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
30 JUNE 2018

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KPMG
25 C Ring Road
PO Box 4473, Doha
State of Qatar
Telephone: +974 4457 6444
Fax: +974 4442 5626
Website: www.kpmg.com.qa

Independent auditor's report on review of interim condensed consolidated financial statements

To
The Board of Directors
Mannai Corporation Q.P.S.C.
Doha - Qatar

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Mannai Corporation Q.P.S.C. (the "Company") and its subsidiaries (together referred to as the "Group") as at 30 June 2018, and the interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six month period then ended and notes to the interim condensed consolidated financial statements.

The Board of Directors is responsible for the preparation and presentation of this interim condensed consolidated financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this interim condensed consolidated 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 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.

Independent auditor's report on review of interim condensed consolidated financial statements (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements as at 30 June 2018 are not prepared, in all material respects, in accordance with IAS 34 – "Interim Financial Reporting".

02 August 2018
Doha
State of Qatar

Gopal Balasubramaniam
Qatar Auditors Registry Number 251
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MANNAI CORPORATION Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Notes	**30 June 2018 (Reviewed)**	31 December 2017 (Audited)
		QR '000	QR '000
			*(Restated)**
ASSETS			
Current assets			
Cash and bank balances	4	**591,445**	362,766
Accounts receivable and prepayments	5	**3,985,451**	3,004,999
Due from related parties		**29,214**	28,398
Inventories	6	**1,691,158**	2,083,036
Total current assets		**6,297,268**	5,479,199
Non-current assets			
Accounts receivable and prepayments	5	**259,071**	244,354
Due from related parties		**42,298**	38,987
Financial assets – equity instruments	7	**12,769**	38,716
Investment in joint venture companies	8	**17,782**	16,991
Investment in associate companies	9	**1,257,980**	1,248,323
Goodwill and other intangible assets	10	**4,361,894**	3,785,035
Property, plant and equipment	11	**710,980**	621,298
Investment properties	12	**77,349**	80,224
Deferred tax assets		**111,913**	35,268
Total non-current assets		**6,852,036**	6,109,196
Total assets		**13,149,304**	11,588,395
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Bank overdrafts	4	**550,367**	385,164
Interest bearing loans and borrowings	13	**2,109,941**	2,113,609
Due to related parties		**2,476**	5,280
Accounts payable and accruals	14	**3,443,478**	3,284,101
Total current liabilities		**6,106,262**	5,788,154
Non-current liabilities			
Deferred tax liabilities		**14,064**	9,571
Interest bearing loans and borrowings	13	**3,973,025**	2,548,272
Accounts payable and accruals	14	**135,416**	148,798
Provision for employees' end of service benefits		**322,665**	311,913
Total non-current liabilities		**4,445,170**	3,018,554
Total liabilities		**10,551,432**	8,806,708

**Refer Note 24*

(Continued)

	Notes	**30 June 2018 (Reviewed) QR '000**	31 December 2017 (Audited) QR '000 *(Restated)**
Equity			
Share capital	15	**456,192**	456,192
Legal reserve	16	**1,083,456**	1,083,456
Acquisition reserve		**(895,823)**	(588,058)
Other reserve		**(6,551)**	(371,203)
Foreign currency translation reserve		**(27,981)**	20,178
Proposed dividends		**-**	182,477
Retained earnings		**1,968,113**	1,892,419
Equity attributable to shareholders of the Company		**2,577,406**	2,675,461
Non-controlling interests		**20,466**	106,226
Total equity		**2,597,872**	2,781,687
Total liabilities and equity		**13,149,304**	11,588,395

**Refer Note 24*

These interim condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 02 August 2018.

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Sheikh Hamad Bin Abdulla Bin Khalifa Al-Thani
Chairman

Sheikh Suhaim Bin Abdulla Bin Khalifa Al-Thani
Vice Chairman

MANNAI CORPORATION Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six month period ended 30 June 2018

	Note	Six month period ended 30 June 2018 (Reviewed) QR '000	30 June 2017 (Reviewed) QR '000
Revenue		**5,171,146**	2,316,927
Direct costs		**(3,968,233)**	(1,767,255)
Gross profit		**1,202,913**	549,672
Other income		**34,786**	48,513
Share of profit from associates and joint venture companies		**26,292**	39,615
General and administrative expenses		**(567,992)**	(199,816)
Selling and distribution expenses		**(252,068)**	(154,016)
Profit before interest, tax, depreciation and amortization		**443,931**	283,968
Finance costs		**(129,778)**	(71,565)
Depreciation and amortization		**(105,629)**	(45,006)
Profit before tax		**208,524**	167,397
Income tax		**(41,284)**	(998)
Net profit for the period		**167,240**	166,399
Attributable to:			
Shareholders of the Company		**166,984**	166,481
Non-controlling interests		**256**	(82)
		167,240	166,399
Earnings per share:			
Basic and diluted earnings per share attributable to shareholders of the Company (QR)	18	**3.66**	3.65

MANNAI CORPORATION Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six month period ended 30 June 2018

	Six month period ended	
	30 June 2018 (Reviewed)	30 June 2017 (Reviewed)
	QR '000	QR '000
Net profit for the period	**167,240**	166,399
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences	**(48,528)**	151,472
Items that will not to be reclassified subsequently to profit or loss		
Net changes in fair value of employees benefit reserve	**(1,758)**	-
Other comprehensive (loss) / income – net of tax	**(50,286)**	151,472
Total comprehensive income for the period	**116,954**	317,871
Attributable to:		
Shareholders of the Company	**117,409**	317,953
Non-controlling interests	**(455)**	(82)
	116,954	317,871

