

QATAR CINEMA AND FILM DISTRIBUTION CO. (Q.S.C)
DOHA – STATE OF QATAR

INTERIM CONDENSED FINANCIAL INFORMATION
TOGETHER WITH REVIEW REPORT FOR THE
SIX MONTHS ENDED JUNE 30, 2018

QATAR CINEMA AND FILM DISTRIBUTION CO. (Q.S.C)
DOHA – STATE OF QATAR

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REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION

To
The Shareholders
Qatar Cinema and Film Distribution Co. (Q.S.C)
Doha – State of Qatar

Introduction

We have reviewed the accompanying interim condensed statement of financial position of **Qatar Cinema and Film Distribution Co. (Q.S.C)**, Doha – State of Qatar, as at June 30, 2018 and the related interim condensed statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Accounting Standard-34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

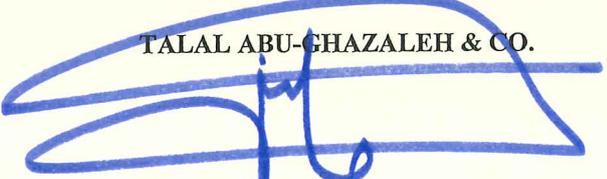
Scope of Review

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 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with International Accounting Standard-34, *Interim Financial Reporting*.

TALAL ABU-GHAZALEH & CO.


Hazim Al Surkhi, CPA
(Licence no. 119)
QFMA Licence No. 120152
Doha, July 31, 2018

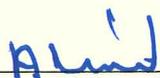
QATAR CINEMA AND FILM DISTRIBUTION CO. (Q.S.C)
DOHA – STATE OF QATAR

EXHIBIT "A"

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (REVIEWED)
AS AT JUNE 30, 2018

	Note	June 30, 2018 (QR.) (Reviewed)	Dec. 31, 2017 (QR.) (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	-5-	3,703,001	4,076,323
Capital work in progress		1,134,395	497,695
Investment properties	-6-	89,813,064	91,525,045
Equity instruments at fair value through other comprehensive income (FVOCI)	-7-	37,955,701	34,027,485
Total Non-Current Assets		132,606,161	130,126,548
CURRENT ASSETS			
Inventories		335,423	139,964
Accounts, notes and other receivables		4,683,475	4,309,121
Cash and cash equivalents	-8-	26,105,824	26,879,707
Total Current Assets		31,124,722	31,328,792
Total Assets		163,730,883	161,455,340
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital		62,807,950	62,807,950
Legal reserve		37,992,630	37,992,630
General reserve		2,663,152	2,663,152
Fair value reserve		8,489,617	10,770,183
Retained earnings		22,836,089	18,190,853
Total Shareholders' Equity – Exhibit D		134,789,438	132,424,768
NON-CURRENT LIABILITIES			
Employees' end of service benefits		1,965,044	1,905,106
CURRENT LIABILITIES			
Accounts, accruals and other payables		11,976,401	12,125,466
Short term loan		15,000,000	15,000,000
Total Current Liabilities		26,976,401	27,125,466
Total Liabilities		28,941,445	29,030,572
Total Shareholders' Equity and Liabilities		163,730,883	161,455,340

This interim condensed financial information was approved by the Board of Directors on July 31, 2018 and signed on its behalf by:


 Mr. Abdul Rahman Najdi
 General Manager


 Mr. Mohamed Ali Al Sulaiti
 Vice Chairman

THE ACCOMPANYING NOTES 1 TO 14 CONSTITUTE AN INTEGRAL PART OF THIS
 INTERIM CONDENSED FINANCIAL INFORMATION

QATAR CINEMA AND FILM DISTRIBUTION CO. (Q.S.C)
DOHA – STATE OF QATAR

EXHIBIT "B"

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS (REVIEWED)
FOR THE SIX MONTHS ENDED JUNE 30, 2018

