

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

INTERIM CONDENSED FINANCIAL INFORMATION
TOGETHER WITH REVIEW REPORT FOR THE
SIX MONTHS ENDED JUNE 30, 2019

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

INDEX

	<i>EXHIBIT</i>	<i>PAGE</i>
Report on Review of Interim Condensed Financial Information	--	--
Interim Condensed Statement of Financial Position as at June 30, 2019	A	1
Interim Condensed Statement of Profit or Loss for the six months ended June 30, 2019	B	2
Interim Condensed Statement of Profit or Loss and Other Comprehensive Income for the six months ended June 30, 2019	C	3
Interim Condensed Statement of Changes in Equity for the six months ended June 30, 2019	D	4
Interim Condensed Statement of Cash Flows for the six months ended June 30, 2019	E	5
	<i>Notes</i>	
Notes to the Interim Condensed Financial Information for the six months ended June 30, 2019	1 – 17	6 – 13



1061801351

REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION

To
The Board of Directors
Qatar Cinema and Film Distribution Co. (Q.P.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.P.S.C)**, Doha – State of Qatar, as at June 30, 2019 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 23, 2019

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

EXHIBIT "A"

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (REVIEWED)
AS AT JUNE 30, 2019

	Note	June 30, 2019 (QR.) (Reviewed)	Dec. 31, 2018 (QR.) (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant, equipment and capital work in progress	-5-	5,126,394	4,542,800
Investment properties	-6-	86,397,601	88,102,622
Equity instruments at fair value through other comprehensive income (FVOCI)	-7-	35,142,513	33,993,839
Right-of-use assets	-3-	8,637,635	-0-
Total Non-Current Assets		135,304,143	126,639,261
CURRENT ASSETS			
Inventories		284,454	290,584
Accounts and other receivables		2,622,817	6,191,829
Cash and cash equivalents	-8-	36,894,898	40,159,775
Total Current Assets		39,802,169	46,642,188
Total Assets		175,106,312	173,281,449
EQUITY AND LIABILITIES			
EQUITY			
Share capital	-9-	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		11,081,642	9,932,968
Retained earnings		25,902,980	30,999,625
Total Equity – Exhibit D		140,448,354	144,396,325
NON-CURRENT LIABILITIES			
Employees' end of service benefits		936,673	2,076,912
Lease liabilities	-3-	9,040,370	-0-
Total Non-Current Liabilities		9,977,043	2,076,912
CURRENT LIABILITIES			
Dividend payable		6,704,569	7,245,390
Accounts and other payables		2,976,346	4,562,822
Short term loan		15,000,000	15,000,000
Total Current Liabilities		24,680,915	26,808,212
Total Liabilities		34,657,958	28,885,124
Total Equity and Liabilities		175,106,312	173,281,449

This interim condensed financial information was approved by the Board of Directors on July, 28 2019 and signed on its behalf by:



Mr. Ali Ishaq Al Ishaq
Executive & Managing Director



Mr. Mohamed Ali Al Sulattar
Vice Chairman

THE ACCOMPANYING NOTES 1 TO 17 CONSTITUTE AN INTEGRAL PART OF THIS
 INTERIM CONDENSED FINANCIAL INFORMATION

AW

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

EXHIBIT "B"

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS (REVIEWED)
FOR THE SIX MONTHS ENDED JUNE 30, 2019

	Note	Six months ended June 30, 2019 (QR.) (Reviewed)	Six months ended June 30, 2018 (QR.) (Reviewed)
Cinema revenue		3,510,890	3,067,144
Cinema operating cost		(4,129,666)	(4,011,044)
Gross (loss)		(618,776)	(943,900)
Net income from real estate activity		8,095,419	8,539,061
Dividend income		1,211,793	2,031,592
Other income		1,041,411	58,983
General and administrative expenses	-10-	(2,138,262)	(2,228,493)
Finance charges including charges on lease liabilities		(722,050)	(559,826)
Depreciation of property, plant and equipment		(421,005)	(468,187)
Depreciation of investment properties		(1,712,449)	(1,711,981)
Depreciation of right-of-use assets	-3-	(411,533)	-0-
Profit for the period – Exhibits C, D & E		4,324,548	4,717,249
		=====	=====
Earnings per share			
Basic earnings per share	-11-	0.069	0.075
		=====	=====
Diluted earnings per share	-11-	0.069	0.075
		=====	=====