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 30 June 2018

	Share capital	Legal reserve	Acquisition reserve	Other reserve	Foreign currency translation reserve	Proposed dividends	Retained earnings	Equity attributable to Shareholders of the Company	Equity attributable to 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 – 1 January 2017 (Audited)	456,192	1,083,456	(588,058)	4,630	(143,743)	182,477	1,583,312	2,578,266	(109)	2,578,157
Profit for the period	-	-	-	-	-	-	166,481	166,481	(82)	166,399
Other comprehensive income	-	-	-	-	151,472	-	-	151,472	-	151,472
Total comprehensive income for the period	-	-	-	-	151,472	-	166,481	317,953	(82)	317,871
Dividends paid	-	-	-	-	-	(182,477)	-	(182,477)	-	(182,477)
Movement in non-controlling interests	-	-	-	-	-	-	-	-	(4)	(4)
Balance – 30 June 2017 (Reviewed)	456,192	1,083,456	(588,058)	4,630	7,729	-	1,749,793	2,713,742	(195)	2,713,547
Balance – 1 January 2018 (Audited) (restated)*	456,192	1,083,456	(588,058)	(371,203)	20,178	182,477	1,892,419	2,675,461	106,226	2,781,687
Adjustment on application of IFRS 15 (net of tax) (Refer Note 2.2)	-	-	-	-	(342)	-	(30,234)	(30,576)	(7,026)	(37,602)
Adjustment on application of IFRS 9 (net of tax) (Refer Note 2.2)	-	-	-	-	-	-	(61,056)	(61,056)	-	(61,056)
Adjusted balance – 1 January 2018	456,192	1,083,456	(588,058)	(371,203)	19,836	182,477	1,801,129	2,583,829	99,200	2,683,029
Profit for the period	-	-	-	-	-	-	166,984	166,984	256	167,240
Other comprehensive income	-	-	-	(1,758)	(47,817)	-	-	(49,575)	(711)	(50,286)
Total comprehensive income for the period	-	-	-	(1,758)	(47,817)	-	166,984	117,409	(455)	116,954
Dividends paid	-	-	-	-	-	(182,477)	-	(182,477)	(7,882)	(190,359)
Adjustment due to acquisition of additional interest in a subsidiary (Refer Note 23)	-	-	(307,765)	366,410	-	-	-	58,645	(70,397)	(11,752)
Balance – 30 June 2018 (Reviewed)	**456,192**	**1,083,456**	**(895,823)**	**(6,551)**	**(27,981)**	**-**	**1,968,113**	**2,577,406**	**20,466**	**2,597,872**

**Refer Note 24*

MANNAI CORPORATION Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS

For the six month period ended 30 June 2018

	Note	Six month period ended 30 June 2018 (Reviewed) QR '000	30 June 2017 (Reviewed) QR '000
Profit before tax		**208,524**	167,397
Adjustments for:			
Depreciation and amortization		**105,629**	45,006
Property, plant and equipment written off		**49**	401
Allowance / (reversal)for impairment of receivables		**10,107**	(88)
Impairment of financial assets – equity instruments		**288**	1,776
Provision of obsolete and slow moving inventories		**2,001**	4,704
Loss / (gain) on disposals of property, plant and equipment		**871**	(2,362)
Gain on disposals of investment property		**(343)**	-
Finance income		**(3,378)**	(1,978)
Finance costs		**129,778**	71,565
Share of profit from associates and joint ventures		**(26,292)**	(39,615)
Provision for employees' end of service benefits		**25,114**	11,414
Operating profit before working capital changes		**452,348**	258,220
Working capital changes:			
Accounts receivable and prepayments		**(716,252)**	(8,509)
Inventories		**(8,331)**	199,054
Due from / to related parties		**(3,553)**	(11,700)
Accounts payable and accruals		**425,607**	(132,778)
Net cash generated from operations		**149,819**	304,287
Finance costs paid		**(114,866)**	(73,310)
Employees' end of service benefits paid		**(14,362)**	(10,770)
Social and sports contribution paid		**(6,806)**	(7,421)
Net cash generated from operating activities		**13,785**	212,786
Cash from investing activities			
Dividend received		**16,248**	43,402
Acquisition of financial assets – equity instruments		**(619)**	-
Proceeds from disposal of financial assets – equity instruments		-	35
Acquisition of property, plant and equipment		**(150,122)**	(69,544)
Proceeds from disposal of property, plant and equipment		**6,162**	13,503
Proceeds from disposal of investment property		**544**	-
Additions to goodwill and intangible assets		**(680,982)**	(91)
Advance paid for increase in equity interest in an associate		-	(294,649)
Acquisition of non-controlling interests in a subsidiary		**(378,162)**	-
Interest received		-	1,951
Movement in non-controlling interests		-	(4)
Net cash used in investing activities		**(1,186,931)**	(305,397)

(Continued)

	Note	**Six month period ended**	
		30 June 2018 (Reviewed)	30 June 2017 (Reviewed)
		QR '000	QR '000
Cash from financing activities			
Dividends paid		**(182,477)**	(182,477)
Movement in interest bearing loans and borrowings		**1,421,085**	379,320
Net cash generated from financing activities		**1,238,608**	196,843
Net change in cash and cash equivalents		**65,462**	104,232
Cash and cash equivalents at the beginning of period		**(35,535)**	(25,032)
Cash and cash equivalents at the end of period	4	**29,927**	79,200

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.

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

		Group's effective shareholding percentage	
Name of subsidiaries	**Country of incorporation**	**30 June 2018**	31 December 2017
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
Al Mannai Travel L.L.C.	UAE	**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
GFI Informatique India Private Limited (Formerly known as Techsignia Solutions Pvt. Ltd.)	India	**100**	100
Gulf Geotechnical Services and Material Testing L.L.C.	Oman	**100**	100
Damas International Limited	UAE	**100**	100
Global Motor Sports S.P.C.	Qatar	**-**	100
NYX Information Technology	Turkey	**100**	100
GTC Otomotiv Anonim Sirketi	Turkey	**100**	100
Mannai Network & Solution L.L.C.	Oman	**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 Follie L.L.C.	UAE	**100**	100
Ayodhya Jewellery L.L.C.	UAE	**100**	100
Ayodhya Jewellery Kuwait W.L.L.	Kuwait	**100**	-
The Watch Studio L.L.C.	UAE	**100**	100
Arshi Jewellery L.L.C.	UAE	**75**	75
Damas Jewellery Manufacturing Company	UAE	**100**	100
Damas SPV Jewellery L.L.C.	UAE	**100**	100
Premium Investments International L.L.C.	UAE	**100**	100

