

**MANNAI CORPORATION Q.P.S.C.
DOHA – QATAR**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE SIX MONTH PERIOD ENDED
JUNE 30, 2016**

MANNAI CORPORATION Q.P.S.C.

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REVIEW REPORT**

For the six month period ended June 30, 2016

INDEX	Page
Independent auditor's review report	--
Interim condensed consolidated statement of financial position	1-2
Interim condensed consolidated statement of profit or loss	3
Interim condensed consolidated statement of profit or loss and other comprehensive income	4
Interim condensed consolidated statement of changes in equity	5
Interim condensed consolidated statement of cash flows	6
Notes to the interim condensed consolidated financial statement	7-21

QR. 31230

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Shareholders
Mannai Corporation Q.P.S.C.
Doha - Qatar

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Mannai Corporation Q.P.S.C. (the "Company") and its subsidiaries (together referred to as the "Group") as at June 30, 2016, and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six month period then ended and related explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 -- "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410 -- "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of 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. Consequently, it 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.

INDEPENDENT AUDITOR'S REVIEW REPORT (CONTINUED)

Basis for Qualified Conclusion

As at the reporting date, the Group did not carry out an assessment on the impairment of goodwill related to acquisition of its subsidiary and its investment in associates. Management performs full impairment assessment of goodwill and other intangible assets with an indefinite life on an annual basis.

Qualified Conclusion

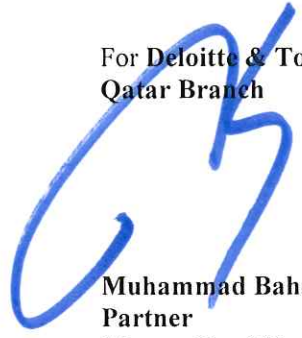
Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion section of our report, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – “Interim Financial Reporting”.

Other Legal and Regulatory Requirements

As explained in Note 1 to the interim condensed financial statements, a new Qatar Commercial Companies Law was issued on July 7, 2015. The Company is in process of assessing its compliance with the new Qatar Commercial Companies Law which is effective from February 7, 2017.

Doha - Qatar
August 10, 2016

For Deloitte & Touche
Qatar Branch



Muhammad Bahemia
Partner
License No. 103

MANNAI CORPORATION Q.P.S.C.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at June 30, 2016

	Notes	June 30, 2016 (Reviewed) QR '000	December 31, 2015 (Audited) QR '000
ASSETS			
Current assets			
Bank balances and cash	4	127,563	150,302
Accounts receivable and prepayments	5	891,718	1,008,425
Amounts due from related parties	19	23,344	36,448
Inventories	6	<u>2,500,880</u>	<u>2,631,197</u>
Total current assets		<u>3,543,505</u>	<u>3,826,372</u>
Non-current assets			
Accounts receivable and prepayments	5	87,809	35,740
Amounts due from related parties	19	28,305	16,646
Available-for-sale investments	7	41,656	43,688
Investment in joint venture companies	8	22,473	24,128
Investment in associate companies	9	2,474,985	1,187,660
Goodwill and other intangible assets	10	1,209,360	1,210,727
Property, plant and equipment	11	431,326	411,132
Investment properties	12	<u>100,516</u>	<u>103,567</u>
Total non-current assets		<u>4,396,430</u>	<u>3,033,288</u>
Total assets		<u>7,939,935</u>	<u>6,859,660</u>

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

MANNAI CORPORATION Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION


As at June 30, 2016

	Notes	June 30, 2016 (Reviewed) QR '000	December 31, 2015 (Audited) QR '000
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Bank overdrafts	4	255,104	288,519
Interest bearing loans and borrowings	13	1,360,542	998,334
Amounts due to related parties	19	3,005	1,041
Accounts payable and accruals	14	1,246,484	1,535,239
Total current liabilities		<u>2,865,135</u>	<u>2,823,133</u>
Non-current liabilities			
Interest bearing loans and borrowings	13	2,551,482	1,498,400
Accounts payable and accruals	14	12,403	17,393
Provision for employees' end of service benefits		111,444	112,312
Total non-current liabilities		<u>2,675,329</u>	<u>1,628,105</u>
Total liabilities		<u>5,540,464</u>	<u>4,451,238</u>
Equity			
Share capital	15	456,192	456,192
Legal reserve	16	1,083,456	1,083,456
Revaluation reserve		4,630	4,630
Foreign currency translation reserve		(13,701)	(13,994)
Proposed dividends		--	228,096
Acquisition reserve		(588,058)	(588,058)
Retained earnings		1,457,738	1,238,093
Equity attributable to shareholders of the Company		<u>2,400,257</u>	<u>2,408,415</u>
Non-controlling interests		(786)	7
Total equity		<u>2,399,471</u>	<u>2,408,422</u>
Total liabilities and equity		<u>7,939,935</u>	<u>6,859,660</u>

These interim condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on August 10, 2016.