THE ACCOMPANYING NOTES 1 TO 17 CONSTITUTE AN INTEGRAL PART OF THIS
INTERIM CONDENSED FINANCIAL INFORMATION

QATAR CINEMA AND FILM DISTRIBUTION CO. (Q.P.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, 2019

	Six months ended June 30, 2019 (QR.) (Reviewed)	Six months ended June 30, 2018 (QR.) (Reviewed)
Profit for the period – Exhibit B	4,324,548	4,717,249
Other comprehensive income:		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Net changes in fair value of equity instruments at fair value through other comprehensive income (FVOCI)	1,148,674	3,928,216
Other comprehensive income for the period – Exhibit D	1,148,674	3,928,216
Total comprehensive income for the period – Exhibit D	5,473,222	8,645,465

THE ACCOMPANYING NOTES 1 TO 17 CONSTITUTE AN INTEGRAL PART OF THIS
INTERIM CONDENSED FINANCIAL INFORMATION

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

EXHIBIT "D"

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (REVIEWED)
FOR THE SIX MONTHS ENDED JUNE 30, 2019

	Share Capital (QR.)	Legal Reserve (QR.)	General Reserve (QR.)	Fair Value Reserve (QR.)	Retained Earnings (QR.)	Total (QR.)
SIX MONTHS ENDED JUNE 30, 2018 (REVIEWED)						
Balance as at December 31, 2017 (Audited)	62,807,950	37,992,630	2,663,152	10,770,183	18,190,853	132,424,768
Adoption of IFRS 9	-0-	-0-	-0-	(6,208,782)	6,208,782	-0-
Balance as at January 01, 2018 – 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-	4,717,249	4,717,249
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	4,717,249	8,645,465
Dividend distribution for the year 2017 – Note 12	-0-	-0-	-0-	-0-	(6,280,795)	(6,280,795)
Balance as at June 30, 2018	62,807,950	37,992,630	2,663,152	8,489,617	22,836,089	134,789,438
SIX MONTHS ENDED JUNE 30, 2019 (REVIEWED)						
Balance as at December 31, 2018 – Exhibit A (Audited)	62,807,950	37,992,630	2,663,152	9,932,968	30,999,625	144,396,325
Total comprehensive income for the period	-0-	-0-	-0-	-0-	4,324,548	4,324,548
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-	1,148,674	-0-	1,148,674
Other comprehensive income for the period – Exhibit C	-0-	-0-	-0-	1,148,674	-0-	1,148,674
Total comprehensive income for the period – Exhibit C	-0-	-0-	-0-	1,148,674	4,324,548	5,473,222
Dividend distribution for the year 2018 – Note 12	-0-	-0-	-0-	-0-	(9,421,193)	(9,421,193)
Balance as at June 30, 2019 – Exhibit A	62,807,950	37,992,630	2,663,152	11,081,642	25,902,980	140,448,354

THE ACCOMPANYING NOTES 1 TO 17 CONSTITUTE AN INTEGRAL PART OF THIS INTERIM CONDENSED FINANCIAL INFORMATION

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

EXHIBIT "E"