	Note	Six months ended June 30, 2018 (QR.) (Reviewed)	Six months ended June 30, 2017 (QR.) (Reviewed)
Cinema revenue		3,067,144	4,540,932
Cinema operating cost		(4,011,044)	(5,076,554)
Gross (loss)		(943,900)	(535,622)
Net income from real estate activity		8,539,061	8,899,948
Dividend income		2,031,592	1,414,733
Other income		58,983	452
General and administrative expenses	-9-	(2,004,478)	(1,839,502)
Finance charges		(559,826)	(402,284)
Depreciation of property, plant and equipment		(468,187)	(477,041)
Depreciation of investment properties		(1,711,981)	(1,348,382)
Profit for the period – Exhibits C, D & E		4,941,264	5,712,302
Earnings per share			
Basic earnings per share	-10-	0.79	0.91
		=====	=====
Diluted earnings per share	-10-	0.79	0.91
		=====	=====

THE ACCOMPANYING NOTES 1 TO 14 CONSTITUTE AN INTEGRAL PART OF THIS
INTERIM CONDENSED FINANCIAL INFORMATION

QATAR CINEMA AND FILM DISTRIBUTION CO. (Q.S.C)
DOHA – STATE OF QATAR

EXHIBIT "C"

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (REVIEWED)
FOR THE SIX MONTHS ENDED JUNE 30, 2018

	Six months ended June 30, 2018 (QR.) (Reviewed)	Six months ended June 30, 2017 (QR.) (Reviewed)
Profit for the period – Exhibit B	4,941,264	5,712,302
Other comprehensive income:		
<i>Items that may be reclassified subsequently to statement of profit or loss:</i>		
Net changes in fair value of available-for-sale financial assets	-0-	(5,428,985)
<i>Items that will not be reclassified subsequently to statement of profit or loss:</i>		
Net changes in fair value of equity instruments at fair value through other comprehensive income (FVOCI)	3,928,216	-0-
Other comprehensive income (loss) for the period – Exhibit D	3,928,216	(5,428,985)
Total comprehensive income for the period – Exhibit D	8,869,480	283,317
	=====	=====

THE ACCOMPANYING NOTES 1 TO 14 CONSTITUTE AN INTEGRAL PART OF THIS
INTERIM CONDENSED FINANCIAL INFORMATION

QATAR CINEMA AND FILM DISTRIBUTION CO. (Q.S.C)
DOHA – STATE OF QATAR

EXHIBIT "D"

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (REVIEWED)
FOR THE SIX MONTHS ENDED JUNE 30, 2018

	Share Capital (QR.)	Legal Reserve (QR.)	General Reserve (QR.)	Fair Value Reserve (QR.)	Retained Earnings (QR.)	Total (QR.)
SIX MONTHS ENDED JUNE 30, 2017 (REVIEWED)						
Balance as at December 31, 2016	62,807,950	37,992,630	2,663,152	15,487,882	16,850,943	135,802,557
Total comprehensive income for the period	-0-	-0-	-0-	-0-	5,712,302	5,712,302
Profit for the period – Exhibit B						
Other comprehensive income						
Net changes in fair value of available-for-sale financial assets	-0-	-0-	-0-	(5,428,985)	-0-	(5,428,985)
Other comprehensive (loss) for the period – Exhibit C	-0-	-0-	-0-	(5,428,985)	-0-	(5,428,985)
Total comprehensive income for the period – Exhibit C	-0-	-0-	-0-	(5,428,985)	5,712,302	283,317
Dividend distribution for the year 2016	-0-	-0-	-0-	-0-	(6,280,795)	(6,280,795)
Balance as at June 30, 2017	62,807,950	37,992,630	2,663,152	10,058,897	16,282,450	129,805,079
SIX MONTHS ENDED JUNE 30, 2018 (REVIEWED)						
Balance as at December 31, 2017 – Exhibit A (Audited)	62,807,950	37,992,630	2,663,152	10,770,183	18,190,853	132,424,768
Adoption of IFRS 9 (note 3)	-0-	-0-	-0-	(6,208,782)	6,208,782	-0-
Balance as at December 31, 2017 – Adjusted	62,807,950	37,992,630	2,663,152	4,561,401	24,399,635	132,424,768
Total comprehensive income for the period	-0-	-0-	-0-	-0-	4,941,264	4,941,264
Profit for the period – Exhibit B						
Other comprehensive income						
Net changes in fair value of equity instruments at fair value through other comprehensive income (FVOCI)	-0-	-0-	-0-	3,928,216	-0-	3,928,216
Other comprehensive income for the period – Exhibit C	-0-	-0-	-0-	3,928,216	-0-	3,928,216
Total comprehensive income for the period – Exhibit C	-0-	-0-	-0-	3,928,216	4,941,264	8,869,480
Dividend distribution for the year 2017	-0-	-0-	-0-	-0-	(6,504,810)	(6,504,810)
Balance as at June 30, 2018 – Exhibit A	62,807,950	37,992,630	2,663,152	8,489,617	22,836,089	134,789,438