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 Alekh Grewal
 Group Chief Executive Officer and Director

.....

 Keith Higley
 Director

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

MANNAI CORPORATION Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six month period ended June 30, 2016

	Notes	Six month period ended	
		June 30, 2016 (Reviewed) QR '000	June 30, 2015 (Reviewed) QR '000
Revenue		2,496,607	3,103,792
Direct costs		(1,888,882)	(2,402,409)
Gross profit		607,725	701,383
Other income		72,809	49,677
Share of profit from associates and joint venture companies	8,9	55,905	31,769
General and administrative expenses		(235,799)	(231,080)
Selling and distribution expenses		(171,951)	(183,000)
Profit before interest, depreciation and amortization		328,689	368,749
Finance costs		(57,602)	(47,535)
Depreciation and amortization		(52,235)	(44,911)
Net profit for the period		218,852	276,303
Attributable to:			
Shareholders of the Company		219,645	276,387
Non-controlling interests		(793)	(84)
		218,852	276,303
Earnings per share:			
Basic and diluted earnings per share attributable to shareholders of the Company (QR)	18	4.81	6.06

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

MANNAI CORPORATION Q.P.S.C.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the six month period ended June 30, 2016

	Six month period ended	
	June 30, 2016 (Reviewed) QR '000	June 30, 2015 (Reviewed) QR '000
Net profit for the period	218,852	276,303
Other comprehensive loss		
Foreign currency translation adjustment	293	(2,834)
Total comprehensive income for the period	219,145	273,469
Attributable to:		
Shareholders of the Company	219,938	273,553
Non-controlling interests	(793)	(84)
	219,145	273,469

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

MANNAI CORPORATION Q.P.S.C.
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six month period ended June 30, 2016

	Share capital	Legal reserve	Revaluation reserve	Foreign currency translation reserve	Proposed dividends	Acquisition reserve	Retained earnings	Equity attributable to shareholders of the Company	Non-controlling interests	Total
	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000
Balance – January 1, 2015 (Audited)	456,192	1,083,456	4,630	(9,539)	273,715	(588,058)	940,987	2,161,383	4,795	2,166,178
Total comprehensive income for the period	--	--	--	(2,834)	--	--	276,387	273,553	(84)	273,469
Dividends paid	--	--	--	--	(273,715)	--	--	(273,715)	--	(273,715)
Withdrawal of non-controlling interest	--	--	--	--	--	--	--	--	(29)	(29)
Balance – June 30, 2015 (Reviewed)	456,192	1,083,456	4,630	(12,373)	--	(588,058)	1,217,374	2,161,221	4,682	2,165,903
Balance – January 1, 2016 (Audited)	456,192	1,083,456	4,630	(13,994)	228,096	(588,058)	1,238,093	2,408,415	7	2,408,422
Total comprehensive income for the period	--	--	--	293	--	--	219,645	219,938	(793)	219,145
Dividends paid	--	--	--	--	(228,096)	--	--	(228,096)	--	(228,096)
Balance – June 30, 2016 (Reviewed)	456,192	1,083,456	4,630	(13,701)	--	(588,058)	1,457,738	2,400,257	(786)	2,399,471

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

MANNAI CORPORATION Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six month period ended June 30, 2016

