

ZAD HOLDING COMPANY Q.S.C.
CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED
30 JUNE 2015

ZAD HOLDING COMPANY Q.S.C.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2015**

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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 2015 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 2015;
- the condensed consolidated statement of income for the six month period ended 30 June 2015;
- the condensed consolidated statement of profit or loss and other comprehensive income for the six month period ended 30 June 2015;
- the condensed consolidated statement of changes in equity for the six month period ended 30 June 2015;
- the condensed consolidated statement of cash flows for the six month period ended 30 June 2015; 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 State 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 State of Qatar. We have been unable to obtain assurance that this amount will be recovered in full. Further, the Government of State 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 State 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 2015 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 15(b) to the consolidated 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 2015
Doha
State of Qatar


Gopal Balasubramaniam
KPMG
Audit Registration No. 251

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

In Qatari Riyals

	Note	30 June 2015 (Reviewed)	31 December 2014 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		353,218,639	346,203,045
Advance for purchase of land		-	205,233,200
Investment properties	5	646,809,224	652,442,485
Available-for-sale financial assets	6	84,056,276	113,219,432
Retention receivable		1,860,035	1,970,340
Other assets		4,829,123	4,878,197
Goodwill		19,704,770	19,704,770
Total non-current assets		1,110,478,067	1,343,651,469
Current assets			
Inventories		134,374,285	155,789,272
Excess of revenue over billings		4,220,687	6,350,017
Due from Government of State of Qatar	7(a)	87,170,980	81,328,542
Accounts, retentions and other receivables		291,243,980	260,618,375
Investment in commodities and precious metals		150,332,207	91,241,586
Due from related parties	8 (b)	2,491,430	1,209,700
Cash and bank balances	9	310,077,848	77,962,450
Total current assets		979,911,417	674,499,942
Total assets		2,090,389,484	2,018,151,411


Continued.....

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2015


In Qatari Riyals

	Note	30 June 2015 (Reviewed)	31 December 2014 (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		2,552,120	21,688,466
Retained earnings		501,204,453	477,611,312
Total equity		1,297,329,326	1,292,872,531
Non-current liabilities			
Employee's end of service benefits		16,727,183	14,715,853
Due to Government of State of Qatar	7(d)	47,591,581	47,591,581
Islamic financing – non current	11	134,246,709	148,036,690
Total non-current liabilities		198,565,473	210,344,124
Current liabilities			
Accounts payable, retention and other payables		385,696,896	322,936,884
Due to related parties	8(c)	7,908,710	17,818,643
Islamic financing – current	11	200,889,079	174,179,229
Total current liabilities		594,494,685	514,934,756
Total liabilities		793,060,158	725,278,880
Total equity and liabilities		2,090,389,484	2,018,151,411

These condensed consolidated interim financial statements were approved by the Board of Directors and signed on its behalf by the following on 13 August 2015.



.....
Sh. Nasser Bin Mohammad Bin Jabor Al-Thani
Chairman



.....
Sh. Jabor Bin Mohammad Bin Hassan Al-Thani
Board Member

The attached notes from 1 to 18 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2015

In Qatari Riyals

	Note	For the six month period ended 30 June	
		2015 (Reviewed)	2014 (Reviewed) Restated*
Operating revenue		474,175,675	382,994,401
Compensation from Government of State of Qatar for sale of subsidised flour		61,830,616	64,004,033
Total revenue		536,006,291	446,998,434
Operating cost		(422,557,102)	(357,341,731)
Gross profit		113,449,189	89,656,703
Other income	12	62,989,667	114,911,073
General and administrative expenses		(36,315,520)	(29,481,451)
Selling and distribution expenses		(19,390,398)	(17,450,184)
Provision for impairment of accounts receivables		(6,500,000)	(19,899,660)
Finance costs		(4,458,997)	(8,548,041)
Profit for the period		109,773,941	129,188,440
Earnings per share			
Basic and diluted earnings per share (in QR)	13	5.10	6.00

* See note 18

The attached notes from 1 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 2015**