1. CORPORATE INFORMATION (CONTINUED)

Name of subsidiaries	Country of incorporation	Group's effective shareholding percentage **30 June 2018**	 31 December 2017
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	**100**	100
Damas Accessories L.L.C.	KSA	**100**	100
Ayodhya Jewellery L.L.C. (KSA)	KSA	**100**	100
Golden Investments Limited	UAE	**100**	100
Golden Investments Holdings Limited	UAE	**100**	100
Golden Investment Services Limited	UAE	**100**	100
Gfi Informatique SA	France	**96.6**	81.2
Gfi Progiciels SAS	France	**96.6**	81.2
Cognitis France SAS	France	**96.6**	81.2
Addstones SAS	France	**96.6**	81.2
Gfi Informatique Telecom SASU	France	**96.6**	81.2
Business Document SAS	France	**96.6**	81.2
Gfi Infogen Systems SAS	France	**96.6**	81.2
Gfi Informatique Production SA	France	**96.6**	81.1
Gfi Informatique Enterprise Solutions SA	France	**96.6**	81.2
Novulys SA	France	**62.8**	52.8
Metaware Technologies SA	France	**96.6**	81.2
Gfi Business - Transformation SAS	France	**96.6**	81.2
S.C.I. Gifimo	France	**96.6**	81.2
SCI via Domitia	France	**96.6**	81.2
Awak'IT (S&I) SAS	France	**96.6**	81.2
Tikawa Productions SARL	France	**96.6**	81.2
ITN Consultants SAS	France	**96.6**	81.2
Gfi 7 SARL	France	**96.6**	81.2
Gfi 8 SARL	France	**96.6**	81.2
Gfi 9 SARL	France	**96.6**	81.2
Gfi Conseil et Integration de Solutions SASU	France	**67.7**	56.9
Gfi Benelux	Belgium	**96.6**	81.2
Gfi NV	Belgium	**96.6**	81.2
Gfi Infrastructure Services SA	Luxembourg	**96.6**	81.2
Impaq Sp. z.o.o.	Poland	**96.6**	81.2
IT skills Sp. z.o.o.	Poland	**96.6**	81.2
Impaq UK Limited	United Kingdom	**96.6**	81.2
Gfi International	Switzerland	**96.6**	81.2
Impaq AG	Switzerland	**96.6**	81.2
Grupo Corporativo Gfi Informatica SA	Spain	**96.6**	81.2
Gfi Levante SL	Spain	**96.6**	81.2
Gfi Cataluna Grupo Corporativo SA	Spain	**96.6**	81.2
Gfi Cataluna Grupo Corporativo Gfi Norte	Spain	**96.6**	81.2
Advanced Software Technologies SA	Spain	**96.6**	81.2
Savac Consultores SL	Spain	**96.6**	81.2

1. CORPORATE INFORMATION (CONTINUED)

		Group's effective shareholding percentage	
Name of subsidiaries	**Country of incorporation**	**30 June 2018**	31 December 2017
Efron Colombia SAS	Colombia	**96.6**	81.2
Efromex Consulting SA	Mexico	**96.6**	81.2
Efron Consulting Inc.	USA	**96.6**	81.2
Gfi Portugal - Technologias de Informacao, SA	Portugal	**96.6**	81.2
Roff Consultores Independetes SA	Portugal	**96.6**	81.2
Roff SDF lda	Portugal	**96.6**	81.2
RoffMex Consulting SA de C.V.	Mexico	**80.4**	56.9
Roff France	France	**96.6**	81.2
Roff Suisse	Switzerland	**96.6**	81.2
RNIC Independent Consultants AB	Sweden	**96.6**	81.2
Roff Brasil	Brazil	**96.6**	81.2
Rofftec Angola - Consultoria Servicos e Produtos, Lda	Angola	**96.6**	81.2
Roff NCA SARL	Morocco	**96.6**	81.2
Roff Asia Limitada	China	**96.6**	81.2
Gfi Informatique Holding GmbH	Germany	**96.6**	81.2
Somafor SARL	France	**96.6**	81.2
Somafor RCI SA	Ivory Coast	**96.6**	81.2
Value Team SARL	Morocco	**96.6**	81.2
NVBS SARL	Morocco	**96.6**	81.2
Gfi Informatique Maroc Holding	Morocco	**96.6**	81.2
Gfi Informatique Maroc	Morocco	**96.6**	81.2
Metaware Services	Morocco	**96.6**	81.2
Gfi Maroc Offshore	Morocco	**96.6**	81.2
Garsys SAS	France	**96.6**	81.2
GEIE European Software and Services Group	France	**86.1**	60.9
Impaq Addstone S.R.L.	Romania	**96.6**	81.2
Gfi Österreich GmbH	Austria	**96.6**	81.2
Impaq Addstones Services S.R.L.	Romania	**96.6**	81.2
Realdolmen NV	Belgium	**85.9**	-
REAL Solutions SA	Luxembourg	**96.6**	-
REAL Software Nederland BV	Pays-Bas	**96.6**	-
Frankim NV	Belgium	**96.6**	-
Cynapsys Inc	Tunisia	**96.6**	-
Cynapsys	Tunisia	**96.5**	-
Cynapsys Com	Tunisia	**96.5**	-
Cynapsys France	France	**96.6**	-
Edigitalis	France	**96.5**	-
Value Pass	Morocco	**96.6**	-
BNDC	France	**53.7**	-
Gesfor Mexico	Mexico	**96.6**	-
Gesfor Panama	Panama	**96.6**	-
Gesfor Services	Mexico	**95.6**	-
GSFR	Mexico	**96.6**	-
Gfi Tunisie	Tunisia	**96.6**	-
Roff Singapore	Singapore	**96.6**	-

1. CORPORATE INFORMATION (CONTINUED)

During the period, the Company acquired additional 15.39% stake in its one of the subsidiary, Gfi Informatique SA, thereby, making its total shareholding to 96.60% as of the reporting date.

Mannai Trading Company W.L.L., Damas International Limited and Gfi Informatique 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 consolidated financial statements as at 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.

2.2 Significant accounting policies

Except as described below, the accounting policies applied in these interim condensed consolidated financial statements are consistent with those applied in the Group’s consolidated financial statements, as at and for the year ended 31 December 2017.

The changes in accounting policies are also expected to be reflected in the Group’s consolidated financial statements as at and for the year ending 31 December 2018.

The Group has initially adopted IFRS 15 *Revenue from Contracts with Customers* (see A) and IFRS 9 *Financial Instruments* (see B) 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 interim condensed consolidated financial statements.

