ZAD HOLDING COMPANY Q.P.S.C.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2018

ZAD HOLDING COMPANY Q.P.S.C.

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FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2018

Contents

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

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Zad Holding Company Q.P.S.C. (the "Company") as at 30 June 2018, the condensed consolidated statements of income, profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the interim financial statements (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 these condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of interim financial 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 condensed consolidated interim 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 2018 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34 – "*Interim Financial Reporting*".

Emphasis of matter

We draw attention to note 10 to the condensed consolidated interim financial statements; the Company is in the process of listing its 9,310,545 equity shares (including 10% bonus shares) as at 30 June 2018 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. Our conclusion is not qualified in respect of this matter.

14 August 2018
Doha
State of Qatar

Gopal Balasubramaniam
Qatar Auditors Registry Number 251
KPMG
Licensed by QFMA: External Auditor's
License No. 120153

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

In Qatari Riyals

	Note	**30 June 2018** **(Reviewed)**	31 December 2017 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		394,756,650	383,860,964
Investment properties	5	545,010,496	550,316,557
Investment securities	6	2,559,866	19,969,752
Retention and other receivables		1,887,456	5,862,982
Goodwill		19,704,770	19,704,770
Total non-current assets		**963,919,238**	979,715,025
Current assets			
Contract work in progress		206,402	400,628
Due from Government of Qatar	7(a)	88,800,076	83,643,365
Due from related parties	8(b)	10,493,484	3,898,201
Inventories		173,089,496	92,276,985
Accounts, retention and other receivables		450,382,546	431,816,233
Investment in commodities		381,888,675	381,888,675
Cash and bank balances	9	41,735,250	268,646,594
Total current assets		**1,146,595,929**	1,262,570,681
Total assets		**2,110,515,167**	2,242,285,706

Continued.....

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2018

In Qatari Riyals

	Note	30 June 2018 (Reviewed)	31 December 2017 (Audited)
EQUITY AND LIABILITIES			
Equity			
Share capital	10	236,997,200	215,452,000
Legal reserve		563,120,753	563,120,753
Capital reserve		15,000,000	15,000,000
Fair value reserve		-	5,197,879
Retained earnings		644,816,583	721,529,233
Total equity		**1,459,934,536**	1,520,299,865
Non - current liabilities			
Other non - current liabilities		27,380,283	26,155,116
Due to Government of Qatar	7(d)	47,591,581	47,591,581
Islamic financing - non current	11	38,071,898	51,862,779
Total non - current liabilities		**113,043,762**	125,609,476
Current liabilities			
Accounts payable, retention and other payables		258,315,681	261,124,075
Due to related parties	8(c)	4,922,826	8,846,466
Islamic financing - current	11	274,298,362	326,405,824
Total current liabilities		**537,536,869**	596,376,365
Total liabilities		**650,580,631**	721,985,841
Total equity and liabilities		**2,110,515,167**	2,242,285,706

These condensed consolidated interim financial statements were approved by the Board of Directors and signed on its behalf by the following on 14 August 2018.

Jabor Mohd H A Al-Thani
Board Member

Tarique Mohammad
Chief Executive Officer

The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See Note 3.

The attached notes on pages from 10 to 21 form an integral part of these condensed consolidated interim financial statements.

ZAD HOLDING COMPANY Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2018

In Qatari Riyals

	Note	For the six month period ended 30 June	
		2018	2017
		(Reviewed)	(Reviewed)
Operating revenue	12	554,834,995	525,803,359
Compensation from Government of Qatar for sale of subsidized flour		53,623,379	44,369,656
Total revenue		608,458,374	570,173,015
Operating cost		(467,050,710)	(419,112,459)
Gross profit		141,407,664	151,060,556
Other income	13	51,436,569	36,848,361
General and administrative expenses		(70,530,514)	(68,350,623)
Net impairment loss on financial assets		(1,476,807)	-
Finance costs		(6,085,512)	(4,866,916)
Profit for the period		114,751,400	114,691,378
Earnings per share			
Basic and diluted earnings per share	14	4.84	4.84

The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See Note 3.

