doha
State of Qatar

A handwritten signature in black ink, appearing to read 'Gopal Balasubramaniam', written in a cursive style.

Gopal Balasubramaniam
KPMG
Audit Registration No. 251

ZAD HOLDING COMPANY Q.S.C.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

In Qatari Riyals

	Note	<u>30 June 2016</u>	<u>31 December 2015</u>
		(Reviewed)	(Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		355,983,397	345,799,255
Investment properties	5	573,383,944	579,017,205
Available-for-sale financial assets	6	37,651,580	57,407,710
Retention receivable		6,605,038	5,711,892
Other assets		4,757,118	4,780,649
Goodwill		<u>19,704,770</u>	<u>19,704,770</u>
Total non-current assets		<u>998,085,847</u>	<u>1,012,421,481</u>
Current assets			
Inventories		121,057,047	110,877,220
Contract work in progress		31,852,854	28,637,339
Due from Government of Qatar	7(a)	76,000,863	86,934,174
Accounts, retentions and other receivables		462,583,865	363,746,673
Investment in commodities		311,224,312	205,316,921
Due from related parties	8(b)	2,144,736	769,228
Cash and bank balances	9	<u>165,071,375</u>	<u>282,437,780</u>
Total current assets		<u>1,169,935,052</u>	<u>1,078,719,335</u>
Total assets		<u>2,168,020,899</u>	<u>2,091,140,816</u>

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2016

In Qatari Riyals

	Note	30 June 2016 (Reviewed)	31 December 2015 (Audited)
EQUITY AND LIABILITIES			
Equity			
Share capital	10	215,452,000	215,452,000
Legal reserve		563,120,753	563,120,753
Capital reserve		15,000,000	15,000,000
Fair value reserve		59,437	2,085,925
Retained earnings		575,428,079	547,893,690
Total equity		1,369,060,269	1,343,552,368
Non- current liabilities			
Employee's end of service benefits		21,353,712	18,556,736
Due to Government of Qatar	7(d)	47,591,581	47,591,581
Islamic financing – non current	11	101,314,199	117,548,071
Total non-current liabilities		170,259,492	183,696,388
Current liabilities			
Accounts payable, retention and other payables		360,239,645	364,332,820
Due to related parties	8(c)	18,828,597	8,656,860
Islamic financing – current	11	249,632,896	190,902,380
Total current liabilities		628,701,138	563,892,060
Total liabilities		798,960,630	747,588,448
Total equity and liabilities		2,168,020,899	2,091,140,816

These condensed consolidated interim financial statements were approved by the Board of Directors and signed on its behalf by the following on 13 August 2016.


Abdulla Ali M A Al-Ansari
Board Member


Tarique Mohammad
Chief Executive Officer

The attached notes on pages from 10 to 18 form an integral part of these condensed consolidated interim financial statements.

ZAD HOLDING COMPANY Q.S.C.

CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2016

In Qatari Riyals

	Note	For the six month period ended 30 June	
		2016 (Reviewed)	2015 (Reviewed)
Operating revenue		628,526,307	475,333,891
Compensation from Government of Qatar for sale of subsidized flour		51,076,650	61,830,616
Total revenue		679,602,957	537,164,507
Operating cost		(526,314,576)	(422,557,102)
Gross profit		153,288,381	114,607,405
Other income	12	42,542,339	61,831,452
General and administrative expenses		(42,120,787)	(42,938,045)
Selling and distribution expenses		(23,640,041)	(19,267,874)
Impairment loss on available -for- sale financial assets		(12,054,926)	-
Finance costs		(4,299,777)	(4,458,997)
Profit for the period		113,715,189	109,773,941
Earnings per share			
Basic and diluted earnings per share	13	5.28	5.10

The attached notes on pages from 10 to 18 form an integral part of these condensed consolidated interim financial statements.