THE ACCOMPANYING NOTES 1 TO 14 CONSTITUTE AN INTEGRAL PART OF THIS INTERIM CONDENSED FINANCIAL INFORMATION

**QATAR CINEMA AND FILM DISTRIBUTION CO. (Q.S.C)
DOHA – STATE OF QATAR**

EXHIBIT "E"

**INTERIM CONDENSED STATEMENT OF CASH FLOWS (REVIEWED)
FOR THE SIX MONTHS ENDED JUNE 30, 2018**

	Six months ended June 30, 2018 (QR.) (Reviewed)	Six months ended June 30, 2017 (QR.) (Reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period – Exhibit B	4,941,264	5,712,302
Adjustments for:		
Depreciation of property, plant and equipment	468,187	477,041
Depreciation of investment properties	1,711,981	1,348,382
Provision for employees' end of service benefits (net)	59,938	(67,191)
Finance charges	559,826	402,284
Dividend income	(2,031,592)	(1,414,733)
	5,709,604	6,458,085
Operating profit before working capital changes		
Changes in operating assets and liabilities		
- Inventories	(195,459)	26,439
- Accounts, notes and other receivables	(374,354)	(3,299,659)
- Accounts, accruals and other payables	(149,065)	1,232,803
	4,990,726	4,417,668
Cash generated from operations		
Finance charges paid	(559,826)	(402,284)
	4,430,900	4,015,384
Net Cash from Operating Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(94,865)	(390,119)
Addition to capital work in progress	(636,700)	-0-
Purchase of investment properties	-0-	(124,272)
Purchase of available-for-sale financial assets	-0-	(149,864)
Dividend income received	2,031,592	1,414,733
	1,300,027	750,478
Net Cash from Investing Activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend distribution	(6,504,810)	(6,280,795)
	(6,504,810)	(6,280,795)
Net Cash (used in) Financing Activities		
Net (decrease) in cash and cash equivalents	(773,883)	(1,514,933)
Cash and cash equivalents at beginning of the period	26,879,707	25,610,903
	26,105,824	24,095,970
Cash and cash equivalents at end of the period	=====	=====

THE ACCOMPANYING NOTES 1 TO 14 CONSTITUTE AN INTEGRAL PART OF THIS
INTERIM CONDENSED FINANCIAL INFORMATION

QATAR CINEMA AND FILM DISTRIBUTION CO. (Q.S.C)
DOHA – STATE OF QATAR

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (REVIEWED)
FOR THE SIX MONTHS ENDED JUNE 30, 2018

1) GENERAL INFORMATION

Qatar Cinema and Film Distribution Co. (Q.S.C) was incorporated in the State of Qatar as a Qatari Shareholding Company, under Commercial Registration No. 30 and Emiri Decree No. 3 of 1970.