The effect of initially applying these standards is mainly attributed to the following:
- revenue recognition for ICT projects (see A(a) below); and
- an increase in impairment losses recognised on financial assets (see B(i) below)

A. 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, 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. The following table summarises the impact, net of tax, of transition to IFRS 15 on retained earnings, non-controlling interests and foreign currency translation reserve at 1 January 2018.

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

2.2 Significant accounting policies (continued)

A. IFRS 15 "Revenue from Contracts with Customers" (continued)

	Note	Impact of adopting IFRS 15 at 1 January 2018 (QR '000)
Retained earnings		
Revenue recognition – net of tax	(a)	(30,234)
Impact at 1 January 2018		**(30,234)**
Non-controlling interests		
Revenue recognition – net of tax	(a)	(7,026)
Impact at 1 January 2018		**(7,026)**
Foreign currency translation reserve		
Exchange differences – net of tax		(342)
Impact at 1 January 2018		**(342)**

The following tables summarise the impacts of adopting IFRS 15 on the Group's interim condensed statement of financial position as at 30 June 2018 and its interim condensed statement of profit or loss and other comprehensive income for the six months then ended for each of the line items affected.

Impact on the interim condensed consolidated statement of financial position:

	Note	As reported on 30 June 2018	Adjustments	Amounts without adoption of IFRS 15
		QR '000	QR '000	QR '000
Assets				
Deferred tax assets		111,913	(18,591)	93,322
Other non-current assets		6,740,123	(3,231)	6,736,892
Non-current assets		**6,852,036**	**(21,822)**	**6,830,214**
Inventories	(a)	1,691,158	398,208	2,089,366
Accounts receivable and prepayments	(a)	259,071	(418,394)	(159,323)
Current assets		**6,297,268**	**(20,186)**	**6,277,082**
Total assets		**13,149,304**	**(42,008)**	**13,107,296**
Equity				
Retained earnings		1,968,113	16,312	1,984,425
Equity attributable to shareholders of the Company		2,577,406	16,312	2,593,718
Total equity		**2,597,872**	**16,312**	**2,614,184**
Liabilities				
Non-current liabilities		**4,445,170**	**(2,002)**	**4,443,168**
Current liabilities		**6,106,262**	**(56,318)**	**6,049,944**
Total liabilities		**10,551,432**	**(58,321)**	**10,493,111**
Total equity and liabilities		**13,149,304**	**(42,008)**	**13,107,296**

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

2.2 Significant accounting policies (continued)

A. IFRS 15 "Revenue from Contracts with Customers" (continued)

Impact on the interim condensed consolidated statement of profit or loss and other comprehensive income -

For the six months ended 30 June 2018	Note	As reported	Adjustments	Amounts without adoption of IFRS 15
		QR '000	QR '000	QR '000
Revenue	(a)	5,171,146	(62,692)	5,108,454
Cost of sales	(a)	(3,968,233)	42,238	(3,925,995)
Gross profit		**1,202,913**	**(20,454)**	**1,182,459**
Profit before tax		**208,524**	**(20,454)**	**188,070**
Income tax expense		(41,284)	3,681	(37,603)
Profit for the period		**167,240**	**(16,773)**	**150,467**
Total comprehensive income for the period		**116,954**	**(16,773)**	**100,181**

The details of the new significant accounting policies and the nature of the changes to previous accounting policies in relation to the Group's various goods and services are set out below.

Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

Type of product/ service	Nature, timing of satisfaction of performance obligations, significant payment terms	Nature of change in accounting policy
a. Information and Communication Technology (ICT Projects)	The Group has determined that for ICT projects, the customer controls all of the work in progress as the hardwares/ softwares are being manufactured/ developed.	Revenue for ICT projects was recognised by reference to the stage of completion of the projects at the reporting date, provided that the revenue and costs could be measured reliably, the recovery of the consideration was probable and there was no continuing managerial involvement with the goods and services rendered.

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

2.2 Significant accounting policies (continued)

A. IFRS 15 "Revenue from Contracts with Customers" (continued)

Type of product/ Service	Nature, timing of satisfaction of performance obligations, significant payment terms	Nature of change in accounting policy
a. Information and Communication Technology (ICT Projects) (continued)	This is because under those contracts, hardwares / softwares are made to a customer's specification and if a contract is terminated by the customer, then the Group is entitled to reimbursement of the costs incurred to date, including a reasonable margin. Therefore, revenue from these contracts and the associated costs are recognised over time – i.e. before the goods are delivered to the customer's premises. Invoices are issued according to contractual terms. Under IFRS 15, the total consideration in the contract is allocated between all goods and services based on their stand-alone selling prices. In case where the stand-alone selling price is applicable, it is determined based on the cost plus mark-up depending on the nature of goods and services to be provided to different customers. Un-invoiced amounts are presented as accrued income under accounts receivable and prepayments in the statement of financial position.	The impacts of the changes due to IFRS 15 on items other than revenue and direct costs are an increase in accrued income presented under accounts receivable and prepayments and a decrease in inventories.
b. Sale of goods	Customers obtain control of products when the goods are delivered to and have been accepted by the customers. Invoices are generated and revenue is recognised at that point in time.	Under IAS 18, revenue was recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

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

2.2 Significant accounting policies (continued)

A. IFRS 15 "Revenue from Contracts with Customers" (continued)

Type of product/ service	**Nature, timing of satisfaction of performance obligations, significant payment terms**	**Nature of change in accounting policy**
b. Sale of goods (continued)	For contracts that permit the customer to return an item, under IFRS 15 revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data for specific type of products.	Revenue is measured net of returns, trade discounts and volume rebates. IFRS 15 did not have a significant impact on the Group's accounting policies.
c. Rendering of services (other than those that forms part of ICT projects)	Revenue is recognised over time as those services are provided. Invoices are usually issued upon completion of the job. Under IFRS 15, the total consideration in the service contracts is allocated to all services based on their stand-alone selling prices. In case where the stand-alone selling price is applicable, it is determined based on the list prices at which the Group sells the services in separate transactions.	IFRS 15 did not have a significant impact on the Group's accounting policies.