INTERIM CONDENSED STATEMENT OF CASH FLOWS (REVIEWED)
FOR THE SIX MONTHS ENDED JUNE 30, 2019

	Six months ended June 30, 2019 (QR.) (Reviewed)	Six months ended June 30, 2018 (QR.) (Reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period – Exhibit B	4,324,548	4,717,249
Adjustments for:		
Depreciation of property, plant and equipment	421,005	468,187
Depreciation of investment properties	1,712,449	1,711,981
Depreciation of right-of-use assets	411,533	-0-
Finance cost on lease liabilities	275,752	-0-
Provision for employees' end of service benefits	63,270	71,028
Reversal of excess provision for employees' end of service benefits	(921,010)	-0-
Finance charges	446,298	559,826
Dividend income	(1,211,793)	(2,031,592)
Operating profit before working capital changes	5,522,052	5,496,679
Changes in operating assets and liabilities		
-Inventories	6,130	(195,459)
-Accounts and other receivables	3,569,012	(374,354)
-Accounts and other payables	(1,586,476)	(480,304)
Cash generated from operations	7,510,718	4,446,562
Employees' end of service benefits paid	(282,499)	(11,090)
Finance charges paid	(446,298)	(559,826)
Net Cash from Operating Activities	6,781,921	3,875,646
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(139,494)	(94,865)
Addition to capital work in progress	(865,105)	(636,700)
Additions to investment properties	(7,428)	-0-
Dividend income received	1,211,793	2,031,592
Net Cash from Investing Activities	199,766	1,300,027
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend distribution	(9,962,014)	(5,949,556)
Payment of lease liabilities	(284,550)	-0-
Net Cash (used in) Financing Activities	(10,246,564)	(5,949,556)
Net (decrease) in cash and cash equivalents	(3,264,877)	(773,883)
Cash and cash equivalents at beginning of the period	40,159,775	26,879,707
Cash and cash equivalents at end of the period	36,894,898	26,105,824
	=====	=====

SUPPLEMENTARY INFORMATION TO THE INTERIM CONDENSED STATEMENT OF CASH FLOWS

Others

Right-of-use assets and related leases liabilities have been netted off to derive at net cash out flows on lease liabilities

THE ACCOMPANYING NOTES 1 TO 17 CONSTITUTE AN INTEGRAL PART OF THIS
INTERIM CONDENSED FINANCIAL INFORMATION

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

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (REVIEWED)
FOR THE SIX MONTHS ENDED JUNE 30, 2019

1) GENERAL INFORMATION

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

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, bonds, funds and real estate investment.

The company's commercial registration consists of certain active branches which operates cinema theaters in different locations. The above branches' books of accounts are integral part of this interim condensed financial information.

2) BASIS OF PREPARATION

The interim condensed financial information of the Company for the six-month ended June 30, 2019 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, 2018. In addition, results for the six-month period ended June 30, 2019 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2019.

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, 2018 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 16	Leases	January 01, 2019
Amendments to the Standards		Effective Date
IFRS 9	Prepayments, Features with Negative Compensation.	January 01, 2019
IAS 28	Long term Interest in Associates and Joint Ventures	January 01, 2019
IAS 19	Plan Amendment, Curtailment or Settlement	January 01, 2019
New or Revised Interpretations		Effective Date
IFRIC 23	Uncertainty Over Income Tax Treatments	January 01, 2019
Annual Improvements to IFRS 2015-2017 Cycle		Effective Date
IFRS 3	Clarifies that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages.	January 01, 2019
IFRS 11	A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. In such cases, previously held interests in that joint operation are not remeasured.	January 01, 2019

IAS 12	Clarifies that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners.	January 01, 2019
IAS 23	Clarifies that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.	January 01, 2019

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 effect and changes as described in succeeding paragraph related to newly implemented standard namely IFRS 16, 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 16 Leases. In accordance with transitional provisions of these new standards, comparative information has not been restated. The nature and effect of these changes are disclosed below;

a) Adoption of IFRS 16 Leases

IFRS 16 issued in January 2016 set out the principals for the recognition, measurement, presentation and disclosure of leases. It replaced IAS 17 "Leases", IFRIC 4 "Determining whether Arrangement Contain a Lease" and related interpretations.

The new standard has resulted in all most all leases being recognized on the statement of financial position by lessee, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and financial liability to pay rental are recognized.

The only exception are short term lease and low value leases. The company has applied the standard from its mandatory adoption date of January 1, 2019. The company has applied the simplified transition approach and has not restated comparative amounts, prior to the date of adoption of standard.

b) Impact on the Adoption of IFRS 16 Leases

As a result of the company's assessment of IFRS 16, the changes to the accounting policies and application of exemption criteria on the interim condensed financial information are identified as follows;

As a Lessee

As a lessee, the company did not have any leases which were previously classified as finance lease whereas the Company intended to recognize right-of-use assets and lease liabilities for its leases which were previously classified as operating leases. However, in certain cases, the company has applied exemption criteria as promulgated by the IFRS 16.