ZAD HOLDING COMPANY Q.S.C.**CONDENSED CONSOLIDATED STATEMENT OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2016**

In Qatari Riyals

	For the six month period ended 30 June	
	<u>2016</u>	<u>2015</u>
	(Reviewed)	(Reviewed)
Profit for the period	113,715,189	109,773,941
Other comprehensive income		
<i>Items that are or may be reclassified to profit or loss:</i>		
Available-for-sale financial assets – net change in fair value	12,908,133	19,227,884
Available-for-sale financial assets – reclassified to profit or loss	<u>(14,934,621)</u>	<u>(38,364,230)</u>
Other comprehensive income for the period	<u>(2,026,488)</u>	<u>(19,136,346)</u>
Total comprehensive income for the period	<u>111,688,701</u>	<u>90,637,595</u>

The attached notes on pages from 10 to 18 form an integral part of these condensed consolidated interim financial statements.

ZAD HOLDING COMPANY Q.S.C.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2016

In Qatari Riyals

	Share Capital	Legal Reserve	Capital Reserve	Fair value Reserve	Retained Earnings	Total Equity
Balance at 1 January 2015 (<i>Audited</i>)	215,452,000	563,120,753	15,000,000	21,688,466	477,611,312	1,292,872,531
Profit for the period	-	-	-	-	109,773,941	109,773,941
Other comprehensive income	-	-	-	(19,136,346)	-	(19,136,346)
Total comprehensive income	-	-	-	(19,136,346)	109,773,941	90,637,595
Dividends paid (Note 14)	-	-	-	-	(86,180,800)	(86,180,800)
Balance at 30 June 2015 (<i>Reviewed</i>)	215,452,000	563,120,753	15,000,000	2,552,120	501,204,453	1,297,329,326
Balance as at 1 January 2016 (<i>Audited</i>)	215,452,000	563,120,753	15,000,000	2,085,925	547,893,690	1,343,552,368
Profit for the period	-	-	-	-	113,715,189	113,715,189
Other comprehensive income	-	-	-	(2,026,488)	-	(2,026,488)
Total comprehensive income	-	-	-	(2,026,488)	113,715,189	111,688,701
Dividends paid (Note 14)	-	-	-	-	(86,180,800)	(86,180,800)
Balance at 30 June 2016 (<i>Reviewed</i>)	215,452,000	563,120,753	15,000,000	59,437	575,428,079	1,369,060,269

The attached notes on pages from 10 to 18 form an integral part of these condensed consolidated interim financial statements.

ZAD HOLDING COMPANY Q.S.C.
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2016**

In Qatari Riyals

	Note	For the six month period ended 30 June	
		2016 (Reviewed)	2015 (Reviewed)
Cash flows from operating activities			
Profit for the period		113,715,189	109,773,941
<i>Adjustments for:</i>			
Provision for impairment of accounts receivables		210,283	6,561,835
Provision for slow moving inventories		-	60,000
Reversal of provision on commodities	12	(24,103,495)	-
Impairment on Available for sale securities		12,054,926	-
Depreciation		31,529,517	30,660,792
Gain on disposal of property, plant and equipment		-	(723,324)
Gain on disposal of land		-	(46,952,756)
Finance costs		4,299,777	4,458,997
Employee's end of service benefits (net)		2,796,976	2,011,332
Dividend income	12	(795,749)	(4,101,929)
Reversal of provision for doubtful debts		(863,225)	(4,842,967)
Islamic finance income	12	(1,601,155)	(49,315)
Gain on sale of available for sale financial assets	12	(4,508,887)	(326,063)
		<u>132,734,157</u>	<u>96,530,543</u>
<i>Change in:</i>			
- Inventories		(10,179,827)	21,354,987
- Contract work in progress		(3,215,515)	2,129,330
- Due from and due to Government of Qatar (net)		10,933,311	(5,842,438)
- Accounts, retentions and other receivables		(99,053,865)	(32,185,085)
- Due from and to related parties (net)		8,796,229	(11,191,664)
- Accounts payable, retention and other payables		(25,514,218)	29,404,244
Cash generated from operating activities		<u>14,500,272</u>	<u>100,199,917</u>
Finance costs paid		<u>(4,562,945)</u>	<u>(4,692,571)</u>
Net cash from operating activities		<u>9,937,327</u>	<u>95,507,346</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		(36,080,398)	(32,497,970)
Proceeds from disposal of property, plant and equipment		-	1,178,170
Proceeds from disposal of land		-	252,185,956
Acquisition of commodities		(81,803,896)	(59,090,621)
Proceeds from sale of available-for-sale financial assets		10,183,605	11,714,106
Dividend income received	12	795,749	4,101,929
Acquisition of available for sale financial assets		-	(1,361,232)
Islamic finance income received	12	<u>1,601,155</u>	<u>49,315</u>
Net cash (used in) / from investing activities		<u>(105,303,785)</u>	<u>176,279,653</u>