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

2.2 Significant accounting policies (continued)

B. 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 reserves and retained earnings (for a description of the transition method, see Note 2.2 B (ii) below).

	Retained earnings QR'000
Adjustment on initial application of IFRS 9	
Equity investments at FVTPL (AFS investments under old IAS 39)	(26,531)
Recognition of expected credit losses under IFRS 9	(34,525)
Adjustment to the opening balances as at 1 January 2018	**(61,056)**

(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;
- Fair Value Through Other Comprehensive Income (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.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and;

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

2.2 Significant accounting policies (continued)

B. IFRS 9 "Financial Instruments" (continued)

- its contractual terms give rise on specified dates to cash flows that are solely payments principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and;
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of the Group's financial assets:

Financial assets at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost
These assets are subsequently measured at amortised costing using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets at FVOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

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

2.2 Significant accounting policies (continued)

B. IFRS 9 "Financial Instruments" (continued)

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

	Note	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount Under IFRS 9
Financial assets				**QR'000**	**QR'000**
Equity instruments	(a)	Available-for-sale investments	FVOCI – equity instruments	11,740	11,740
Equity instruments	(b)	Available-for-sale investments	FVTPL - equity instruments	26,976	445
Accounts and other receivables (excluding prepayments and advance to suppliers)	(c)	Loans and receivables	Amortised cost	3,082,427	3,047,902
Amount due from related parties	(c)	Loans and receivables	Amortised cost	67,385	67,385
Cash and bank balances	(c)	Loans and receivables	Amortised cost	362,766	362,766
Total financial assets				**3,551,294**	**3,490,238**

(a) These equity securities represent investments that the Group intends to hold for the long term for strategic purposes. As permitted by IFRS 9, the Group has designated these investments at the date of initial application as measured at FVOCI. Unlike IAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.

(b) As permitted by IFRS 9, the Group has elected to choose FVTPL option at the date of initial application, since, these investments are managed on a fair value basis and their performance is monitored on this basis.

(c) Accounts and other receivables, amount due from related parties, and cash and cash equivalents that were previously classified as loans and receivables under IAS 39 are now classified at amortised cost as per IFRS 9. An increase of QR 34,525 thousand in the provision for impairment of accounts and other receivables was recognised in opening retained earnings at 1 January 2018 on transition to IFRS 9.

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

2.2 Significant accounting policies (continued)

B. IFRS 9 "Financial Instruments" (continued)

(i) 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 consist of accounts and other receivables and cash and cash equivalents 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 *12-month* 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 91 to 180 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); or
- the financial asset is more than 91 to 180 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

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.

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

2.2 Significant accounting policies (continued)

B. IFRS 9 "Financial Instruments" (continued)

(i) Impairment of financial assets (continued)

Credit-impaired financial assets
At each reporting date, the Group assesses the financial assets carried at amortised cost are credit-impaired. 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 accounts and other receivables, amount due from related parties and cash and cash equivalents are presented under general and administrative expenses in the interim condensed consolidated statement of profit or loss.

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 34,525 thousand.

(ii) Transition

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied using 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 generally reflect the requirements of IFRS 9 but rather those of IAS 39.

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

The Group will further assess the impact of IFRS 9 and IFRS 15 as part of year end consolidated financial statements and any further adjustments will be adjusted accordingly.

3. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

In preparing these interim condensed consolidated financial statements, management has made judgements and estimates 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 judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements, except for new significant judgements and key sources of estimation uncertainty related to the application of IFRS 15 and IFRS 9, which are described in Note 2.

4. CASH AND BANK BALANCES

	30 June 2018 (Reviewed)	31 December 2017 (Audited)	30 June 2017 (Reviewed)
	QR '000	QR '000	QR '000
Cash and bank balances	**591,445**	362,766	228,073
Less: Fixed and margin deposit under lien	**(11,151)**	(13,137)	(7,414)
	580,294	349,629	220,659
Less: Bank overdrafts	**(550,367)**	(385,164)	(141,459)
Cash and cash equivalents	**29,927**	(35,535)	79,200

5. ACCOUNTS RECEIVABLE AND PREPAYMENTS

	30 June 2018 (Reviewed)	31 December 2017 (Audited)
	QR '000	QR '000
Trade accounts receivable	**1,589,619**	1,332,963
Receivables transferred to factoring companies	**467,177**	548,512
Advances to suppliers	**55,691**	40,562
Notes receivable	**193,933**	180,780
Prepayments	**115,503**	126,364
Deposits	**18,517**	19,041
Accrued income	**1,467,453**	697,556
Tax receivable	**280,251**	257,815
Others	**168,173**	112,923
	4,356,317	3,316,516
Less: Allowance for impairment of receivables (b)	**(111,795)**	(67,163)
	4,244,522	3,249,353

5. ACCOUNTS RECEIVABLE AND PREPAYMENTS (CONTINUED)

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

	30 June 2018 (Reviewed) QR '000	31 December 2017 (Audited) QR '000
Current	**3,985,451**	3,004,999
Non-current	**259,071**	244,354
	4,244,522	3,249,353

(b) Movement in allowance for impairment of receivables is presented as follows:

	30 June 2018 (Reviewed) QR '000	31 December 2017 (Audited) QR '000
Beginning of the period / year	**67,163**	30,177
Adjustments due to application of IFRS 9*	**34,525**	-
Adjusted opening balance	**101,688**	30,177
Movements during the period / year	**10,107**	36,986
	111,795	67,163

**Refer Note 2.2*

6. INVENTORIES

	30 June 2018 (Reviewed) QR '000	31 December 2017 (Audited) QR '000
Gold and other jewelleries, net of consignment inventory	**1,147,195**	1,159,585
Work-in-progress	**143,904**	466,539
Merchandises, spares and tools	**426,924**	464,990
Vehicles and heavy equipment	**134,002**	152,936
Industrial supplies	**20,022**	17,880
Others	**4,555**	4,549
	1,876,602	2,266,479
Less: Provision for obsolete and slow moving items	**(185,444)**	(183,443)
	1,691,158	2,083,036

7. FINANCIAL ASSETS – EQUITY INSTRUMENTS

	30 June 2018 (Reviewed)	31 December 2017 (Audited)
	QR '000	QR '000
Financial assets at fair value through other comprehensive income (a)	**11,722**	-
Financial assets at fair value through profit or loss (b)	**1,047**	-
Available-for-sale investments*	**-**	38,716
	12,769	38,716