The attached notes on pages from 10 to 21 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2018

In Qatari Riyals

	For the six month period ended 30 June	
	2018 (Reviewed)	2017 (Reviewed)
Profit for the period	**114,751,400**	114,691,378
Other comprehensive income		
Items that are or may be reclassified to profit or loss:		
Available-for-sale financial assets – net change in fair value	-	15,102,141
Available-for-sale financial assets – reclassified to profit or loss	-	(145,984)
Other comprehensive income for the period	-	14,956,157
Total comprehensive income for the period	**114,751,400**	129,647,535

The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See Note 3.

The attached notes on pages from 10 to 21 form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2018

In Qatari Riyals

	Share Capital	Legal Reserve	Capital Reserve	Fair value Reserve	Retained Earnings	Total Equity
Balance as at 1 January 2017 (Audited)	215,452,000	563,120,753	15,000,000	340,677	625,136,898	1,419,050,328
Profit for the period	-	-	-	-	114,691,378	114,691,378
Other comprehensive income	-	-	-	14,956,157	-	14,956,157
Total comprehensive income	-	-	-	14,956,157	114,691,378	129,647,535
Dividends paid (Note 15)	-	-	-	-	(96,953,400)	(96,953,400)
Balance at 30 June 2017 (Reviewed)	215,452,000	563,120,753	15,000,000	15,296,834	642,874,876	1,451,744,463
Balance as at 1 January 2018 (Audited)	215,452,000	563,120,753	15,000,000	5,197,879	721,529,233	1,520,299,865
Adjustments on initial application of IFRS 9 (note 3)	-	-	-	(5,197,879)	(29,875,050)	(35,072,929)
Adjusted balance at 1 January 2018	215,452,000	563,120,753	15,000,000	-	691,654,183	1,485,226,936
Profit for the period	-	-	-	-	114,751,400	114,751,400
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	114,751,400	114,751,400
Bonus shares issued (Note 15)	21,545,200	-	-	-	(21,545,200)	-
Dividends paid (Note 15)	-	-	-	-	(140,043,800)	(140,043,800)
Balance at 30 June 2018 (Reviewed)	**236,997,200**	**563,120,753**	**15,000,000**	**-**	**644,816,583**	**1,459,934,536**

The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See Note 3.

The attached notes on pages from 10 to 21 form an integral part of these condensed consolidated interim financial statements.

ZAD HOLDING COMPANY Q.P.S.C.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2018

In Qatari Riyals

	Note	For the six month period ended 30 June	
		2018 (Reviewed)	2017 (Reviewed)
Cash flows from operating activities			
Profit for the period		114,751,400	114,691,378
Adjustments for:			
Net impairment loss / (reversal) on financial assets and commodities		1,476,807	(19,526,006)
Fair value gain on investment securities	13	(352,192)	-
Reversal of provision for slow moving inventories		-	(241,931)
Depreciation of property, plant and equipment and investment properties		38,088,866	38,337,114
Gain on disposal of property, plant and equipment and investment property	13	(40,382,054)	-
Finance costs		6,085,512	4,866,916
Provision for employees' end of service benefits		3,299,644	2,969,779
Dividend income	13	-	(497,403)
Reversal of provision for doubtful debts		-	(76,927)
Islamic finance income	13	(1,231,251)	(3,950,395)
Gain on sale of investment securities	13	(1,742,366)	(158,253)
		119,994,366	136,414,272
Change in:			
- Inventories		(80,812,511)	12,176,600
- Contract work in progress		194,226	21,682,266
- Due from Government of Qatar - net		(5,156,711)	(5,306,962)
- Accounts, retention and other receivables		(21,524,987)	(71,797,395)
- Due from and to related parties - net		(10,518,923)	(14,642,421)
- Accounts payable, retention and other payables		6,967,032	(16,605,111)
Cash generated from operating activities		9,142,492	61,921,249
Finance costs paid		(4,958,474)	(4,630,553)
Zakat fund contribution paid		(14,849,180)	(13,470,731)
Employees' end of service benefits paid		(2,074,477)	(1,399,148)
Net cash (used in) / from operating activities		(12,739,639)	42,420,817
Cash flows from investing activities			
Acquisition of property, plant and equipment		(57,012,830)	(36,854,924)
Proceeds from disposal of property, plant and equipment		22,275,777	-
Proceeds from sale of investment securities		19,504,445	1,527,331
Dividend received	13	-	497,403
Islamic finance income received		3,056,331	4,001,358
Net cash used in investing activities		(12,176,277)	(30,828,832)

Continued...