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ZAD HOLDING COMPANY Q.S.C.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2016

In Qatari Riyals

	Note	For the six month period ended 30 June	
		2016 (Reviewed)	2015 (Reviewed)
Cash flows from financing activities			
Net movement in Islamic Financing		42,496,644	12,919,868
Dividends paid		(64,496,591)	(52,591,466)
Net cash used in financing activities		(21,999,947)	(39,671,598)
Net (decrease) / increase in cash and cash equivalents		(117,366,405)	232,115,401
Cash and cash equivalents at beginning of the period		282,437,780	77,962,447
Cash and cash equivalents at end of the period	9	165,071,375	310,077,848

The attached notes on pages from 10 to 18 form an integral part of these condensed consolidated interim financial statements

1. REPORTING ENTITY

Zad Holding Company Q.S.C. (the "Company") was incorporated on 07 July 1969 under commercial registration No. 27 as a Qatari Shareholder Company by Emiri Decree No. 45 of 1969 and by Concession law No. 12 of 1969. The condensed consolidated interim financial statements as at and for the six month period ended 30 June 2016 ("the consolidated interim financial statements") comprise the Company and its subsidiaries (together referred as the "Group").

The Group's main activities are import of wheat, production of different kind of flour, manufacturing and marketing of pasta, biscuits and bakery products. Further, the Group earns income from sales of certain type of grain and related commodities. In addition to the above, the Group engaged in the activities of contracting for building, investing, establishing, and managing of industrial projects, activities in real estate, selling and rental of heavy equipment and investment in shares, manufacturing and supply of ready mix concrete and asphalt, rock blasting, crushing services, providing transport services, investment in financial instruments.

2. BASIS OF PREPARATION

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting" and have been presented in Qatari Riyals ("QR"), which is the Group's functional and presentation currency.

These condensed consolidated interim financial statements do not include all the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2015. In addition, results for the six month period ended 30 June 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016.

b) Judgments and estimates

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

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2015.

3. SIGNIFICANT ACCOUNTING POLICIES

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 2015, except for the adoption of amendments to standards which became effective as of 1 January 2016, as noted below:

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

During the current period, the Group adopted the below amendments and improvements to the International Financial Reporting Standards that are effective for annual periods beginning on 1 January 2016:

- *Amendments to IAS 1 on Disclosure Initiative*
- *Amendments to IAS 16 and IAS 38 on clarification of acceptable methods of depreciation and amortization*
- *Amendments to IAS 16 and IAS 41 on Agriculture: Bearer plants*
- *Amendments to IAS 27 on equity method in Separate Financial Statements”*
- *Amendments to IFRS 11 on accounting for acquisitions of interests in Joint Ventures*
- *Amendments to IFRS 10, IFRS 12 and IAS 28 on investment entities applying the consolidation exception*
- *IFRS 14 “Regulatory Deferral Accounts”*
- *Annual improvements to IFRSs 2012-2014 cycles*

The adoption of the above amendments and improvements had no significant impact on the condensed consolidated interim financial statements.