	Six month period ended	
	June 30,	June 30,
	2016	2015
Note	(Reviewed)	(Reviewed)
	QR '000	QR '000
Net profit for the period	218,852	276,303
Adjustments	49,739	46,991
Operating profit before working capital changes	268,591	323,294
<i>Working capital changes:</i>		
Accounts receivables and prepayments	31,510	17,918
Inventories	143,345	(64,873)
Amount due to / from related parties	3,409	(6,350)
Accounts payable and accruals	(283,226)	19,381
Net cash generated from operations	163,629	289,370
Finance costs paid	(54,422)	(47,511)
Employees' end of service benefits paid	(8,057)	(5,600)
Social and sports contribution paid	(7,579)	(3,439)
Net cash generated from operating activities	93,571	232,820
Cash from investing activities		
Dividend received	37,120	23,458
Net movement in investment	2,032	(7)
Acquisition of property, plant and equipment	(72,138)	(51,490)
Proceeds from disposal of property, plant and equipment	7,505	7,816
Net movement in goodwill and intangible assets	(236)	--
Acquisition of investment in associates	(1,266,886)	--
Net cash used in investing activities	(1,292,603)	(20,223)
Cash from financing activities		
Dividends paid	(228,096)	(273,715)
Movement in interest bearing loans and borrowings	1,415,290	65,946
Net cash generated / (used in) from financing activities	1,187,194	(207,769)
Net increase / (decrease) in cash and cash equivalents	(11,838)	4,828
Cash and cash equivalents at the beginning of period	(145,908)	(242,903)
Cash and cash equivalents at the end of period	(157,746)	(238,075)

THE ACCOMPANYING NOTES FORM AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

MANNAI CORPORATION Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2016

1. CORPORATE INFORMATION

Mannai Corporation Q.P.S.C. (the "Company") is registered as a Qatari Shareholding Company in the State of Qatar with the Ministry of Economy and Commerce under Commercial Registration Number 12. The registered office of the Company is situated in Doha, State of Qatar. The Company is listed on the Qatar Exchange.

The core activities of the Company and its subsidiaries (together referred to as the "Group") include automotive and heavy equipment distribution and service, information and communication technology, engineering services to the oil & gas sector, office systems, medical equipment, home appliances and electronics, building materials, logistics and warehousing, geotechnical, geological, environmental and material testing services, facilities maintenance and management service, travel services, trading and representation in gold and gold jewellery, diamond jewellery, pearls, watches, silver and precious stones on a wholesale and retail basis.

A new Qatar Commercial Companies Law was issued on July 7, 2015. Implementation of the new law was extended to be adopted by February 7, 2017. The Company is in the process of assessing its compliance with the new law.

The interim condensed consolidated financial statements include the financial statements of the Company and subsidiaries controlled by it, as listed below:

<i>Name of subsidiaries</i>	<i>Country of incorporation</i>	<i>Group's effective shareholding percentage</i>	
		<i>June 30, 2016</i>	<i>December 31, 2015</i>
Mannai Trading Company W.L.L.	Qatar	100%	100%
Manweir L.L.C.	Qatar	100%	100%
Gulf Laboratories Company W.L.L.	Qatar	100%	100%
Space Travel W.L.L.	Qatar	100%	100%
Qatar Logistics W.L.L.	Qatar	100%	100%
Technical Services Company W.L.L.	Qatar	100%	100%
Mansoft Qatar W.L.L.	Qatar	100%	100%
Mansoft Solutions and Systems (UAE) L.L.C.	UAE	100%	100%
Techsignia Solutions Pvt. Ltd.	India	100%	100%
Gulf Geotechnical Services and Material Testing L.L.C.	Oman	100%	100%
Global Trading Center FZCO	UAE	100%	100%
Damas International Limited	UAE	100%	100%
GTC Otomotiv Anonim Sirketi	Turkey	100%	100%
Mannai Network & Solution L.L.C.	Oman	100%	100%
Utility Network Co.	Saudi	100%	100%
Damas L.L.C.	UAE	100%	100%
Damas Jewellery L.L.C.	UAE	100%	100%
Damas Jewellery D.M.C.C.	UAE	100%	100%
Damas Folli Folli L.L.C.	UAE	51%	51%
Ayodhya Jewellers L.L.C.	UAE	100%	100%

MANNAI CORPORATION Q.P.S.C.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six month period ended June 30, 2016

1. CORPORATE INFORMATION (CONTINUED)

<i>Name of subsidiaries</i>	<i>Country of incorporation</i>	<i>Group's effective shareholding percentage</i>	
		<i>June 30, 2016</i>	<i>December 31, 2015</i>
The Watch Studio L.L.C.	UAE	100%	100%
Arshi Jewellery L.L.C.	UAE	75%	75%
Damas Jewellery Manufacturing Company	UAE	75%	75%
Damas SPV Jewellery L.L.C.	UAE	100%	100%
Premium Investments International L.L.C.	UAE	100%	100%
Gem Universe L.L.C.	Oman	100%	100%
Damas Company W.L.L.	Bahrain	100%	100%
Damas Jewellery Kuwait Company W.L.L.	Kuwait	100%	100%
Damas Saudi Arabia Company Limited	KSA	98%	98%
Damas Accessories L.L.C.	KSA	100%	100%
Ayodhya Jewellery L.L.C.	KSA	100%	100%
Golden Investments Limited	UAE	100%	100%
Golden Investments Holdings Limited	UAE	100%	100%
Golden Investments Services Limited	UAE	100%	100%
Global Motor Sports S.P.C.	Qatar	100%	100%
NYX Information Technology	Turkey	100%	--