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2018 In Qatari Riyals

	Note	For the six month period ended 30 June	
		2018 (Reviewed)	2017 (Reviewed)
Cash flows from financing activities			
Islamic financing movement - (net)		(65,898,343)	51,254,263
Dividends paid		(136,097,085)	(89,407,971)
Net cash used in financing activities		(201,995,428)	(38,153,708)
Net decrease in cash and cash equivalents		**(226,911,344)**	(26,561,723)
Cash and cash equivalents at beginning of the period		268,646,594	307,361,615
Cash and cash equivalents at end of the period	9	**41,735,250**	280,799,892

The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See Note 3.

The attached notes on pages from 10 to 21 form an integral part of these condensed consolidated interim financial statements.

1. REPORTING ENTITY

Zad Holding Company Q.P.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 2018 ("the condensed 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 kinds of flour, manufacturing and marketing of pasta and bakery products. Further, the Group earns income from sales of certain types of grain and related commodities. In addition to the above, the Group is 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, manufacturing and supply of ready mix concrete and asphalt, crushing services, providing transport services, and 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 2017. In addition, results for the six month period ended 30 June 2018 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2018.

This is the first set of the Group financial statements where IFRS 15 and IFRS 9 have been applied. Changes to significant accounting policies are described in Note 3.

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 2017 except for the new significant judgements and key sources of estimate uncertainty related to the application of IFRS 15 and IFRS 9 which are described in Note 3.

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 2017, except for the adoption of amendments to standards or/and new standards which became effective as of 1 January 2018, as noted below:

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Changes in accounting policies

The Group has initially adopted IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments" from 1 January 2018. A number of other new standards are effective from 1 January 2018 but they do not have a material effect on the Group's condensed consolidated financial statements.

IFRS 15 "Revenue from contracts with customers"

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 "Revenue", IAS 11 "Construction Contracts" and related interpretations.

The Group has adopted IFRS 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 January 2018). Accordingly, the information presented for 2017 has not been restated – i.e. it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations.

Based on an assessment performed by the Company's management, the potential impact on the Group's condensed consolidated statement of financial position as at 30 June 2018 and its condensed consolidated statement of profit or loss and other comprehensive income for the six month-period then ended is insignificant. Consequently, there were no adjustments as at 1 January 2018.

The details of the new significant accounting policies and the nature of the changes to previous accounting policies in respect of the Group's significant revenue generating activities are set out below:

Type of product/services	Nature, timing of satisfaction of performance obligations, significant payment terms	Nature of change in accounting policy
Sale of manufactured and traded products	Revenue is recognised when control of the goods are transferred to the buyer.	No significant impact.
Contracting and other related services	Revenue is recognised over the period of contract based on service completion basis.	No significant impact.
Renting out of heavy equipment and facilities	Revenue is recognised on a monthly basis based on the period of contract	No significant impact.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Changes in accounting policies (continued)

IFRS 9 "Financial instruments"

IFRS 9 sets out requirements for recognising and measuring financial assets and financial liabilities This standard replaces IAS 39 "Financial Instruments: Recognition and Measurement".

The following table summarises the impact of transition to IFRS 9 on the opening balance of retained earnings (for a description of the transition method, see Note 3 (iii) below).

(In Qatari riyals)

Line item impacted in the financial statements	**As reported at 31 December 2017**	**Estimated adjustments due to adoption of IFRS 9**	**Estimated adjusted opening balances as at 1 January 2018**
Accounts, retention and other receivables	431,816,233	(35,072,929)	396,743,304
Retained earnings	721,529,233	(29,875,050)	691,654,183
Fair value reserve	5,197,879	(5,197,879)	-

(i) Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables, and available-for-sale financial assets.

The adoption of IFRS 9 has not had a significant effect on the Group's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below:

On initial recognition a financial asset is classified as:

- Amortised cost;
- Fair Value Through Other Comprehensive Income (FVOCI) debt investment;
- FVOCI equity investment; or
- Fair Value Through Profit or Loss (FVTPL).

