

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED DECEMBER 31, 2015

INVITATION TO THE ORDINARY AND EXTRAORDINARY GENERAL ASSEMBLIES OF MANNAI CORPORATION QSC

Dear Shareholder,

The Board of Directors of Mannai Corporation QSC (the "Corporation") have the pleasure to invite you to attend the Ordinary General Assembly meeting to be held on Wednesday, March 23, 2016 at 04.00 p.m. at Al-Silia Ballroom, Grand Hyatt Hotel, and also to attend the Extraordinary General Assembly meeting to be held at the same venue immediately following the Ordinary General Assembly meeting to discuss the respective agenda as shown below. In case the quorum is not met, a second meeting will be held on Wednesday, March 30, 2016 at the same time and venue:

First: Agenda of the Ordinary General Assembly

- Hearing the message of His Excellency the Chairman and the future plan.
- Hearing and approving the Board of Directors Report on the Corporation activities and financial position for the year ended December 31, 2015.
- Hearing and approving External Auditor's Report on the Financial Statements for the year ended December 31, 2015.
- Discussing and approving the Corporation's balance sheet and profit and loss account for the year ended December 31, 2015.
- Reviewing and approving the Board of Directors' proposal for a cash dividend payment of QR5 per share, being 50% of the nominal share value.
- Abolving the Chairman and members of former Board for the year ended December 31, 2015 and approving their remuneration.
- Discussing and approving the Corporate Governance Report of the Corporation for the year 2015.
- Appointing the External Auditor for the year 2016 and fixing their remuneration.
- Election of the Board of Directors for a period of three years commencing from 23rd March 2016 until the Annual Ordinary General Meeting of the Company to be held in 2019.
- Authorizing Mr. Alekh Grewal, Group CEO and Director, to take the procedures necessary for execution of Assembly resolutions.

A copy of the Corporation's Financial Statements for 2015, Board of Directors' Report, External Auditor's Report for the same year are published along with this invitation for your ready reference.

Second: Agenda of the Extraordinary General Assembly

- Amending the Corporation's Articles of Association to be in line with the provision of the new Commercial Companies Law No.11 for the year 2015.
- Authorizing Mr. Alekh Grewal, Group CEO and Director, to take the procedures necessary for execution of Assembly resolutions.

**Hamad Bin Abdulla Bin Khalifa Al Thani
Chairman**

NOTES:

- Exclusively for the review of the Corporation's shareholders, the Corporation will make available, 3 days before the convening of the General Assembly, statements showing the wages, charges, salaries and considerate for attending Board of Directors meetings as well as allowances and any other amounts of whatsoever nature.
- Privileges, whether in kind or in cash, enjoyed by the Chairman of the Board of Directors and each Board member within the financial year.
- Remuneration proposed to be distributed by the Board of Directors to its members...etc in accordance with Article 122 of the Commercial Companies Law no. 11 for the year 2015.
- Every individual shareholder may authorize another shareholder to attend the meeting, provided that such an authorization is in writing and given specifically for the purpose of attending the meeting. A Director may not be authorized for this purpose and the number of shares held by a proxy in this capacity shall not exceed 5% of the share capital of the Corporation. In case the shareholder is corporate person, the representative of the shareholder shall present a written authorization from such corporate person duly signed and stamped in order for the representative to be able to attend the meeting.
- Minors will be represented by their legal guardians.
- In accordance with provisions of Law No 11 of 2015, this invitation shall be held as a legal notice to all shareholders without any need for private invitations to be sent by post.
- In order to complete registration, please attend at 3:30 p.m. on the date of the meetings.

DIRECTOR AND GROUP CHIEF EXECUTIVE OFFICER'S REPORT

2015 was an outstanding year for our Qatar businesses, recording an increase in profits of 120% over the previous year. While on the surface it would appear that 2015 was marginally ahead in terms of the Group prior year's net profit, the reality is that the growth in operating earnings was substantially greater when taking into account that we did not have the same level of 'one off' recoveries from Damas restructuring activities which concluded in 2014.