In Qatari Riyals

	For the six month period ended 30 June	
	2015	2014
	(Reviewed)	(Reviewed) Restated*
Profit for the period	109,773,941	129,188,440
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	19,227,884	(562,331)
Available-for-sale financial assets – reclassified to profit or loss	<u>(38,364,230)</u>	<u>(84,887,191)</u>
Other comprehensive income for the period	<u>(19,136,346)</u>	<u>(85,449,522)</u>
Total comprehensive income for the period	<u>90,637,595</u>	<u>43,738,918</u>

* See note 18

The attached notes from 1 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 2015

In Qatari Riyals

	Share Capital	Legal Reserve	Capital Reserve	Fair value Reserve	Retained Earnings	Total Equity
Balance at 1 January 2014 (Audited)	215,452,000	563,120,753	15,000,000	171,643,979	375,419,593	1,340,636,325
Effect of restatement*	-	-	-	-	(56,985,768)	(56,985,768)
Restated balance as at 1 January 2014 (Audited)	215,452,000	563,120,753	15,000,000	171,643,979	318,433,825	1,283,650,557
Profit for the period – restated*	-	-	-	-	129,188,440	129,188,440
Other comprehensive income	-	-	-	(85,449,522)	-	(85,449,522)
Total comprehensive income	-	-	-	(85,449,522)	129,188,440	43,738,918
Dividends paid (Note 14)	-	-	-	-	(75,408,200)	(75,408,200)
Restated balance at 30 June 2014 (Reviewed)	215,452,000	563,120,753	15,000,000	86,194,457	372,214,065	1,251,981,275
Restated balance as at 1 January 2015 (Audited)	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 (Reviewed)	215,452,000	563,120,753	15,000,000	2,552,120	501,204,453	1,297,329,326

* See note 18

The attached notes from 1 to 18 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2015

In Qatari Riyals

	Note	For the six month period ended 30 June	
		2015	2014
		(Reviewed)	(Reviewed) Restated*
Cash flows from operating activities			
Profit for the period		109,773,941	129,188,440
<i>Adjustments for:</i>			
Provision for impairment of accounts receivables		6,561,835	19,899,660
Provision for slow moving inventories		60,000	-
Depreciation		30,660,792	27,856,576
Gain on disposal of property, plant and equipment		(723,324)	-
Gain on disposal of land		(46,952,756)	-
Finance costs		4,458,997	8,548,041
Employee's end of service benefits (net)		2,011,332	1,085,544
Dividend income		(4,101,929)	(13,906,505)
Reversal of provision for doubtful debts		(4,842,967)	-
Islamic finance income		(49,315)	(146,813)
Gain on sale of available for sale financial assets		(326,063)	(96,191,026)
		96,530,543	76,333,917
<i>Change in:</i>			
- Inventories		21,354,987	12,491,019
- Excess of revenue over billings		2,129,330	3,063,424
- Due from and due to Government of Qatar (net)		(5,842,438)	(9,859,249)
- Accounts, retentions and other receivables		(32,185,085)	(7,887,087)
- Due from and to related parties (net)		(11,191,664)	(1,005,003)
- Accounts payable, retention and other payables		29,404,244	56,032,000
Cash generated from operating activities		100,199,917	129,169,021
Finance costs paid		(4,692,571)	(8,548,041)
Net cash (used in) / from operating activities		95,507,346	120,620,980
Cash flows from investing activities			
Acquisition of property, plant and equipment		(32,497,970)	(19,813,278)
Proceeds from disposal of property, plant and equipment		1,178,170	-
Proceeds from disposal of land		252,185,956	-
Acquisition of commodities and precious metals		(59,090,621)	-
Proceeds from sale of available-for-sale financial assets		11,714,106	117,823,971
Acquisition of investment properties		-	(915,775)
Dividend income received		4,101,929	13,906,505
Acquisition of available for sale financial assets		(1,361,232)	(38,538,622)
Advance for purchase of land		-	(2,491,874)
Islamic finance income received		49,315	146,813
Net cash from investing activities		176,279,653	70,117,740

*See note 18

Continued...