Mannai Trading Company W.L.L. and Damas International Limited are the material subsidiaries of the Group.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation**

These interim condensed consolidated financial statements are prepared in accordance with IAS 34 "Interim Financial Reporting". The interim condensed consolidated financial statements are prepared in Qatari Riyals ("QR.") which is the Company's functional and presentation currency.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the annual financial statements as at December 31, 2015. In addition, results for the six month period ended June 30, 2016 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2016.

MANNAI CORPORATION Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2016

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Significant Accounting Policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2015 except for the adoption of certain revised standards and interpretations effective as of January 1, 2016. However, these revised standards and interpretations do not materially impact the interim condensed consolidated financial statements of the Group.

(i) New Standard

Effective for annual periods beginning on or after January 1, 2016.

- IFRS 14 *Regulatory Deferral Accounts*

(ii) Revised Standards

Effective for annual periods beginning on or after January 1, 2016.

- IFRS 10 & IAS 28 (Revised) *Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture.*
- IFRS 11 (Revised) *Amendments regarding the accounting for acquisitions of an interest in a joint venture.*
- IFRS 12 (Revised) *Amendments regarding the application of the consolidation exception.*
- IAS 1 (Revised) *Amendments resulting from disclosure initiative.*
- IAS 16 (Revised) *Amendments regarding the clarification of acceptable methods of depreciation and amortization and amendments bringing bearer plants into the scope of IAS 16.*
- IAS 27 (Revised) *Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.*
- IAS 38 (Revised) *Amendments regarding the clarification of acceptable methods of depreciation and amortization.*
- IAS 41 (Revised) *Amendments bringing bearer plants into the scope of IAS 16.*
- Annual Improvements 2012-2014 Cycle *Amendments to issue clarifications and add additional/specific guidance to IFRS 5, IFRS 7, IAS 19 and IAS 34*

Standards and amendments issued but not yet effective

Certain new and revised standards have been issued are not yet effective for the six month period ended June 30, 2016 and have not been early adopted in these interim condensed consolidated financial statements. The Group is assessing the potential impact on initial application of IFRS 9, 15 and 16.

Management have not yet performed a detailed analysis of the impact of the application of these standards and hence have not yet quantified the extent of the impact.

MANNAI CORPORATION Q.P.S.C.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six month period ended June 30, 2016

3. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The judgments and estimates used in the preparation of the interim condensed consolidated financial statements were consistent with those used for the December 31, 2015 consolidated financial statements, except for the acquisition of an investment in GFI during the period. After assessing the acquisition of 51.24% interest in GFI Informatique ("GFI") and related shareholders agreement, management has decided to classify its investment in GFI as an associate.

4. BANK BALANCES AND CASH

	June 30, 2016 (Reviewed) QR '000	December 31, 2015 (Audited) QR '000	June 30, 2015 (Reviewed) QR '000
Bank balances and cash	127,563	150,302	97,172
Less: fixed and margin deposit under lien	(30,205)	(7,691)	(8,077)
	<u>97,358</u>	<u>142,611</u>	<u>89,095</u>
Less: bank overdrafts	(255,104)	(288,519)	(327,170)
	<u>(157,746)</u>	<u>(145,908)</u>	<u>(238,075)</u>

5. ACCOUNTS RECEIVABLE AND PREPAYMENTS

	June 30, 2016 (Reviewed) QR '000	December 31, 2015 (Audited) QR '000
Trade accounts receivable	701,588	725,748
Less: Allowance for impairment	(25,793)	(22,796)
	<u>675,795</u>	<u>702,952</u>
Advances to suppliers	34,580	67,159
Notes receivable	80,756	91,483
Prepayments	56,856	60,463
Deposits	20,390	21,678
Accrued income	22,416	33,128
Others	88,734	67,302
	<u>979,527</u>	<u>1,044,165</u>
Presented in the interim condensed consolidated statement of financial position as follows:		
Current	891,718	1,008,425
Non-current	87,809	35,740
	<u>979,527</u>	<u>1,044,165</u>