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The Group has financial assets measured at amortised cost which are amortized using the effective interest method and investment securities carried at fair value through profit or loss (FVTPL).

The effect of adopting IFRS 9 on the carrying amounts of the Company's financial assets at 1 January 2018 relates solely to the new impairment requirements, as described further below.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Changes in accounting policies (continued)

IFRS 9 "Financial instruments" (continued)

(i) Classification and measurement of financial assets and financial liabilities (continued)

The following table below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of Group's financial assets as at 1 January 2018:

(In Qatari riyals)

Financial Assets	Original classification under IAS 39	New classification under IFRS 9	Original Carrying amount under IAS 39	New Carrying amount under IFRS 9
Accounts, retention and other receivables (1)	Loans and receivables	Amortised cost	431,816,233	396,743,324
Equity securities	Available for sale	FVTPL	19,969,752	19,969,752
Retention and other receivables	Loans and receivables	Amortised cost	1,562,982	1,562,982
Due from related parties	Loans and receivables	Amortised cost	3,898,201	3,898,201
Cash and bank balances	Loans and receivables	Amortised cost	268,646,594	268,646,594

(1) Accounts, retention and other receivables which were previously classified as loans and receivables under IAS 39 have been classified at amortised cost as per IFRS 9. An increase of QR 35,072,929 in the provision for impairment of these receivables was recognised in opening retained earnings at 1 January 2018 on transition to IFRS 9.

(ii) Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

The financial assets at amortised cost comprise of accounts, retention and other receivables, due from related parties and cash and bank balances under IFRS 9 and loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date.
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group has elected to measure loss allowances for its financial assets at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due. The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Changes in accounting policies (continued)

IFRS 9 "Financial instruments" (continued)

(ii) Impairment of financial assets (continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses the financial assets carried at amortised cost. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Impairment losses related to financial assets are presented under net impairment (loss) / reversal on financial assets and commodities in the condensed consolidated statement of income.

Impact of the new impairment model

For financial assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Group has determined that the application of IFRS 9's impairment requirements at 1 January 2018 results in an additional impairment allowance of QR 35,072,929.

The table below provides information about exposure to credit risk and ECL for accounts, retention and other receivables as at 1 January 2018.

(In Qatari riyals)

Particular	Weighted average loss rate	Gross carrying amount*	Loss allowance	Credit impaired
0-90 days	2.53%	142,835,200	3,619,036	-
90–180 days past due	7.35%	17,972,343	1,321,773	-
180–270 days past due	28.48%	1,552,576	442,099	-
271–360 days past due	67.02%	5,846,403	3,918,228	-
More than 360 days	100.00%	88,939,926	-	88,939,926
Total		**257,146,448**	**9,301,136**	**88,939,926**

** The gross carrying value of accounts, retention and other receivables excludes receivables from government entities as the Group considers those receivable balances are fully recoverable.*

(iii) Transition

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied using the cumulative effect method. The Group has taken an exemption not to restate comparative information of prior periods.

Differences in the carrying amounts of the financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognised in retained earnings as at 1 January 2018. Accordingly, the information presented for 2017 does not reflect the requirements of IFRS 9 but those of IAS 39.

The assessment has been made on the basis of the facts and circumstances that existed at the date of initial application.

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	
	2018 (Reviewed)	2017 (Reviewed)	**2018 (Reviewed)**	2017 (Reviewed)	**2018 (Reviewed)**	2017 (Reviewed)	**2018 (Reviewed)**	2017 (Reviewed)
External revenue	3,362,290	24,132,008	376,358,465	304,443,827	226,550,809	234,075,885	606,271,564	562,651,720
Inter-segment revenue	-	-	69,211,167	69,535,860	24,534,446	58,024,880	93,745,613	127,560,740
Compensation from Government of Qatar	-	-	53,623,379	44,369,656	-	-	53,623,379	44,369,656
Total revenue	**3,362,290**	24,132,008	**499,193,011**	418,349,343	**251,085,255**	292,100,765	**753,640,556**	734,582,116
Segment (loss) / profit	**(22,188,152)**	2,383,716	**78,796,580**	96,154,713	**58,142,972**	16,152,949	**114,751,400**	114,691,378