ZAD HOLDING COMPANY Q.S.C.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2015

In Qatari Riyals

	Note	For the six month period ended 30 June	
		2015	2014
		(Reviewed)	(Reviewed) Restated*
Cash flows from financing activities			
Net movement in Islamic Financing		12,919,868	(21,075,686)
Dividends paid		(52,591,466)	(75,408,200)
Net cash used in financing activities		(39,671,598)	(96,483,886)
Net increase in cash and cash equivalents		232,115,401	94,254,834
Cash and cash equivalents at beginning of the period		77,962,447	33,288,559
Cash and cash equivalents at end of the period	9	310,077,848	127,543,393

*See note 18

The attached notes from 1 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 2015 ("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 2014. In addition, results for the six month period ended 30 June 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015.

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 2014.

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 2014, except for the adoption of amendments to standards which became effective as of 1 January 2015, as noted below:

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Standards, amendments and interpretations issued and effective on or after 1 January 2015

During the period, the Group has adopted the following new amendments effective for the annual periods beginning on or after 1 January 2015. The adoption of these standards and interpretations had no significant effect on the consolidated financial statements of the Group for the period ended 30 June 2015.

- Defined Benefit Plans – Employee Contributions (Amendments to IAS 19)
- Annual Improvements to IFRSs 2010 – 2012 Cycle
- Annual Improvements to IFRSs 2011 – 2013 Cycle

New standards, amendments and interpretations issued but not yet effective

The new standards, amendments to standards and interpretations, which have been issued but are not yet effective for the period ended 30 June 2015 and have not been early applied in preparing these condensed consolidated interim financial statements were as follows:

- IFRS 9 Financial Instruments (Effective 1 January 2018)
- IFRS 14 Regulatory Deferral Accounts (Effective 1 January 2016)
- IFRS 15 Revenue from Contracts with Customers (Effective 1 January 2017)
- Amendments to IFRS 11 Joint Arrangements – Accounting for Acquisitions of Interest in Joint Operations (Effective 1 January 2016)
- Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortization (Effective 1 January 2016)
- Amendments to IAS 27 – Equity Method in Separate Financial Statements (Effective 1 January 2016)

Management anticipates that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the consolidated financial statements of the Group in the period of initial application.

ZAD HOLDING COMPANY Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2015

In Qatari Riyals

4. OPERATING SEGMENTS

Information about reportable segments

Revenue / profit	Investment & managed services		Manufacturing & distribution		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			
	2015 (Reviewed)	2014 (Restated)	2015 (Reviewed)	2014 (Restated)	2015 (Reviewed)	2014 (Restated)	2015 (Reviewed)	2014 (Restated)		
External revenue	4,617,849	110,244,344	81,803,794	70,953,176	265,440,095	227,577,905	185,303,604	88,799,656	537,165,342	497,575,081
Inter-segment revenue	-	-	-	-	29,274,102	25,264,354	16,517,118	11,927,598	45,791,220	37,191,952
Compensation from Government of Qatar	-	-	-	-	61,830,616	64,004,033	-	-	61,830,616	64,004,033
Total revenue	4,617,849	110,244,344	81,803,794	70,953,176	356,544,813	316,846,292	201,820,722	100,727,254	644,787,178	598,771,066
Segment profit / (loss)	(15,892,134)	94,458,193	16,693,925	14,749,991	48,214,672	20,711,646	60,757,478	(731,391)	109,773,941	129,188,439
Assets and Liabilities	Investment & managed services		Manufacturing & distribution		Trading, manufacturing, distribution & services		Contracting, real estate & others		Total	
	30 June 2015		31 December 2014		30 June 2015		31 December 2014			
	(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)		
Current assets	324,502,515	173,855,395	34,377,413	26,100,860	395,137,388	387,092,636	225,894,101	87,451,049	979,911,417	674,499,940
Non-current assets	111,548,041	140,847,914	37,173,973	35,584,812	26,935,907	65,232,012	934,820,146	1,101,986,730	1,110,478,067	1,343,651,468
Total assets	436,050,556	314,703,309	71,551,386	61,685,672	422,073,295	452,324,648	1,160,714,247	1,189,437,779	2,090,389,484	2,018,151,408
Current liabilities	72,057,209	42,177,661	11,710,372	7,709,631	353,023,289	338,906,584	157,703,815	126,140,879	594,494,685	514,934,755
Non-current liabilities	6,279,294	5,265,318	2,353,632	2,070,372	51,082,165	50,905,589	138,850,382	152,102,842	198,565,473	210,344,121
Total Liabilities	78,336,503	47,442,979	14,064,004	9,780,003	404,105,454	389,812,173	296,554,197	278,243,721	793,060,158	725,278,876