MANNAI CORPORATION Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2016

6. INVENTORIES

	June 30, 2016 (Reviewed) QR '000	December 31, 2015 (Audited) QR '000
Gold and other jewellerys, net of consignment inventory	1,312,092	1,418,466
Work-in-progress	588,225	619,939
Merchandises, spares and tools	448,567	470,584
Vehicles and heavy equipment	309,425	298,948
Industrial supplies	27,516	23,042
Others	6,621	4,812
	<u>2,692,446</u>	<u>2,835,791</u>
Less: Provision for obsolete and slow moving items	<u>(191,566)</u>	<u>(204,594)</u>
	<u><u>2,500,880</u></u>	<u><u>2,631,197</u></u>

7. AVAILABLE-FOR-SALE INVESTMENTS

	For The Six Month Period Ended June 30, 2016 (Reviewed) QR '000	For The Year Ended December 31, 2015 (Audited) QR '000
Unquoted:		
Beginning of period / year	43,688	42,947
Additions	--	2,075
Disposal	(2,032)	--
Impairment loss	--	(1,334)
End of period / year	<u>41,656</u>	<u>43,688</u>

8. INVESTMENT IN JOINT VENTURE COMPANIES

	For The Six Month Period Ended June 30, 2016 (Reviewed) QR '000	For The Year Ended December 31, 2015 (Audited) QR '000
Beginning of period / year	24,128	18,306
Acquired during the year	--	2,550
Share of (loss) / profit from joint ventures	(1,655)	4,944
Impairment of investment in joint venture	--	(1,672)
End of period / year	<u>22,473</u>	<u>24,128</u>

MANNAI CORPORATION Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2016

9. INVESTMENT IN ASSOCIATE COMPANIES

	For The Six Month Period Ended June 30, 2016 (Reviewed) QR '000	For The Year Ended December 31, 2015 (Audited) QR '000
Beginning of period / year	1,187,660	1,177,040
Acquired during the year	1,266,886	--
Dividends received	(37,120)	(46,480)
Share of profit from associates	57,560	57,101
Exchange gain on translation of foreign currency	(1)	(1)
End of period / year	<u>2,474,985</u>	<u>1,187,660</u>

In April 2016, the Group acquired 25% interest in GFI and by June 16 concluded the acquisition of further 26.24% stake making a total of 51.24% interest in GFI. After assessing this acquisition and related shareholders agreement, management has decided to classify its investment in GFI as an associate.

10. GOODWILL AND OTHER INTANGIBLE ASSETS

	For The Six Month Period Ended June 30, 2016 (Reviewed) QR '000	For The Year Ended December 31, 2015 (Audited) QR '000
Beginning of period / year	1,210,727	1,201,157
Additions during the year	236	5,372
Reclassification	--	6,028
Charge for the period / year	(1,605)	(1,832)
Exchange gain on translation of foreign currency	2	2
End of period / year	<u>1,209,360</u>	<u>1,210,727</u>

11. PROPERTY, PLANT AND EQUIPMENT

	For The Six Month Period Ended June 30, 2016 (Reviewed) QR '000	For The Year Ended December 31, 2015 (Audited) QR '000
Net book value - beginning of period / year	411,132	399,581
Additions during the year	72,138	132,867
Disposals	(27,314)	(62,054)
Reclassification	2,080	(6,028)
Charge for the period / year	(47,579)	(88,787)
Accumulated depreciation related to disposals	21,242	36,707
Effect of foreign currency difference	(373)	(1,154)
Net book value – end of period / year	<u>431,326</u>	<u>411,132</u>

MANNAI CORPORATION Q.P.S.C.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six month period ended June 30, 2016

12. INVESTMENT PROPERTIES

	For The Six Month Period Ended June 30, 2016 (Reviewed) QR '000	For The Year Ended December 31, 2015 (Audited) QR '000
Net book value - beginning of period / year	103,567	115,836
Additions	--	891
Disposal during the period / year	--	(31,914)
Charge for the period / year	(3,051)	(6,563)
Accumulated depreciation related to disposals	--	25,317
Net book value – end of period / year	<u>100,516</u>	<u>103,567</u>

As at June 30, 2016, the fair value of these investment in properties amounted to QR. 141.01 million based on the valuation performed internally by management. The valuation of these investment properties are based on an individual assessment, for each property type, of both, their future earnings and their required yield based on management's strategy.