ZAD HOLDING COMPANY Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2016

In Qatari Riyals

4. OPERATING SEGMENTS

Information about reportable segments

Revenue / profit	Investment & managed services		Trading, manufacturing, distribution & services		Contracting, real estate & others		Total	
	For the six month period ended 30 June		For the six month period ended 30 June		For the six month period ended 30 June		For the six month period ended 30 June	
	2016 (Reviewed)	2015 (Reviewed)	2016 (Reviewed)	2015 (Reviewed)	2016 (Reviewed)	2015 (Reviewed)	2016 (Reviewed)	2015 (Reviewed)
External revenue	31,032,840	4,617,849	444,453,187	347,243,890	195,582,619	185,303,604	671,068,646	537,165,343
Inter-segment revenue	-	-	36,019,610	29,274,102	41,939,964	16,517,118	77,959,574	45,791,220
Compensation from Government of Qatar	-	-	51,076,650	61,830,616	-	-	51,076,650	61,830,616
Total revenue	31,032,840	4,617,849	531,549,447	438,348,608	237,522,583	201,820,722	800,104,870	644,787,179
Segment profit / (loss)	(3,263,829)	(15,892,134)	97,391,321	64,908,597	19,587,697	60,757,478	113,715,189	109,773,941
Assets and Liabilities	Investment & managed services		Trading, manufacturing, distribution & services		Contracting, real estate & others		Total	
	30 June 2016 (Reviewed)	31 December 2015 (Audited)	30 June 2016 (Reviewed)	31 December 2015 (Audited)	30 June 2016 (Reviewed)	31 December 2015 (Audited)	30 June 2016 (Reviewed)	31 December 2015 (Audited)
Current assets	448,696,152	497,736,832	546,351,520	412,102,211	174,887,380	168,880,292	1,169,935,052	1,078,719,335
Non – current assets	65,318,331	85,033,504	81,110,368	66,196,935	851,657,148	861,191,042	998,085,847	1,012,421,481
Total assets	514,014,483	582,770,336	627,461,888	478,299,146	1,026,544,528	1,030,071,334	2,168,020,899	2,091,140,816
Current liabilities	86,082,845	61,345,124	347,435,373	332,390,201	195,182,920	170,156,735	628,701,138	563,892,060
Non- Current liabilities	6,988,756	6,787,397	55,372,812	53,865,934	107,897,924	123,043,057	170,259,492	183,696,388
Total Liabilities	93,071,601	68,132,521	402,808,185	386,256,135	303,080,844	293,199,792	798,960,630	747,588,448

5. INVESTMENT PROPERTIES

The movement during the period / year were as follows:

	30 June 2016 (Reviewed)	31 December 2015 (Audited)
Cost		
As at 1 January	624,335,058	686,430,875
Transferred from advance for land	-	205,233,200
Disposals	-	(265,025,200)
Write off	-	(2,303,817)
Balance at the end of the period / year	624,335,058	624,335,058
Accumulated depreciation		
Balance at the beginning of the period / year	45,317,853	33,988,390
Depreciation	5,633,261	11,329,463
Balance at the end of the period / year	50,951,114	45,317,853
Net book value at the end of the period / year	573,383,944	579,017,205

Investment property comprises a number of residential and commercial properties that are leased to third parties. Each of the leases contains an initial non-cancellable period of one to-five years, with annual rents indexed to consumer prices. Subsequent renewals are negotiated with the lessees and historically the average renewal period was one year.

The management has used the services of an independent evaluator to calculate the fair value of investment property as at 31 December 2014 amounting to QR 984.7 million. The valuation is based on transaction for the similar asset in the same locality.

6. AVAILABLE-FOR-SALE FINANCIAL ASSETS

- a) Available for sale financial assets comprise of investment in shares of listed and unlisted companies classified as available for sale financial assets.