The Company is primarily engaged in the distribution of cinema films and videos, trading of television films and programs, commercial advertisements, trading of tools for the operation of cinema and projectors. Also the company is engaged in investment in shares and bonds and funds and real estate investment.

2) BASIS OF PREPARATION

The interim condensed financial information of the Company for the six-month ended June 30, 2018 has been prepared in accordance with International Accounting Standard-34, *Interim Financial Reporting* and in conformity with Qatar Commercial Companies Law.

The interim condensed financial information does not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2017. In addition, results for the six-month period ended June 30, 2018 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2018.

This is the first set of the company's interim condensed financial information where IFRS 9 and IFRS 15 have been applied. Changes to significant accounting policies are described in note 3.

3) SIGNIFICANT ACCOUNTING POLICIES

i) New, amendments, interpretations and improvements to the Standards

The accounting policies adopted in the preparation of the interim condensed financial information are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2017 and the notes attached thereto, except for certain new, amendments, interpretations and improvements to the standards that became effective in the current period as described below:

New Standards	Effective Date
IFRS 9 Financial Instruments	January 01, 2018
IFRS 15 Revenue from Contracts with Customers	January 01, 2018
Amendments to the Standards	Effective Date
IFRS 2 Classification and measurement of Share-based Payment Transactions	January 01, 2018
IFRS 15 Clarifications to IFRS 15 ' Revenue from Contracts with Customers'	January 01, 2018
IAS 40 Transfers of Investment Property	January 01, 2018
New or Revised Interpretations	Effective Date
IFRIC 22 Foreign Currency Transactions and advance Considerations	January 01, 2018
Annual Improvements to IFRS 2014-2016 Cycle	Effective Date
IFRS 1 Delete certain short-term exemptions paragraphs because as at the reporting period to which the exemptions applied have already passed. As such, these exemptions are no longer applicable.	January 01, 2018
IAS 28 Clarifies that the election to measure an investment in an associate or a joint venture at fair value through profit or loss which is held by an entity that is a venture capital organization or other qualifying entity.	January 01, 2018

ii) Changes in Accounting Policies

Due to the number of new, amendments, interpretations and improvements became applicable and effective for the current reporting period and the company had to change its accounting policies and reflect the required adjustments. However, except for the new standards which became effective during the current period namely IFRS 9 and IFRS 15, the other standards have been adopted by the company, where applicable, and which did not have any material impact on the accounting policies, financial position or performance of the Company.

The company applies, for the first time IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers. In accordance with transitional provisions of these new standards, comparative information have not been restated. The nature and effect of these changes are disclosed below;

a) Adoption of IFRS 15 “Revenue from Contracts with Customers”

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

As a result of the company’s assessment of IFRS 15, no major change in accounting policies was identified, which might have a material impact on the interim condensed financial information. The details of the new significant accounting policies and the nature of the changes to previous accounting policies in respect of the company’s significant revenue generating activities are set out below;

Types of services	Nature, timing of satisfaction of performance obligations , significant payment terms	Nature of change in accounting policy
Rentals of property	Revenue is recognized on a monthly basis based on the period of contract and the space occupied.	No impact
Cinema revenue	Cinema revenue is recognized at point of when the cinema ticket is issued over the counter.	No impact

b) Adoption of IFRS 9 “ Financial Instruments”

IFRS 9 sets out requirements for recognition and measuring financial assets and liabilities. This standard replaces IAS 39 “Financial Instruments –Recognition and Measurement”. The standard mainly promulgate three aspects of the accounting for financial instruments: classification and measurements of financial instruments, impairment and hedge accounting. The company has applied IFRS 9 retrospectively but has elected to not to restate comparative information.

b-i) Classification

IFRS 9 contains three major classifications of financial assets such as amortized cost (AC), fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVPL). Generally the financial assets classified based on the business model in which financial assets is managed and its contractual cash flow characteristics. The company classified its financial assets in the following categories as at January 01, 2018,

- a. Those to be measured subsequently at fair value through other comprehensive income, and
- b. Those to be measured at amortized cost.