13. INTEREST BEARING LOANS AND BORROWINGS

	June 30, 2016 (Reviewed) QR '000	December 31, 2015 (Audited) QR '000
Working capital facilities and others	1,138,486	776,350
Term loans	<u>2,773,538</u>	<u>1,720,384</u>
	<u>3,912,024</u>	<u>2,496,734</u>

Presented in the interim condensed consolidated statement of financial position as follows:

Current	1,360,542	998,334
Non-current	<u>2,551,482</u>	<u>1,498,400</u>
	<u>3,912,024</u>	<u>2,496,734</u>

During the period, the Group acquired 51.24% interest in GFI. The interest bearing loans and borrowings reported as at June 30, 2016 includes loans obtained to fund the acquisition of GFI. These new loans are denominated in Euro.

As at June 30, 2016, carrying value of the loans approximate their fair value.

MANNAI CORPORATION Q.P.S.C.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six month period ended June 30, 2016

14. ACCOUNTS PAYABLE AND ACCRUALS

	June 30, 2016 (Reviewed) QR '000	December 31, 2015 (Audited) QR '000
Trade accounts payable	306,062	430,793
Advances from customers	490,832	581,346
Accrued expenses and others	461,993	532,914
Social and sports contribution	--	7,579
	<u>1,258,887</u>	<u>1,552,632</u>

Presented in the interim condensed consolidated statement of financial position as follows:

Current	1,246,484	1,535,239
Non-current	12,403	17,393
	<u>1,258,887</u>	<u>1,552,632</u>

15. SHARE CAPITAL

	June 30, 2016 (Reviewed) QR '000	December 31, 2015 (Audited) QR '000
Authorized, issued and fully paid shares of QR 10 each	<u>456,192</u>	<u>456,192</u>

16. LEGAL RESERVE

As required by Qatar Commercial Companies' Law, 10% of the profit for the year is required to be transferred to a legal reserve, until such reserve equals 50% of the issued share capital. The Group has resolved to cease such annual transfers as the legal reserve has reached the minimum required level. The reserve is not generally available for distribution except in the circumstances stipulated in the above law. Legal reserve also includes share premium received from issue of shares.

17. DIVIDENDS

During the period, the dividend paid amounted to QR 228.1 million (2015: QR 273.7 million).

MANNAI CORPORATION Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2016

18. EARNINGS PER SHARE

	Six month period ended	
	June 30, 2016 (Reviewed)	June 30, 2015 (Reviewed)
Net profit for the period attributable to shareholders of the Company (in '000 QR)	<u>219,645</u>	<u>276,387</u>
Weighted average number of shares at the end of the period	<u>45,619,200</u>	<u>45,619,200</u>
Basic and diluted earnings per share (QR)	<u>4.81</u>	<u>6.06</u>

19. RELATED PARTIES

Related parties represent associated companies, major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are at arm's length basis.

Related party balances

Related party balances pertain to amounts due to and from associates, joint venture companies and others.

Related party transactions

Transactions with related parties included in the interim condensed consolidated financial statements are as follows:

	Six month period ended	
	June 30, 2016 (Reviewed) QR '000	June 30, 2015 (Reviewed) QR '000
Sales	<u>51,627</u>	<u>71,509</u>
Purchases	<u>6,197</u>	<u>10,588</u>

Compensation of key management personnel and directors' remuneration

	Six month period ended	
	June 30, 2016 (Reviewed) QR '000	June 30, 2015 (Reviewed) QR '000
Directors' remuneration	<u>10,500</u>	<u>13,100</u>
<i>Compensation to key management personnel</i>		
Short-term benefits	<u>7,084</u>	<u>6,278</u>
Post-employment benefits	<u>877</u>	<u>319</u>
	<u>7,961</u>	<u>6,597</u>

MANNAI CORPORATION Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2016

20. CONTINGENCIES AND COMMITMENTS

a) Contingent liabilities

	June 30, 2016 (Reviewed) QR '000	December 31, 2015 (Audited) QR '000
Letters of guarantee	522,787	499,724
Letters of credit	39,792	71,604
Stand-by letters of credit	<u>836,983</u>	<u>800,781</u>
	<u><u>1,399,562</u></u>	<u><u>1,372,109</u></u>

Stand-by letters of credit are provided by commercial banks in favor of the suppliers of gold who have loaned gold on an unfixed basis to the Group.