Assets and Liabilities	Investment & managed services		Trading, manufacturing, distribution & services		Contracting, real estate & others		Total	
	30 June 2018 (Reviewed)	31 December 2017 (Audited)	**30 June 2018 (Reviewed)**	31 December 2017 (Audited)	**30 June 2018 (Reviewed)**	31 December 2017 (Audited)	**30 June 2018 (Reviewed)**	31 December 2017 (Audited)
Current assets	411,149,979	622,689,884	495,178,910	407,548,623	240,267,040	232,332,174	1,146,595,929	1,262,570,681
Non - current assets	26,586,437	48,463,594	183,951,624	144,925,848	753,381,177	786,325,583	963,919,238	979,715,025
Total assets	**437,736,416**	671,153,478	**679,130,534**	552,474,471	**993,648,217**	1,018,657,757	**2,110,515,167**	2,242,285,706
Current liabilities	313,926,702	92,479,407	136,921,840	357,817,098	86,688,327	146,079,860	537,536,869	596,376,365
Non - current liabilities	47,887,757	9,137,926	57,775,164	57,062,731	7,380,841	59,408,819	113,043,762	125,609,476
Total liabilities	**361,814,459**	101,617,333	**194,697,004**	414,879,829	**94,069,168**	205,488,679	**650,580,631**	721,985,841

5. INVESTMENT PROPERTIES

The movement during the period / year were as follows:

	30 June 2018 (Reviewed)	31 December 2017 (Audited)
Cost		
Balance at the end of the period / year	623,957,249	623,957,249
Accumulated depreciation		
Balance at the beginning of the period / year	73,640,692	58,638,747
Depreciation	5,306,061	15,001,945
Balance at the end of the period / year	78,946,753	73,640,692
Net book value at the end of the period / year	**545,010,496**	550,316,557

Investment properties comprise 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 properties as at 31 December 2016 amounting to QR 810 million. The valuation is based on transaction for the similar asset in the same locality. The management does not expect a significant change in fair value of investment properties during the current period due to constant yield and stable forecast on market condition.

Investment properties amounting to QR 90.3 million (2017: QR 90.3 million) of the group are mortgaged against Islamic financing facility (Note 11).

6. INVESTMENT SECURITIES

a) Investment securities comprise of investment in shares of a listed company classified as fair value through profit and loss.

	30 June 2018 (Reviewed)	31 December 2017 (Audited)
Investment in equity instruments		
Quoted - Note 6 (b)	**2,559,866**	19,969,752

b) Investment in quoted equity instruments

The movement during the period / year were as follows:

	30 June 2018 (Reviewed)	31 December 2017 (Audited)
Balance at beginning of the period / year	19,969,752	23,149,948
Disposals during the period / year	(17,762,078)	(19,095,459)
Fair value adjustments	352,192	16,618,265
Allowance for impairment during the period / year	-	(703,002)
Balance at the end of the period / year	**2,559,866**	19,969,752

7. DUE FROM AND DUE TO GOVERNEMENT OF QATAR

a) Due from Government of Qatar

	30 June 2018 (Reviewed)	31 December 2017 (Audited)
Compensation due from Government of Qatar		
Balance at beginning of the period / year	143,602,405	136,352,871
Cash received during the period / year	(48,466,668)	(82,122,294)
Compensation for sale of subsidized flour	53,623,379	89,371,828
Compensation due from Government of Qatar	148,759,116	143,602,405
Loan from Government of Qatar – Note 7 (c)	(59,959,040)	(59,959,040)
Net due from Government of Qatar – Note 7 (b)	**88,800,076**	83,643,365

b) This includes compensation receivable amounting to QR 68,368,576 (2017: 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 principal 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 2018 (2017: 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 have 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 transactions 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	
	2018 (Reviewed)	2017 (Reviewed)
Key management remuneration	8,309,016	8,877,383
Post - employment benefits	228,053	215,144
	8,537,069	9,092,527

b) Due from related parties

	30 June 2018 (Reviewed)	31 December 2017 (Audited)
Dandy Company Limited W.L.L.	8,614,197	3,070,016
Al Jabor Real Estate Investment Company Limited	1,467,018	545,882
MFH Company	134,813	134,813
Seven Brothers Holding Company W.L.L.	277,456	147,490
	10,493,484	3,898,201

c) Due to related parties

	30 June 2018 (Reviewed)	31 December 2017 (Audited)
Qatar Detergent Company W.L.L.	4,304,902	7,809,756
Aayan Leasing Company Qatar	617,924	1,036,710
	4,922,826	8,846,466