The above classification were made after performing details analysis for its business model for managing its financial assets as well as analyzing contractual terms of cash flows. The company’s financial instruments mainly consist of debt and equity. The debt instruments category includes accounts, notes and other receivables and bank deposits. With respect to debt instruments, there are no impact to the interim condensed financial information of the company. For equity investment, the effect is merely a change in the name from “Available-for-sale” investments to “Equity Instruments at FVOCI”. There are no impacts accounted in either retained earnings or fair value reserve except reclassification of previously recognized impairment losses. There were no changes to the classification and measurement of financial liabilities.

b-ii) Measurement

At initial recognition the company measure its financial assets or financial liability at fair value plus or minus, in the case of financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

➤ ***Investment in Equity Instruments***

Upon initial recognition, the company elects to classify its equity investments as equity instruments at fair value through other comprehensive income (FVOCI) when they meet the definition of equity under IAS 32 Financial Instruments-Presentation, and are not held for trading.

The company subsequently measures all equity instruments at fair value. Where the company's management has elected to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognized in interim condensed statement of profit or loss as other income when the company's right to receive payments is established, except when the company benefits from such proceeds as a recovery of part of cost of the instrument, in which case, such gains are recorded in other comprehensive income. Equity instruments at FVOCI are not subject to an impairment.

➤ ***Investment in Debt Instruments***

Debt instruments of the company are subsequently measured at "amortized cost". This category include accounts, notes and other receivables and bank deposits. Debt instruments at amortized cost that are held within the business model with the objective to hold the financial assets in order to collect contractual cash flows and the contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b-iii) Impairment of Financial Assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model. The company applied a simplified approach to measuring expected credit losses ("ECL") model of impairment for following types of financial assets;

- Accounts, notes and other receivables
- Bank deposits
- Loan guarantees and commitment, if any

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate (Profit).

Lifetime ECLs are the expected credit losses that result from all possible default events over the expected life of financial instrument. This means that the company needs to estimate the risk of a default occurring on the financial instrument during his expected life.

The 12-month ECL is defined as a portion of the lifetime ECL that represent the expected credit losses that result from default events on a financial instruments that are possible within 12 months after the reporting date.

Measurement of ECLs

➤ ***Accounts, notes and other receivables***

For accounts, notes and other receivables, the company applies the simplified approach to providing for expected credit losses, which requires the use of the lifetime expected credit loss provision for all receivables. The company has established credit risk mitigation policies based on the historical credit loss experience, nature its business activities and forward looking factors. In some situation, the company analysis whether there are any factors lead to significant credit risk, when determining significant credit risk, the company considers both quantitative and qualitative information.

➤ **Bank deposits**

Bank deposits are considered to be low risk, therefore, are considered to be low credit risk financial assets. It is the company's policy to measure such instruments on a 12-month ECL basis. However, when contractual payments are more than 365 days past due, the company would consider significant increase in credit risk.

b-iv) Transition and Impact for the adoption IFRS 9 "Financial Instrument"

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied using cumulative effect method. The company 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 recognized in retained earnings and fair value reserves as at January 01, 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.

Ref. The following summarizes the impact of transition to IFRS 9 on the opening balance of fair value reserves and retained earnings;

	Fair value reserve (QR.)	Retained Earnings (QR.)
Balance as at December 31, 2017 (Audited)	10,770,183	18,190,853
<i>Adjustments on initial application of IFRS 9</i>		
i. Equity Instruments at FVOCI	(6,208,782)	6,208,782
ii. Accounts, notes and other receivables	-0-	-0-
iii. Bank deposits	-0-	-0-
Adjusted opening balance as at January 01, 2018	4,561,401	24,399,635
	=====	=====

Ref. The following summarizes the effects adopting IFRS 9 on the carrying amounts of financial assets as at January 01, 2018;