While the whole year was positive, we did face challenges in our overseas businesses but being a diversified conglomerate, ensured continued stability in our earnings, which is a key strength of Mannai.

The ICT business once again delivered a record breaking performance by its outstanding position as Qatar's leading systems integrator that has built upon its reputation of trust and quality to successfully serve the IT needs of its diverse range of corporate and government customers. The business is ideally positioned to provide the highest quality solutions to its customers throughout the entire technology stack.

Gulf Laboratories which offers drilling and ground investigations services along with laboratory and environmental testing services had the best year in its history.

Energy & Industrial division performed well again due to the many infrastructure projects it has in its portfolio of works and by securing a major share of the strategic Water Mega Reservoirs project in Qatar. Following the continuous successful business between Mannai & Saint Gobain Pam, both companies have agreed to further strengthen their activities in Qatar, and have established the "first of its kind" distribution platform in Qatar under the name of "Saint Gobain Pam & Mannai LLC". This platform will ensure the immediate availability of ductile iron pipes, fittings and valves in Qatar to service our clients' needs.

Heavy Equipment division grew its market share achieving greater profitability. New vehicle sales were buoyant as our new Cadillacs and GMCs flew out of our showrooms, proving that the new models are truly aesthetically desirable.

Internationally, Damas witnessed a slowdown in business due to the challenges in the retail market in the GCC. It was most affected by a lack of high end customers visiting Dubai.

Axiom also faced significant challenges due to the retail slowdown in the UAE along with handset manufacturers reducing the margin available to its distributors. However, the company is on track to execute its strategic initiatives which should produce a significant improvement in its earnings.

PERFORMANCE

The Group delivered another year of record profits:

- > Group Turnover: QR 5.9 Billion.
- > Net Profit for the year: QR 528 Million.
- > The Group's overseas operations contributed 43% of the overall profit of the Group.
- > Return on Equity is 24%.
- > Earnings per Share: QR 11.68

DIVERSITY OF BUSINESSES

Mannai Corporation is a conglomerate operating within a single set of values that we call the "Mannai Way". We work with an array of leading globally recognised brands and international partners.

Our diverse range of trading, retail and service businesses deal with customers in the Oil & Gas industry, the Commercial and Government sector, as well as retail client's throughout the GCC and Turkey. We aim to continue to provide a platform for future profitable growth, listening and responding to changing needs of our customers and clients while staying true to our core values of quality, value, service and trust.

FUTURE OUTLOOK

Mannai is on course to acquire 51% of GFI Informatique, a French Public Listed company. The acquisition will be concluded once all regulatory approvals have been obtained. GFI is a leading IT services provider with operations in France, Spain, Portugal, Morocco and Northern Europe. The Company has long term relationships with leading French multinationals and offers Consulting, Application and Infrastructure services, Enterprise and Software Solutions. This acquisition will significantly diversify Mannai's International footprint and further broaden our earnings base.

We remain cautiously optimistic that Mannai will continue to maintain an active role in the planned infrastructure developments in Qatar.

Although the economic outlook is challenging in the near term, we remain committed to continuing our unbroken record of growth as a Public Company and delivering positive results for our shareholders.

Alekh Grewal
Director & Group Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

**The Shareholders
Mannai Corporation Q.S.C.**
Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Mannai Corporation Q.S.C. (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at December 31, 2015 and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and the applicable provisions of the Qatar Commercial Companies Law, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Mannai Corporation Q.S.C and its subsidiaries as at December 31, 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other Legal and Regulatory Requirements

We are also of the opinion that proper books of account were maintained by the Company, physical inventory verification has been duly carried out and the contents of the directors' report are in agreement with the Group's consolidated financial statements. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. To the best of our knowledge and belief and according to the information given to us, no contraventions of the applicable provisions of Qatar Commercial Companies Law and the Company's Bylaws were committed during the year which would materially affect the Group's activities or its financial position. As explained in note 3 to the consolidated financial statements, a new Qatar Commercial Law was issued on July 7, 2015. The Company is in the process of assessing its compliance with the new Qatar Commercial Companies' Law.