	30 June 2016 (Reviewed)	31 December 2015 (Audited)
Investment in instruments		
Quoted - Note 6 (b)	37,651,580	57,407,710

- b) **Investment in quoted equity instruments**

The movement during the period / year were as follows:

	30 June 2016 (Reviewed)	31 December 2015 (Audited)
Balance at beginning of the period / year	57,407,710	113,219,432
Additions during the period / year	-	1,701,531
Disposal during the period / year	(5,674,716)	(30,993,380)
Fair value adjustments	(2,026,488)	(11,689,873)
Allowance for impairment during the year	(12,054,926)	(14,830,000)
Balance at the end of the period / year	37,651,580	57,407,710

7. DUE FROM AND DUE TO GOVERNEMENT OF QATAR**a) Due from Government of Qatar**

	30 June 2016 (Reviewed)	31 December 2015 (Audited)
<i>Compensation due from Government of Qatar</i>		
Balance at beginning of the period / year	146,893,214	141,287,582
Cash received during the period / year	(62,009,961)	(112,626,715)
Compensation for subsidized flour	51,076,650	118,232,347
Compensation due from Government of Qatar	135,959,903	146,893,214
Loan from Government of Qatar – Note 7 (c)	(59,959,040)	(59,959,040)
Net due from Government of Qatar – Note 7 (b)	76,000,863	86,934,174

b) This includes compensation receivable amounting to QR 68,368,576 (2015: QR 68,368,576) relating to the period up to 31 December 2007 and was computed based on the term of a subsidy agreement dated 25 May 1993.

c) A loan amounting to QR 40,000,000 was provided by the Government of Qatar on 5 June 1994 according to decision taken by the cabinet of ministers in the year 1991. The loan was repayable in equal semiannual installments for 10 years commencing three years after the receipt of the loan. It carries interest at a variable rate of 2% over the Qatar Central bank lending rate. In addition, the Group is required to pay an additional 1% annual rate of interest if it fails to make payment on the due dates. The Group has not yet made any repayment of the principle or interest. However, the Group has made a provision for the interest on the loan amounting to QR 19,959,040.

The interest amount has been computed on the loan balance net of the amount due from Government of Qatar on account of the compensation for subsidized flour. As the amount receivable in respect of compensation for subsidized flour has exceeded the loan balance since beginning of the year 2006, no interest has been accrued for the subsequent period.

The amount of claims under previous compensation agreement and the loan are under review by the Government of Qatar.

d) Due to Government of Qatar

Due to Government of Qatar amounting to QR 47,591,581 as at 30 June 2016 (31 December 2015: QR 47,591,581) represents the compensation received from the Government of Qatar in order to maintain the strategic wheat stock as required by the Government of Qatar. Since the repayable terms and conditions has not been agreed with the Government of Qatar, the compensation is considered as long term.

8. RELATED PARTY BALANCES AND TRANSACTIONS

The Group enters into transaction with companies, entities and individuals that fall within the definition of a related party as referred in International Accounting Standard (IAS) No. 24 Related Party Disclosures. Related parties comprise of Company's shareholders, directors, key management personnel, entities in which the shareholders have controlling interest, affiliates and other related parties.

a) Compensation of key management personnel

The remuneration of directors and members of key management during the period are as follows:

	For the six month period ended 30 June	
	2016	2015
	(Reviewed)	(Reviewed)
Key management remuneration	6,297,952	5,029,795
Post –employment benefits	1,037,772	466,042
	7,335,724	5,495,837

b) Due from related parties

	30 June	31 December
	2016	2015
	(Reviewed)	(Audited)
Seven Brothers Holding Company	69,322	-
Dandy Company W.L.L	2,075,414	769,228
	2,144,736	769,228

c) Due to related parties

	30 June	31 December
	2016	2015
	(Reviewed)	(Audited)
MFH Company	18,828,597	8,651,860
Seven Brothers Holding Company W.L.L.	-	5,000
	18,828,597	8,656,860

9. CASH AND BANK BALANCES

	30 June	31 December
	2016	2015
	(Reviewed)	(Audited)
Cash in hand	1,790,923	1,586,773
Cash at banks	163,280,452	280,851,007
	165,071,375	282,437,780