	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39 (QR.)	New carrying amount under IFRS 9 (QR.)
i. Financial assets Equity Securities	Available-for-sale financial assets	Equity Instruments at FVOCI	34,027,485	34,027,485
ii. Accounts, notes & other receivables	Loans and receivables	Amortized Cost	4,309,121	4,309,121
iii. Cash and cash equivalents	Loans and receivables	Amortized Cost	26,879,707	26,879,707
Total			65,216,313	65,216,313
			=====	=====

- i. These equity securities represent investments that the company intends to hold for the long term for strategic purposes. As permitted by IFRS 9, the company has designated these investments at the date of initial application as measured at FVOCI. The accumulated fair value reserve related to these investments will never be reclassified to profit or loss.
- ii. Accounts, notes and other receivables were previously classified as loans and receivables under IAS 39 are now classified at amortized cost as per IFRS 9. There were no provision for impairment of these accounts, notes and other receivables were recognized in opening retained earnings as at January 01, 2018, since the company assumes that the credit risk pertaining to these accounts, notes and other receivables are minimal.
- iii. Bank deposits includes significant portion of amounts receivable from cash at banks' current deposits. Hence, the bank deposits are considered as lower credit risk and which are not subject to expected credit loss (ECL).

iii) **New and revised standards, amendments and interpretations to IFRSs in issue but not yet effective**

The following new, amendments and interpretations to the standards have been issued but are not yet effective and the entity intends to adopt these standards, where applicable, when they become effective.

New Standards	Effective Date
IFRS 16 Leases	January 01, 2019
Amendments to the Standards	Effective Date
IAS 28 & IFRS 10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred Indefinitely
New or Revised Interpretations	Effective Date
IFRIC 23 Uncertainty over Income Tax Treatments	January 01, 2019

4) **Financial risk management and Critical Accounting Judgments and Key Sources of Estimation Uncertainty**

a) **Financial risk management**

The Company's financial risk management objectives are consistent with those disclosed in the financial statements for the year ended December 31, 2017.

b) **Critical Accounting Judgments and Key Sources of Estimation Uncertainty**

In the application of the Company's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

5) **PROPERTY, PLANT AND EQUIPMENT**

The movements during the period/year were as follows:

	June 30, 2018 (Reviewed)	Dec. 31, 2017 (Audited)
Cost		
Balance at beginning of the period/year	38,257,347	39,142,582
Additions during the period/year	94,865	74,694
Written off during the period/year	(245,000)	(959,929)
Balance at end of the period/year	<u>38,107,212</u>	<u>38,257,347</u>
Accumulated Depreciation		
Balance at beginning of the period/year	34,181,024	34,183,067
Charge for the period/year	468,187	957,886
On written off	(245,000)	(959,929)
Balance at end of the period/year	<u>34,404,211</u>	<u>34,181,024</u>
Net book value at end of the period/year – Exhibit A	<u>3,703,001</u> =====	<u>4,076,323</u> =====

6) **INVESTMENT PROPERTIES**

a) The movements during the period/year were as follows:

	June 30, 2018 (Reviewed)	Dec. 31, 2017 (Audited)
Cost		
Balance at beginning of the period/year	111,759,588	112,631,274
Additions during the period/year	-0-	3,698,245
Disposals during the period/year	-0-	(4,569,931)
Balance at end of the period/year	<u>111,759,588</u>	<u>111,759,588</u>
Accumulated Depreciation		
Balance at beginning of the period/year	20,234,543	21,979,682
Charge for the period/year	1,711,981	2,824,792
On Disposals	-0-	(4,569,931)
Balance at end of the period/year	<u>21,946,524</u>	<u>20,234,543</u>
Net book value at end of the period/year – Exhibit A	<u>89,813,064</u> =====	<u>91,525,045</u> =====

b) Investment properties include a property amounting to QR.97,495,867 at cost mortgaged to local bank as at June 30, 2018.