*See note 18

5. INVESTMENT PROPERTIES

The movement during the period / year were as follows:

	30 June 2015 (Reviewed)	31 December 2014 (Audited) Restated*
Cost		
As at 1 January	686,430,875	1,108,622,619
Addition during the period / year	-	1,709,657
Transferred from property, plant and equipment	-	1,184,356
Reclassification to property, plant and equipment	-	(255,673,257)
Reclassification to advance for purchase of land	-	(169,412,500)
Balance at the end of the period / year	686,430,875	686,430,875
Accumulated depreciation		
Balance at the beginning of the period / year	(33,988,390)	(22,658,927)
Depreciation	(5,633,261)	(11,329,463)
Balance at the end of the period / year	(39,621,651)	(33,988,390)
Net book value at the end of the period / year	646,809,224	652,442,485

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.

Investment properties amounting to QR 150.1 million (2014: QR 150.1 million) of the group are mortgaged against Islamic financing facility (Note 20).

*See note 18

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 2015 (Reviewed)	31 December 2014 (Audited)
Investment in instruments		
Quoted - Note 6 (b)	84,056,276	113,219,432
	84,056,276	113,219,432

6. AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONTINUED)**b) Investment in quoted equity instruments**

The movement during the period / year were as follows:

	30 June 2015	31 December 2014
	(Reviewed)	(Audited)
Balance at beginning of the period / year	113,219,432	285,852,052
Additions during the period / year	1,361,233	70,725,302
Disposal during the period / year	(11,388,043)	(260,402,778)
Fair value adjustments	(19,136,346)	17,044,856
Balance at the end of the period / year	84,056,276	113,219,432

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

	30 June 2015	31 December 2014
	(Reviewed)	(Audited)
<i>Compensation due from Government of Qatar</i>		
Balance at beginning of the period / year	141,287,582	139,839,492
Cash received during the period / year	(55,988,178)	(121,213,942)
Compensation for subsidized flour	61,830,616	122,662,032
Compensation due from Government of Qatar	147,130,020	141,287,582
Loan from Government of Qatar – Note 7 (c)	(59,959,040)	(59,959,040)
Net due from Government of Qatar – Note 7 (b)	87,170,980	81,328,542

- b) This includes compensation receivable amounting to QR 68,368,576 (2014: 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 State of Qatar

Due to Government of State of Qatar amounting to QR 47,591,581 as at 30 June 2015 (31 December 2014: QR 47,591,581) represents the compensation received from the Government of State of Qatar in order to maintain the strategic wheat stock as required by the Government of State of Qatar. Since the repayable terms and conditions has not been agreed with the Government of State 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	
	2015 (Reviewed)	2014 (Reviewed)
Director's remuneration	5,029,795	4,294,272
Post –employment benefits	466,042	242,667
	<u>5,495,837</u>	<u>4,536,939</u>

b) Due from related parties

	30 June 2015 (Reviewed)	31 December 2014 (Audited)
Seven Brothers Holding Company W.L.L.	1,464,621	-
Dandy Company W.L.L.	1,026,809	1,209,700
	<u>2,491,430</u>	<u>1,209,700</u>

c) Due to related parties

	30 June 2015 (Reviewed)	31 December 2014 (Audited)
Seven Brothers Holding Company W.L.L.	800,207	15,270,186
MFH Company	7,108,503	2,548,457
	<u>7,908,710</u>	<u>17,818,643</u>

9. CASH AND BANK BALANCES

	30 June 2015 (Reviewed)	31 December 2014 (Audited)
Cash in hand	1,530,125	1,825,643
Cash at banks	208,547,723	76,136,807
Short term time deposits	100,000,000	-
Cash and bank balances in the statement of financial position	<u>310,077,848</u>	<u>77,962,450</u>

10. SHARE CAPITAL

- a) The authorized share capital amounting to QR 215,452,000 as at 30 June 2015 represents 21,545,200 ordinary shares of QR 10 each as follows:

	30 June 2015	31 December 2014
	(Reviewed)	(Audited)
Issued and fully paid share capital – listed at Qatar Exchange	130,810,680	130,810,680
Issued through share exchange transaction – unlisted	<u>84,641,320</u>	<u>84,641,320</u>
	<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 2015 (2014: 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 2015	31 December 2014
	(Reviewed)	(Audited)
Islamic financing-non current	134,246,709	148,036,690
Islamic financing-current	<u>200,889,079</u>	<u>174,179,229</u>
	<u>335,135,788</u>	<u>322,215,919</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	
	2015	2014
	(Reviewed)	(Reviewed)
Gain on sale of available-for-sale financial assets	326,063	96,141,126
Dividend income	4,101,929	13,906,505
Islamic finance income	49,315	146,813
Gain on disposal of property, plant and equipment	47,676,080	270,391
Others	<u>10,836,280</u>	<u>4,446,238</u>
	<u>62,989,667</u>	<u>114,911,073</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	
	2015 (Reviewed)	2014 (Reviewed) Restated*
Profit attributable to ordinary shareholders of the Company	109,773,941	129,188,440
Weighted average number of ordinary shares outstanding	21,545,200	21,545,200
Basic earnings per share (QR)	5.10	6.00

*See note 18

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 (2013: QR 3.50 per share totalling to QR 75.41 million).

15. CONTINGENT LIABILITIES

	30 June 2015 (Reviewed)	31 December 2014 (Audited)
Bank guarantees	51,569,906	26,431,184
Letter of credit	87,709,089	88,838,285
Performance bond	91,459,189	51,855,500
Tender bond	20,006,570	48,682,965
Acceptances	145,659,410	84,798,512
	396,404,164	300,606,446

16. CAPITAL COMMITMENTS

	30 June 2015 (Reviewed)	31 December 2014 (Audited)
Building under construction	2,681,626	2,483,405
	2,681,626	2,483,405

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 2015, 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. RESTATEMENT OF COMPARATIVES AND RECLASSIFICATIONS**Reclassifications**

Certain comparative figures have been reclassified to conform to the presentation in the current period's financial statements. However, such reclassification does not have any effect on the net income, net assets and equity of the previous year.

Restatement of comparatives

Rights to use land with a carrying value of QR 179,833,646 had been recognised as Investment Property acquired under business combination since the year 2011 and being used for operating activities. Since the property used for operations has to be recognised as Property, plant and equipment under IAS 16, these asset have been reclassified under Property plant and equipment and the related depreciation for the last 3 years has also been accounted in the year 2014 instead of restating comparative financial statements as required under IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. This has been corrected in the current period financial statement with retrospective effect in line with IAS IAS-8, 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Furthermore, the Company in its previous years financial statements has stated that it has adopted Fair value model for investment properties acquired under business combination in the year 2011 valuing QR 683,749,249, even though these properties were carried at deemed cost from the date of acquisition. The depreciation charge for the said investment properties from its acquisition date was accounted for in the previous year financial statements instead of restating comparative financial statements in accordance with IAS 8. This has been corrected in the current period financial statement with retrospective effect in line with IAS-8, 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Effect of changes

Because of the significance of the above restatement of comparatives and reclassifications as stated, the same has been corrected in accordance with the requirements of IAS-8, 'Accounting Policies, Changes in Accounting Estimates and Errors' in these financial statements with retrospective effect and restatement of amounts previously presented that are stated below:

18. RESTATEMENT OF COMPARATIVES AND RECLASSIFICATIONS (CONTINUED)**Effect of changes (continued)****Effect on balance sheet**

	As previously reported	1 January 2014 As Restated	Effect of Restatement
Property, plant and equipment	118,538,029	336,990,432	218,452,403
Investment properties	1,108,622,619	663,771,948	(444,850,671)
Retained Earning	375,419,593	318,433,825	(56,985,768)

Effect on profit and loss account

	30 June 2014
Reversal of Investment properties fair value adjustment	42,331,695
Increase in depreciation expense	(14,016,145)
Net effect on profit	<u>28,315,550</u>