b) Commitments

	June 30, 2016 (Reviewed) QR '000	December 31, 2015 (Audited) QR '000
<i>Lease commitments</i>		
Less than one year	139,768	142,721
1 to 5 years	130,479	130,223
Above 5 years	6,069	--
	<u>276,316</u>	<u>272,944</u>

	June 30, 2016 (Reviewed) QR '000	December 31, 2015 (Audited) QR '000
<i>Capital commitments</i>		
Capital work in progress – contracted but not provided for	<u>184,283</u>	<u>61,215</u>

	June 30, 2016 (Reviewed) QR '000	December 31, 2015 (Audited) QR '000
<i>Other commitments</i>		
Forward contract in Euro	--	1,129,632
Fair value of Euro forward contract	--	<u>17,954</u>

MANNAI CORPORATION Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2016

20. CONTINGENCIES AND COMMITMENTS (CONTINUED)

c) Contingent liabilities and commitments related to joint venture and associates

	June 30, 2016 (Reviewed) QR '000	December 31, 2015 (Audited) QR '000
<i>Contingent liabilities</i>		
Letters of guarantee	73,796	73,154
Letters of credit	83,496	79,930
	<u>157,292</u>	<u>153,084</u>
 <i>Operating lease commitments</i>		
	<u>117,258</u>	<u>23,242</u>

MANNAI CORPORATION Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2016

21. SEGMENT REPORTING

a) By operating segments

Segment	Six month period ended June 30, 2016 (Reviewed)											Total QR '000	
	Auto QR '000	Heavy equipment QR '000	Energy & Ind. markets QR '000	Industrial supplies QR '000	Information technology QR '000	Travel QR '000	Engineering QR '000	Geotechnical services QR '000	Logistics QR '000	Jewellery trading QR '000	Telecom retail QR '000		Others and adjustments QR '000
Revenue	384,213	183,135	120,636	63,546	760,348	16,472	33,925	42,482	19,709	849,589	--	22,552	2,496,607
Gross profit	77,574	37,309	27,750	9,393	140,173	14,745	464	16,420	6,748	262,757	--	14,392	607,725
Net profit for the period	24,962	21,180	20,205	3,594	102,887	2,488	(410)	5,810	3,835	72,557	2,220	(40,476)	218,852
Finance costs	(6,015)	(2,609)	(508)	(766)	(15,680)	(720)	(1,146)	(660)	(17)	(38,823)	(6,169)	15,511	(57,602)
Depreciation and amortisation	(15,957)	(1,158)	(188)	(223)	(2,868)	(263)	(2,289)	(3,021)	(165)	(19,568)	--	(6,535)	(52,235)
Segment assets	464,070	251,441	87,445	48,521	2,523,866	55,594	79,655	54,173	20,655	1,736,331	1,109,465	1,508,719	7,939,935
Segment liabilities	122,384	42,712	47,005	12,560	805,569	20,607	75,471	21,818	7,604	680,155	--	3,704,579	5,540,464
Other information:													
Share of profit from associates and joint venture companies	--	--	--	--	23,144	--	--	--	--	26,087	8,389	(1,715)	55,905
Investment in associates and joint venture	--	--	--	--	1,290,030	--	--	--	--	83,602	1,109,465	14,361	2,497,458

MANNAI CORPORATION Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2016

21. SEGMENT REPORTING (CONTINUED)

a) By operating segments (continued)

Segment	Comparatives										Total QR '000		
	Auto QR '000	Heavy equipment QR '000	Energy & Ind. markets QR '000	Industrial supplies QR '000	Information technology QR '000	Travel QR '000	Engineering QR '000	Geotechnical services QR '000	Logistics QR '000	Jewellery trading QR '000		Telecom retail QR '000	Others and adjustments QR '000
June 30, 2015 (Reviewed)													
Revenue	469,962	253,797	158,671	122,071	854,047	19,373	52,416	49,100	22,165	1,076,437	--	25,753	3,103,792
Gross profit	83,385	34,754	36,461	20,965	134,147	18,019	9,579	22,002	6,563	323,629	--	11,879	701,383
Net profit for the period	28,265	16,746	27,142	13,972	83,032	5,909	(3,992)	10,690	3,630	111,992	(900)	(20,183)	276,303
Finance costs	(5,488)	(2,717)	(593)	(1,001)	(8,371)	(823)	(1,548)	(851)	(33)	(38,386)	(6,169)	18,445	(47,535)
Depreciation and amortisation	(14,268)	(865)	(121)	(274)	(2,432)	(216)	(2,834)	(3,611)	(181)	(13,525)	--	(6,584)	(44,911)
December 31, 2015													
(Audited)													
Segment assets	444,368	273,838	74,234	86,214	1,303,496	64,584	84,180	55,216	13,765	2,355,723	1,101,076	1,002,966	6,859,660
Segment liabilities	213,514	142,586	35,151	21,250	934,906	23,444	79,586	28,671	4,548	970,758	--	1,996,824	4,451,238
Other information:													
June 30, 2015 (Reviewed)													
(Audited)													
Share of profit from associates and joint venture companies	--	--	--	--	--	--	--	--	--	27,356	5,269	(856)	31,769
December 31, 2015													
(Audited)													
Investment in associates and joint venture	--	--	--	--	--	--	--	--	--	94,636	1,101,076	16,076	1,211,788