**Doha - Qatar
February 24, 2016**

**For Deloitte & Touche
Qatar Branch**

**Muhammad Bahemia
Partner
License No. 103**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at December 31, 2015

	2015 QR '000	2014 QR '000
ASSETS		
Current assets		
Bank balances and cash	150,302	114,263
Accounts receivable and prepayments	1,008,425	1,014,847
Amounts due from related parties	36,448	34,574
Inventories	2,631,197	2,585,410
Total current assets	3,826,372	3,749,094
Non-current assets		
Accounts receivable and prepayments	35,740	36,021
Amounts due from related parties	16,646	20,599
Available for sale investments	43,688	42,947
Investment in joint venture companies	24,128	18,306
Investment in associate companies	1,187,660	1,177,040
Goodwill and other intangible assets	1,210,727	1,201,157
Property, plant and equipment	411,132	399,581
Investment properties	103,567	115,836
Total non-current assets	3,033,288	3,011,487
Total assets	6,859,660	6,760,581
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Bank overdrafts	288,519	348,362
Interest bearing loans and borrowings	998,334	1,877,653
Amounts due to related parties	1,041	6,481
Accounts payable and accruals	1,535,239	1,489,833
Total current liabilities	2,823,133	3,722,329
Non-current liabilities		
Interest bearing loans and borrowings	1,498,400	741,599
Accounts payable and accruals	17,393	31,217
Employees' end of service benefits	112,312	99,258
Total non-current liabilities	1,628,105	872,074
Total liabilities	4,451,238	4,594,403
Equity		
Share capital	456,192	456,192
Legal reserve	1,083,456	1,083,456
Revaluation reserve	4,630	4,630
Foreign currency translation reserve	(13,994)	(9,539)
Proposed dividends	228,096	273,715
Retained earnings	1,238,093	940,987
Acquisition reserve	(588,058)	(588,058)
Equity attributable to shareholders of the Company	2,408,415	2,161,383
Non-controlling interests	7	4,795
Total equity	2,408,422	2,166,178
Total liabilities and equity	6,859,660	6,760,581

These consolidated financial statements were approved by the Board of Directors and authorised for issue on February 24, 2016.

Sheikh Suhaim Bin Abdulla Al-Thani
Vice Chairman

Alekh Grewal
Director and Group Chief Executive Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS For the Year Ended December 31, 2015

	2015 QR '000	2014 QR '000
Revenue	5,934,633	5,939,941
Direct costs	(4,592,758)	(4,734,201)
Gross profit	1,341,875	1,205,740
Other income	150,530	362,216
Share of results of joint ventures and associates - net	55,429	13,884
General and administrative expenses	(432,740)	(470,456)
Selling and distribution expenses	(391,489)	(400,650)
Profit before interest, depreciation and amortisation	723,605	710,734
Finance costs	(94,747)	(90,141)
Depreciation and amortisation	(97,182)	(88,594)
Profit from continuing operations before tax	531,676	531,999
Income tax	(3,461)	(3,794)
Profit from continuing operations after tax	528,215	528,205
Loss from discontinued operation	--	(1,401)
Net profit for the year	528,215	526,804
Attributable to:		
Shareholders of the Company	532,781	526,427
Non-controlling interests	(4,566)	377
	528,215	526,804
Earnings per share:		
Basic and diluted earnings per share attributable to shareholders of the Company (QR)	11.68	11.54
Basic and diluted earnings per share from continuing operations attributable to shareholders of the Company (QR)	11.68	11.57

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the Year Ended December 31, 2015

	2015 QR '000	2014 QR '000
Net profit for the year	528,215	526,804
Other comprehensive loss		
Items that may be reclassified subsequently to statement of profit or loss:		
Foreign currency translation reserve	(4,455)	(4,156)
Foreign currency translation adjustment	(4,455)	(4,156)
Total other comprehensive loss for the year	(4,455)	(4,156)
Total comprehensive income for the year	523,760	522,648
Attributable to:		
Shareholders of the Company	528,326	522,271
Non-controlling interests	(4,566)	377
	523,760	522,648