(a) Financial assets at fair value through other comprehensive income

	30 June 2018 (Reviewed)	31 December 2017 (Audited)
	QR '000	QR '000
Beginning of the period / year	**11,740**	13,503
Impairment loss	**-**	(1,776)
Exchange adjustments	**(18)**	13
End of the period / year	**11,722**	11,740

(b) Financial assets at fair value through profit or loss

	30 June 2018 (Reviewed)	31 December 2017 (Audited)
	QR '000	QR '000
Beginning of the period / year	**26,976**	26,531
Less: Adjustments due to application of IFRS 9*	**(26,531)**	-
Adjusted opening balance	**445**	26,531
Acquired through business combination	**-**	320
Additions	**619**	-
Change in fair value	**(288)**	-
Exchange adjustments	**271**	125
End of the period / year	**1,047**	26,976

**Refer Note 2.2*

8. INVESTMENT IN JOINT VENTURE COMPANIES

	30 June 2018 (Reviewed)	31 December 2017 (Audited)
	QR ’000	QR ’000
Beginning of the period / year	**16,991**	15,813
Share of profit from joint ventures	**794**	1,178
Exchange adjustments	**(3)**	-
End of the period / year	**17,782**	16,991

9. INVESTMENT IN ASSOCIATE COMPANIES

	30 June 2018 (Reviewed)	31 December 2017 (Audited)
	QR ’000	QR ’000
Beginning of the period / year	**1,248,323**	2,417,600
Derecognition of an associate	-	(1,311,693)
Acquired during the period / year	-	1,703
Dividends received	**(16,248)**	(70,755)
Share of profit from associates	**25,498**	71,941
Exchange adjustments	**407**	139,527
End of the period / year	**1,257,980**	1,248,323

10. GOODWILL AND OTHER INTANGIBLE ASSETS

	30 June 2018 (Reviewed)	31 December 2017 (Audited)
	QR ’000	QR ’000 *(Restated)*
Beginning of the period / year	**3,785,035**	1,208,207
Arising from business combination	**622,875**	2,534,329
Additions during the period / year	**58,107**	53,616
Disposals	**(390)**	(94,743)
Relating to disposal	**390**	94,743
Charge for the period / year	**(52,132)**	(50,889)
Exchange adjustments	**(51,991)**	39,772
End of the period / year	**4,361,894**	3,785,035

During the period, the Group has acquired several cash generating units through one of its subsidiary in France, Gfi Informatique SA. Upon these acquisitions, a provisional goodwill and other intangible assets of QR 622.9 million was recognized at the Group level. This is subject to finalization of fair values in accordance with IFRS 3.

10. GOODWILL AND OTHER INTANGIBLE ASSETS (CONTINUED)

On 01 July 2017 ("the acquisition date"), the Group acquired 29.97% additional shareholding interest in Gfi Informatique ("Gfi") as a result of which, the Group's ownership and voting interests in Gfi, which was previously treated as an investment in associates under equity accounting method, increased from 51.24% to 81.21%. Accordingly, equity accounting has been ceased and Gfi was consolidated with effect from the date when the control was established (acquisition date).

In accordance with IFRS requirements, the acquirer should measure the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values which was pending as at 31 December 2017, hence, accounting for the transaction was performed on a provisional basis in the last year. During the period, the management has completed the fair valuation exercise and accordingly, the comparative information has been restated as follows:

(a) Identifiable assets acquired and liabilities assumed on acquisition of Gfi:

	Carrying amounts immediately prior to acquisition **QR '000**	**Fair value adjustments** **QR '000**	**Fair value at the acquisition date** **QR '000**
Fair value of the net identifiable assets acquired	2,725,434	378,341	3,103,775
Fair value of the net identifiable liabilities assumed	(2,669,359)	-	(2,669,359)
Fair value of net identifiable assets acquired	**56,075**	**378,341**	**434,416**

(b) Goodwill has been recognised as a result of the acquisition as follows:

	Restated **QR '000**
Acquisition cost	699,397
Non-controlling interest	81,627
Fair value of previously held interest in an acquired subsidiary	1,477,643
Sub-total	**2,258,667**
Less: fair value of net identifiable assets acquired	(434,416)
Goodwill recognised at the acquisition date	**1,824,251**

11. PROPERTY, PLANT AND EQUIPMENT

	30 June 2018 (Reviewed)	31 December 2017 (Audited)
	QR '000	QR '000
Net book value - beginning of the period / year	**621,298**	437,716
Acquired through business combinations – net	**36,141**	105,416
Transfers from investment properties	**-**	20,485
Additions during the period / year	**113,981**	176,831
Disposals	**(29,187)**	(121,992)
Charge for the period / year	**(50,951)**	(75,852)
Accumulated depreciation related to disposals	**22,154**	77,182
Write off during the period / year	**(49)**	-
Exchange adjustments	**(2,407)**	1,512
Net book value – end of the period / year	**710,980**	621,298

12. INVESTMENT PROPERTIES

	30 June 2018 (Reviewed)	31 December 2017 (Audited)
	QR '000	QR '000
Net book value - beginning of the period / year	**80,224**	97,416
Reclassification	**-**	(20,485)
Disposal during the period / year	**(373)**	-
Charge for the period / year	**(2,551)**	(5,896)
Reversal of impairment loss	**-**	8,901
Accumulated depreciation related to disposals	**172**	-
Exchange adjustments	**(123)**	288
Net book value – end of the period / year	**77,349**	80,224

As at 31 December 2017, the fair value of these investment properties amounted to QR 117.24 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

	30 June 2018 (Reviewed)	31 December 2017 (Audited)
	QR '000	QR '000
Working capital facilities and others	**2,068,271**	1,631,690
Term loans	**4,014,695**	3,030,191
	6,082,966	4,661,881

13. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

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

	30 June 2018 (Reviewed) QR '000	31 December 2017 (Audited) QR '000
Current	**2,109,941**	2,113,609
Non-current	**3,973,025**	2,548,272
	6,082,966	4,661,881

14. ACCOUNTS PAYABLE AND ACCRUALS

	30 June 2018 (Reviewed) QR '000	31 December 2017 (Audited) QR '000
Trade payables	**965,447**	748,710
Dividend payable	**3,715**	943
Advances from customers	**192,088**	253,670
Accrued expenses and others	**1,169,420**	954,495
Tax and social security payable	**1,142,299**	994,439
Proposed acquisition of NCI	**-**	366,410
Liabilities to bondholders	**105,925**	107,426
Social and sports contribution	**-**	6,806
	3,578,894	3,432,899

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

Current	**3,443,478**	3,284,101
Non-current	**135,416**	148,798
	3,578,894	3,432,899

15. SHARE CAPITAL

	30 June 2018 (Reviewed) QR '000	31 December 2017 (Audited) QR '000
Authorized, issued and fully paid shares of QR 10 each	**456,192**	456,192

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 Company paid dividend amounted to QR 182.5 million (2017: QR 182.5 million).