9. CASH AND BANK BALANCES

	30 June 2018 (Reviewed)	31 December 2017 (Audited)
Cash in hand	1,967,382	1,391,942
Cash at banks	39,767,868	267,254,652
	41,735,250	268,646,594

10. SHARE CAPITAL

a) The authorized share capital amounting to QR 236,997,200 as at 30 June 2018 represents 23,699,720 ordinary shares of QR 10 each as follows:

	30 June 2018 (Reviewed)	31 December 2017 (Audited)
Issued and fully paid share capital – listed at Qatar Exchange	143,891,748	130,810,680
Issued through share exchange transaction – unlisted	93,105,452	84,641,320
	236,997,200	215,452,000

b) Unlisted equity shares 8,464,132 having par value of QR 10 each amounting to QR 84,641,320 as at 30 June 2018 (2017: 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. It also includes 10% bonus equity shares 846,413 thereon having a par value of QR 10 each amounting to QR 8,464,130.

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.

c) During the period, the Company issued bonus shares (ordinary shares) at the rate of one share for every ten shares held by the ordinary shareholders upon obtaining approval from the shareholders in the Annual General Meeting held on 28 March 2018.

11. ISLAMIC FINANCING

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

	30 June 2018 (Reviewed)	31 December 2017 (Audited)
Islamic financing - non current	38,071,898	51,862,779
Islamic financing - current	274,298,362	326,405,824
	312,370,260	378,268,603

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. OPERATING REVENUE

	For the six month period ended 30 June	
	2018 (Reviewed)	2017 (Reviewed)
Sale of other grains and related commodities	152,745,789	73,454,142
Unsubsidized products	155,967,594	146,530,486
Building materials and logistics	127,975,595	115,956,461
Contracting income	25,892,160	86,108,091
Rental income	31,941,877	31,738,265
Subsidized products	19,830,816	19,894,823
Other products and services	40,481,164	52,121,091
	554,834,995	525,803,359

13. OTHER INCOME

	For the six month period ended 30 June	
	2018 (Reviewed)	2017 (Reviewed)
Gain on sale of investment securities	1,742,366	158,253
Fair value gain on investment securities	352,192	-
Reversal of impairment loss on commodities	-	19,526,006
Dividend income	-	497,403
Profit on disposal of property, plant and equipment and investment property [1]	40,382,054	-
Islamic finance income	1,231,251	3,950,395
Others	7,728,706	12,716,304
	51,436,569	36,848,361

[1] This includes an additional compensation amounting to QR 28.5 million in respect of land acquired by Government of Qatar pertaining to Old Airport area.

14. 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	
	2018 **(Reviewed)**	2017 (Reviewed)
Profit attributable to ordinary shareholders of the Company	**114,751,400**	114,691,378
Weighted average number of ordinary shares outstanding	**23,699,720**	23,699,720
Basic earnings per share	**4.84**	4.84

The weighted average number of ordinary shares have been calculated as follows:

	For the six month period ended 30 June	
	2018 (Reviewed)	2017 (Reviewed)
Qualifying ordinary shares at the beginning of the period	21,545,200	21,545,200
Effect of bonus share issue	2,154,520	2,154,520
Weighted average number of ordinary shares for the period	**23,699,720**	23,699,720

b) Diluted earnings per share

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

15. DIVIDEND

During the period, the Company declared and paid cash dividend of QR 6.5 per share totalling to QR 140.04 million (2017: QR 4.5 per share totalling to QR 96.95 million) and 10% bonus shares (2017: Nil).

16. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

As at period end the Group has contingent liability and capital commitments amounting to QR 219 million (2017: QR 291 million).

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 2018, 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.