MANNAI CORPORATION Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2016

21. SEGMENT REPORTING (CONTINUED)

b) By geographic segment

	<u>Qatar</u>	<u>Other GCC</u> <u>countries</u>	<u>Europe</u>	<u>Others</u>	<u>Total</u>
	QR'000	QR'000	QR'000	QR'000	QR'000
June 30, 2016					
Revenue	<u>1,580,078</u>	<u>852,966</u>	<u>--</u>	<u>63,563</u>	<u>2,496,607</u>
Gross profit	<u>341,728</u>	<u>262,279</u>	<u>--</u>	<u>3,718</u>	<u>607,725</u>
Segment profit	<u>95,860</u>	<u>100,336</u>	<u>23,144</u>	<u>(488)</u>	<u>218,852</u>
Finance costs	<u>(40,134)</u>	<u>(17,393)</u>	<u>--</u>	<u>(75)</u>	<u>(57,602)</u>
Depreciation and amortization	<u>(32,181)</u>	<u>(19,723)</u>	<u>--</u>	<u>(331)</u>	<u>(52,235)</u>
Segment assets	<u>3,707,524</u>	<u>2,858,904</u>	<u>1,290,030</u>	<u>83,477</u>	<u>7,939,935</u>
Segment liabilities	<u>4,825,585</u>	<u>695,594</u>	<u>--</u>	<u>19,285</u>	<u>5,540,464</u>
Other information					
Share of results from joint venture and associate companies	<u>(1,715)</u>	<u>34,476</u>	<u>23,144</u>	<u>--</u>	<u>55,905</u>
Investment in joint venture and associate companies	<u>14,361</u>	<u>1,193,067</u>	<u>1,290,030</u>	<u>--</u>	<u>2,497,458</u>

MANNAI CORPORATION Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six month period ended June 30, 2016

21. SEGMENT REPORTING (CONTINUED)

b) By geographic segment (continued)

	<u>Qatar</u>	<u>Other GCC</u>	<u>Europe</u>	<u>Others</u>	<u>Total</u>
	<u>QR'000</u>	<u>QR'000</u>	<u>QR'000</u>	<u>QR'000</u>	<u>QR'000</u>
June 30, 2015					
Revenue	<u>1,965,145</u>	<u>1,087,671</u>	<u>--</u>	<u>50,976</u>	<u>3,103,792</u>
Gross profit	<u>371,693</u>	<u>325,018</u>	<u>--</u>	<u>4,672</u>	<u>701,383</u>
Segment profit	<u>139,984</u>	<u>138,643</u>	<u>--</u>	<u>(2,324)</u>	<u>276,303</u>
Finance costs	<u>(30,579)</u>	<u>(16,956)</u>	<u>--</u>	<u>--</u>	<u>(47,535)</u>
Depreciation and amortization	<u>(30,024)</u>	<u>(14,125)</u>	<u>--</u>	<u>(762)</u>	<u>(44,911)</u>
Segment assets	<u>3,319,346</u>	<u>3,475,403</u>	<u>--</u>	<u>64,911</u>	<u>6,859,660</u>
Segment liabilities	<u>3,445,386</u>	<u>989,653</u>	<u>--</u>	<u>16,199</u>	<u>4,451,238</u>
Other information					
Share of results from joint venture and associate companies	<u>(856)</u>	<u>32,625</u>	<u>--</u>	<u>--</u>	<u>31,769</u>
Investment in joint venture and associate companies	<u>16,076</u>	<u>1,195,712</u>	<u>--</u>	<u>--</u>	<u>1,211,788</u>