

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

### 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.

#### 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

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2016

|   | June 30, 2016<br>(Reviewed) | December 31, 2015<br>(Audited) |
|---|-----------------------------|--------------------------------|
|   | QR '000                     | QR '000                        |
| <b>ASSETS</b>   |                             |                                |
| <b>Current assets</b>                                     |                             |                                |
| Bank balances and cash                                    | 127,563                     | 150,302                        |
| Accounts receivable and prepayments                       | 891,718                     | 1,008,425                      |
| Amounts due from related parties                          | 23,344                      | 36,448                         |
| Inventories   | 2,500,880                   | 2,631,197                      |
| <b>Total current assets</b>                               | <b>3,543,505</b>            | <b>3,826,372</b>               |
| <b>Non-current assets</b>                                 |                             |                                |
| Accounts receivable and prepayments                       | 87,809                      | 35,740                         |
| Amounts due from related parties                          | 28,305                      | 16,646                         |
| Available-for-sale investments                            | 41,656                      | 43,688                         |
| Investment in joint venture companies                     | 22,473                      | 24,128                         |
| Investment in associate companies                         | 2,474,985                   | 1,187,660                      |
| Goodwill and other intangible assets                      | 1,209,360                   | 1,210,727                      |
| Property, plant and equipment                             | 431,326                     | 411,132                        |
| Investment properties                                     | 100,516                     | 103,567                        |
| <b>Total non-current assets</b>                           | <b>4,396,430</b>            | <b>3,033,288</b>               |
| <b>Total assets</b>                                       | <b>7,939,935</b>            | <b>6,859,660</b>               |
| <b>LIABILITIES AND EQUITY</b>                             |                             |                                |
| <b>Liabilities</b>  |                             |                                |
| <b>Current liabilities</b>                                |                             |                                |
| Bank overdrafts   | 255,104                     | 288,519                        |
| Interest bearing loans and borrowings                     | 1,360,542                   | 998,334                        |
| Amounts due to related parties                            | 3,005                       | 1,041                          |
| Accounts payable and accruals                             | 1,246,484                   | 1,535,239                      |
| <b>Total current liabilities</b>                          | <b>2,865,135</b>            | <b>2,823,133</b>               |
| <b>Non-current liabilities</b>                            |                             |                                |
| Interest bearing loans and borrowings                     | 2,551,482                   | 1,498,400                      |
| Accounts payable and accruals                             | 12,403                      | 17,393                         |
| Provision for employees' end of service benefits          | 111,444                     | 112,312                        |
| <b>Total non-current liabilities</b>                      | <b>2,675,329</b>            | <b>1,628,105</b>               |
| <b>Total liabilities</b>                                  | <b>5,540,464</b>            | <b>4,451,238</b>               |
| <b>Equity</b>   |                             |                                |
| Share capital   | 456,192                     | 456,192                        |
| Legal reserve   | 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                      |
| <b>Equity attributable to shareholders of the Company</b> | <b>2,400,257</b>            | <b>2,408,415</b>               |
| Non-controlling interests                                 | (786)                       | 7                              |
| <b>Total equity</b>                                       | <b>2,399,471</b>            | <b>2,408,422</b>               |
| <b>Total liabilities and equity</b>                       | <b>7,939,935</b>            | <b>6,859,660</b>               |

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

Alekh Grewal  
Group Chief Executive Officer and Director

Keith Higley  
Director

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2016

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

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