18. EARNINGS PER SHARE

	Six month period ended	
	30 June 2018 (Reviewed)	30 June 2017 (Reviewed)
Net profit for the period attributable to shareholders of the Company (in QR'000)	**166,984**	166,481
Weighted average number of shares at the end of the period	**45,619,200**	45,619,200
Basic and diluted earnings per share (QR)	**3.66**	3.65

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	
	30 June 2018 (Reviewed)	30 June 2017 (Reviewed)
	QR '000	QR '000
Sales	**50,725**	53,621
Purchases	**1,093**	1,660

19. RELATED PARTIES (CONTINUED)

Related party transactions (continued)

Compensation of key management personnel and directors' remuneration

	Six month period ended	
	30 June 2018 (Reviewed)	30 June 2017 (Reviewed)
	QR '000	QR '000
Directors' remuneration	**7,900**	7,900
Compensation to key management personnel		
Short-term benefits	**6,700**	6,427
Post-employment benefits	**466**	578
	7,166	7,005

20. CONTINGENCIES AND COMMITMENTS

a) Contingent liabilities

	30 June 2018 (Reviewed)	31 December 2017 (Audited)
	QR '000	QR '000
Letters of guarantee	**642,625**	532,252
Letters of credit	**66,115**	98,710
Stand-by letters of credit	**732,730**	733,905
	1,441,470	1,364,867

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

20. CONTINGENCIES AND COMMITMENTS (CONTINUED)

b) Commitments

	30 June 2018 (Reviewed) QR '000	31 December 2017 (Audited) QR '000
Lease commitments		
Less than one year	**175,158**	169,980
1 to 5 years	**269,694**	231,564
Above 5 years	**544**	3,135
	445,396	404,679

	30 June 2018 (Reviewed) QR '000	31 December 2017 (Audited) QR '000
Capital commitments		
Capital work in progress – contracted but not provided for	**89,392**	140,078

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

	30 June 2018 (Reviewed) QR '000	31 December 2017 (Audited) QR '000
Contingent liabilities		
Letters of guarantee	**60,037**	55,459
Letters of credit	**21,889**	39,799
	81,926	95,258
Operating lease commitments	**42,535**	48,543

21. SEGMENT REPORTING

a) By operating segments

Segment	Information Technology	Auto	E&I Markets	Geotechnical Services	Logistics	Travel	Engineering	Jewellery Trading	Telecom Retail	Others	Total
	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000
30 June 2018 (Reviewed)											
Revenue	3,867,560	392,562	95,941	26,452	21,136	16,404	41,068	660,187	-	49,836	5,171,146
Gross profit	845,988	82,420	15,565	8,508	6,860	14,575	9,460	192,272	-	27,265	1,202,913
EBITDA	257,398	44,874	5,052	1,180	4,121	5,415	753	45,287	65	79,786	443,931
Net profit for the period	82,577	23,483	4,058	(650)	3,840	4,925	(1,692)	(6,891)	(6,104)	63,694	167,240
Finance costs	(69,314)	(6,267)	(724)	(511)	(120)	(334)	(823)	(36,385)	(6,169)	(9,131)	(129,778)
Depreciation and amortization	(64,809)	(15,124)	(270)	(1,319)	(161)	(156)	(1,623)	(15,208)	-	(6,959)	(105,629)
30 June 2018 (Reviewed)											
Segment assets	6,803,533	578,571	89,434	42,026	15,629	50,672	68,343	1,701,905	1,096,891	2,702,300	13,149,304
Segment liabilities	4,785,330	107,718	41,659	10,916	7,566	23,257	64,847	609,262	-	4,900,877	10,551,432
Other information:											
30 June 2018 (Reviewed)											
Share of profit from associates and joint venture companies	-	-	-	-	-	-	-	25,458	65	769	26,292
Investment in associates and joint venture companies	-	-	-	-	-	-	-	162,589	1,096,891	16,282	1,275,762

21. SEGMENT REPORTING (CONTINUED)

a) By operating segments (continued)

Segment	Information Technology	Auto	E&I Markets	Geotechnical Services	Logistics	Travel	Engineering	Jewellery Trading	Telecom Retail	Others	Total
	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000	QR '000
30 June 2017 (Reviewed)											
Revenue	809,433	444,052	125,302	33,492	14,677	13,701	36,196	832,636	-	7,438	2,316,927
Gross profit	147,043	87,494	28,650	12,608	5,101	11,646	6,196	234,563	-	16,371	549,672
EBITDA	112,385	46,383	18,892	7,516	2,359	3,142	2,643	97,317	2,237	(8,906)	283,968
Net profit for the period	81,125	23,069	17,628	5,202	2,162	2,551	(469)	44,707	(3,933)	(5,643)	166,399
Finance costs	(28,754)	(6,719)	(879)	(535)	(18)	(344)	(1,067)	(36,673)	(6,169)	9,593	(71,565)
Depreciation and amortization	(2,558)	(16,572)	(386)	(1,779)	(179)	(246)	(2,045)	(14,909)	-	(6,332)	(45,006)
31 December 2017 (Audited)											
Segment assets (restated)	5,246,076	596,772	104,425	44,806	17,460	39,315	69,864	1,705,822	1,096,826	2,667,029	11,588,395
Segment liabilities	3,266,653	106,926	63,348	13,050	13,236	16,936	64,676	531,733	-	4,730,150	8,806,708
Other information:											
30 June 2017 (Reviewed)											
Share of profit from associates and joint venture companies	12,315	-	-	-	-	-	-	25,802	2,237	(739)	39,615
31 December 2017 (Audited)											
Investment in associates and joint venture companies	-	-	-	-	-	-	-	152,975	1,096,826	15,513	1,265,314