7) **EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)**

This item consist of the followings:	June 30, 2018 (QR.) (Reviewed)	Dec. 31, 2017 (QR.) (Audited)
Equity instruments at fair value through other comprehensive income (FVOCI)	37,955,701	-0-
Available-for-sale financial assets	-0-	34,027,485
Total – Exhibit A	<u>37,955,701</u> =====	<u>34,027,485</u> =====

The company has adopted IFRS 9 Financial Instruments beginning January 01, 2018, the company has changed its accounting policies related to equity instruments at fair value through other comprehensive income (FVOCI) as a result of the adoption of this standard. All available-for-sale financial assets are now classified as equity instruments at fair value through other comprehensive income (FVOCI). The FVOCI comprise of investments in shares of listed companies on Qatar Exchange. The fair value of the quoted shares is determined by reference to published price quotations in Qatar Exchange.

8) **CASH AND CASH EQUIVALENTS**

This item consists of the following:

	June 30, 2018 (QR.) (Reviewed)	Dec. 31, 2017 (QR.) (Audited)
Cash in hand	67,495	24,154
Cash at banks	25,980,930	26,798,246
Short term fixed deposits	57,399	57,307
Total – Exhibit A	<u>26,105,824</u> =====	<u>26,879,707</u> =====

9) **GENERAL AND ADMINISTRATIVE EXPENSES**

This item consists of the following:

	Six months ended June 30, 2018 (QR.) (Reviewed)	Six months ended June 30, 2017 (QR.) (Reviewed)
Salaries, wages and allowances	978,371	1,012,970
Board meeting allowance	306,000	306,000
Professional, legal and government charges	304,903	161,937
Advertisement expenses	18,677	48,500
End of service benefits	71,028	75,162
Travelling and transportation	83,375	67,543
Rent	59,892	-0-
Electricity and water	48,020	39,156
Cleaning expenses	27,698	26,799
Telephone, fax and postage	22,165	27,232
Repair and maintenance	20,608	22,577
Printing and stationary	16,358	11,679
Insurance expenses	34,940	15,917
Hospitality expenses	5,103	6,350
Others	7,340	17,680
Total – Exhibit B	<u>2,004,478</u> =====	<u>1,839,502</u> =====

10) **BASIC AND DILUTED EARNINGS PER SHARE**

a) **Basic Earnings Per Share**

The basic earnings per share is computed by dividing the profit for the period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period as follows:

	Six months ended June 30, 2018 (Reviewed)	Six months ended June 30, 2017 (Reviewed)
Profit attributable to ordinary shareholders of the Company (QR.) – Exhibit B	4,941,264 =====	5,712,302 =====
Weighted average number of ordinary shares outstanding	6,280,795 =====	6,280,795 =====
Basic earnings per share (QR.) – Exhibit B	0.79 =====	0.91 =====

b) **Diluted Earnings Per Share**

No separate diluted earnings per share were calculated since the diluted earnings per share were equal to basic earnings per share.

11) **RELATED PARTY TRANSACTIONS**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

As at reporting date, there were no reportable related party transactions except for the transactions with key management personnel.

Transactions with key management personnel

Key management personnel comprise the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the entity.

An amount of QR 306,000 as at June 30, 2018 (June 30, 2017: QR.306,000) was made as provision for board meeting allowance which included in general and administrative expenses.

12) **COMMITMENTS AND CONTINGENCIES**

The following summarizes the significant contractual commitments and contingencies:

	June 30, 2018 (QR.)	Dec. 31, 2017 (QR.)
Performance bonds	347,800	347,800
Letters of guarantee	100,000 =====	100,000 =====

13) **COMPARATIVE FIGURES**

Certain of the comparative figures have been reclassified to conform with the presentation of the current period. Those reclassifications do not affect previously reported profit or equity.

14) **GENERAL**

Figures in this interim condensed financial information have been rounded off to the nearest Qatari Riyal.