10. SHARE CAPITAL

- a) The authorized share capital amounting to QR 215,452,000 as at 30 June 2016 represents 21,545,200 ordinary shares of QR 10 each as follows:

	30 June 2016	31 December 2015
	(Reviewed)	(Audited)
Issued and fully paid share capital – listed at Qatar Exchange	130,810,680	130,810,680
Issued through share exchange transaction – unlisted	84,641,320	84,641,320
	<u>215,452,000</u>	<u>215,452,000</u>

- b) Unlisted equity shares 8,464,132 having par value of QR 10 each amounting to QR 84,641,320 as at 30 June 2016 (2015: QR 84,641,320) represents the par value of shares issued for acquisition of Meeda Projects Company O.P.C. through a share swap transaction.

The share swap transaction was approved by Ministry of Business and Trade on 29 November 2011 to give effect of ownership change. Accordingly, the commercial registry of Meeda Projects Company O.P.C was amended on 29 December 2011 to give effect of ownership change.

11. ISLAMIC FINANCING

Islamic financing is presented in the condensed consolidated statement of financial position as follows:

	30 June 2016	31 December 2015
	(Reviewed)	(Audited)
Islamic financing-non current	101,314,199	117,548,071
Islamic financing-current	249,632,896	190,902,380
	<u>350,947,095</u>	<u>308,450,451</u>

Islamic financing is secured against corporate guarantee, first degree mortgage over certain investment properties (note 5), and assignment of rental proceeds from pledged investment properties.

12. OTHER INCOME

	For the six month period ended 30 June	
	2016	2015
	(Reviewed)	(Reviewed)
Reversal of impairment loss on commodities	24,103,495	-
Gain on sale of available-for-sale financial assets	4,508,887	326,063
Dividend income	795,749	4,101,929
Islamic finance income	1,601,155	49,315
Gain on disposal of property, plant and equipment	-	47,676,080
Others	11,533,053	9,678,065
	<u>42,542,339</u>	<u>61,831,452</u>

13. EARNINGS PER SHARE**a) Basic earnings per share**

The basic earnings per share is computed by dividing the profit for the period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

	For the six month period ended 30 June	
	2016 <u>(Reviewed)</u>	2015 <u>(Reviewed)</u>
Profit attributable to ordinary shareholders of the Company	113,715,189	109,773,941
Weighted average number of ordinary shares outstanding	21,545,200	21,545,200
Basic earnings per share	<u>5.28</u>	<u>5.10</u>

b) Diluted earnings per share

There were no potentially dilutive shares outstanding at any time during the period. Therefore, the diluted earnings per share are equal to the basic earnings per share.

14. DIVIDEND

During the period the Company declared and paid cash dividend of QR 4 per share totalling to QR 86.20 million (2015: QR 4 per share totalling to QR 86.2 million).

15. CONTINGENT LIABILITIES

	30 June 2016 <u>(Reviewed)</u>	31 December 2015 <u>(Audited)</u>
Bank guarantees	55,214,797	20,657,168
Letter of credit and acceptances	213,742,918	217,799,577
Performance bond	147,297,185	93,856,804
Tender bond	10,950,028	23,273,735
	<u>427,204,928</u>	<u>355,587,284</u>

16. CAPITAL COMMITMENTS

	30 June 2016 <u>(Reviewed)</u>	31 December 2015 <u>(Audited)</u>
Building under construction	<u>49,900,000</u>	<u>18,900,000</u>

17. FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group measures fair values using the following hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- 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 based on unobservable market data.

All the quoted investments are classified under Level 1 fair value hierarchy into which the fair value measurement are categorized.

During the period ended 30 June 2016, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The fair value of the financial assets and liabilities carried at amortised cost approximates their carrying amount, hence not included in the above fair value hierarchy.

18. COMPARATIVE FIGURES

The comparative figures for the previous period have been reclassified, where necessary, in order to conform to the current period's presentation. Such reclassifications do not affect the previously reported net profits, net assets or equity.