21. SEGMENT REPORTING (CONTINUED)

b) By geographic segments

	Qatar	Other GCC countries	Europe	Others	Total
	QR'000	QR'000	QR'000	QR'000	QR'000
30 June 2018 (Reviewed)					
Revenue	**1,730,904**	**660,187**	**2,743,725**	**36,330**	**5,171,146**
Gross profit	**331,880**	**192,272**	**674,085**	**4,676**	**1,202,913**
EBITDA	**255,790**	**45,591**	**138,050**	**4,500**	**443,931**
Net profit for the period	**127,952**	**14,842**	**21,767**	**2,679**	**167,240**
Finance costs	**(100,624)**	**(14,955)**	**(14,149)**	**(50)**	**(129,778)**
Depreciation and amortization	**(27,215)**	**(15,208)**	**(62,113)**	**(1,093)**	**(105,629)**
30 June 2018 (Reviewed)					
Segment assets	**4,883,421**	**2,799,934**	**5,421,801**	**44,148**	**13,149,304**
Segment liabilities	**5,821,592**	**612,924**	**4,102,597**	**14,319**	**10,551,432**
Other information					
30 June 2018 (Reviewed)					
Share of profit from associates and joint venture companies	**769**	**25,523**	**-**	**-**	**26,292**
Investment in associates and joint venture companies	**16,282**	**1,259,480**	**-**	**-**	**1,275,762**

	Qatar	Other GCC countries	Europe	Others	Total
	QR'000	QR'000	QR'000	QR'000	QR'000
30 June 2017 (Reviewed)					
Revenue	1,452,323	832,636	-	31,968	2,316,927
Gross profit	311,117	234,536	-	4,019	549,672
EBITDA	172,317	99,707	12,315	(371)	283,968
Net profit for the period	85,754	68,527	12,315	(197)	166,399
Finance costs	(56,268)	(15,243)	-	(54)	(71,565)
Depreciation and amortization	(30,295)	(14,909)	-	198	(45,006)
31 December 2017 (Audited)					
Segment assets (restated)	4,613,313	2,805,050	4,096,191	73,841	11,588,395
Segment liabilities	5,553,027	536,899	2,701,405	15,377	8,806,708
Other information					
30 June 2017 (Reviewed)					
Share of profit from associates and joint venture companies	(739)	28,039	12,315	-	39,615
31 December 2017 (Audited)					
Investment in associates and joint venture companies	15,513	1,249,801	-	-	1,265,314

22. FAIR VALUE MEASUREMENTS

Financial instruments represent any contractual agreement that creates a financial asset, financial liability or an equity instrument. The Group's principal financial liabilities comprise interest bearing loans and borrowings, bank overdrafts, trade payable, due to related parties and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets comprise cash and bank balances, trade and retention receivable, investments at fair value through profit or loss, investments through OCI, due from related parties and certain other receivables that arise directly from its operation.

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

	Fair value as at		
Financial assets/ financial liabilities	**30 June 2018 (Reviewed)**	31 December 2017 (Audited)	**Fair value hierarchy**
	QR ’000	QR ’000	
Investments at fair value through OCI	**11,722**	12,185	Level 3
Investments at fair value through profit or loss	**1,047**	-	Level 3

The investments classified under Level 3 category have been fair-valued based on information available for each investment such as net asset value.

AFS investments amounting to QR 26.6 million were carried at cost less impairment as of the last reporting date. Upon adoption of IFRS 9 from 1 January 2018, these investments are reclassified and measured at fair value through profit or loss.

All other financial assets and liabilities are carried at amortized cost. The fair values of the financial assets and liabilities are not materially different from their carrying values in the interim condensed consolidated statement of financial position, as these assets and liabilities are either of short term maturities or are re-priced frequently based on market movement in interest rates.

23. ACQUISITION OF ADDITIONAL INTEREST IN A SUBSIDIARY

In June 2018, the Group acquired an additional 15.39% interest in Gfi Informatique, increasing its ownership from 81.21% to 96.60%. The carrying amount of Gfi Informatique’s net assets in the Group’s consolidated financial statements on the date of acquisition was QR 457.4 million. The following table summarises the effect of changes in the Company’s ownership interest in Gfi Informatique.

	(QR ’000)
Carrying amount of NCI acquired (457.4 x 15.39%)	70,397
Consideration paid to NCI in cash	(378,162)
A decrease in equity attributable to the shareholders of the Company	**(307,765)**
Liability set up in the annual consolidated financial statements as at 31 December 2017	366,410
Foreign exchange differences on settlement of liability to NCI recognised directly in equity	11,752
Total consideration paid to NCI	**378,162**

24. RESTATEMENT

During the period, the Group has carried out the purchase price allocation of the provisional assets and liabilities recognized in the last year's annual audited consolidated financial statements on acquisition of Gfi. The purchase price allocation has resulted in change in fair value of the certain other intangible assets recognized in the last year's annual consolidated financial statements and accordingly their amortization charge for the year. Hence, the management has decided to restate the prior year figures to reflect these adjustments correctly.

Summary of the effects of the above restatements on the previously issued figures are as follows:

	Previously reported figures	**Restatement**	**Restated figures**
At 31 December 2017			
Goodwill and other intangibles	3,947,247	(162,212)	3,785,035
Retained earnings*	(1,900,164)	7,745	(1,892,419)
Foreign currency translation reserve	(12,550)	(7,628)	(20,178)
Non-controlling interest	(268,321)	162,095	(106,226)

*Retained earnings are restated due to additional amortization charge arising on the revised fair value of other intangible assets upon completion of fair valuation exercise.

25. COMPARATIVE INFORMATION

Due to consolidation of Gfi Informatique from 1 July 2017, the comparative information presented in these interim condensed consolidated financial statements are not comparable.

Certain comparative figures have been reclassified to conform to the presentation in the current period's interim condensed consolidated financial statements. However, such reclassifications did not have any effect on the profit, total assets and equity of the comparative period.