Short-term leases – Exemption applied

The company leases residential property for the use of staff accommodation and the lease contracts are expired within 12 months period of time. Hence, no right-of-use assets and lease liabilities have been recognized, instead the lease payments associate with the lease have been charged to statement of profit or loss.

Low value leases – Exemption applied

The company does not have any leases for which the underlying asset is low value.

Non-lease component – Excluded from IFRS 16

The company leases a building premise for long term lease contract, out of which a constant amount on quarterly basis have been charged by the lessor as reimbursed capacity fees against air conditions and chill water services rendered. The payments incurred by the company will be directly charged to statement of profit or loss as a non-lease component expenses.

Lease component – IFRS 16 Applied

The company leases building premise owned by the lessor to operate the cinema at highest international standard. Under IAS 17, the lease contract was recognized as operating leases. However, the company applied simplified transition approach of IFRS 16 by which comparative amounts are not restated. The company recognized right-of-use assets and lease liabilities in this interim condensed statement of financial position, measured at the present value of the future lease payments on adoption. When measuring lease liabilities, the company discounted lease payments using its incremental borrowing rate at January 01, 2019. The best possible estimation and judgments are used by the management to apply the appropriate borrowing rate where the factors such as company's current financing structure, relevant reference rates of currency, economic environment, government bond yields or interest rate curves and relevant leases terms including the nature of the underlying assets are taken in to considerations. In addition, the company has used number of practical expedients on initial application of the IFRS 16.

- c) **The following amounts are recognized under this new standard and included in the interim condensed statement of financial position;**

	June 30, 2019 (QR.) (Reviewed)	Jan. 1, 2019 (QR.) (Reviewed)
Right-of-use assets – Exhibit A	8,637,635	9,049,168
Lease liabilities – Exhibit A	9,040,370	9,049,168
	=====	=====

There are no lease commitments for short-term leases and low- value lease assets which would require the disclosures as of June 30, 2019.

- d) **The following amounts are recognized under this new standard and included in the interim condensed statement of profit or loss;**

	Six months ended June 30, 2019 (QR.) (Reviewed)	Six months ended June 30, 2018 (QR.) (Reviewed)
Depreciation of right-of-use assets – Exhibit B	411,533	-0-
Finance cost on lease liabilities	275,752	-0-
Short term lease expenses – Note 10	48,000	59,892
Capacity fees – non lease component – Note 10	89,025	-0-
	=====	=====

As a Lessor

The company is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor. The company accounted for its leases in accordance with IFRS 16 from the date of initial application.

- iii) **New IFRSs in Issue But Not Yet Effective**

The new standard namely IFRS 17 “Insurance Contract” has been issued but not yet effective and the entity intends to adopt these standards, where applicable, with effect from January 01, 2021.

- 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, 2018.

- 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, EQUIPMENT AND CAPITAL WORK IN PROGRESS**

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

	June 30, 2019 (QR.) (Reviewed)	Dec. 31, 2018 (QR.) (Audited)
Cost		
Balance at beginning of the period/year	39,247,421	38,755,042
Additions during the period/year	1,004,599	887,379
Disposals during the period/year	-0-	(150,000)
Written off during the period/year	-0-	(245,000)
Balance at end of the period/year	<u>40,252,020</u>	<u>39,247,421</u>
Accumulated Depreciation		
Balance at beginning of the period/year	34,704,621	34,181,024
Charge for the period/year	421,005	918,597
On disposals during the period/year	-0-	(150,000)
On written off	-0-	(245,000)
Balance at end of the period/year	<u>35,125,626</u>	<u>34,704,621</u>
Net book value at end of the period/year – Exhibit A	<u>5,126,394</u> =====	<u>4,542,800</u> =====

b) The above property, plant, equipment and capital work in progress include a sum of QR.1,753,000 capital expenses incurred for projects which are under progress as at June 30, 2019.

6) **INVESTMENT PROPERTIES**

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

	June 30, 2019 (QR.) (Reviewed)	Dec. 31, 2018 (QR.) (Audited)
Cost		
Balance at beginning of the period/year	111,761,338	111,759,588
Additions during the period/year	7,428	1,750
Balance at end of the period/year	<u>111,768,766</u>	<u>111,761,338</u>
Accumulated Depreciation		
Balance at beginning of the period/year	23,658,716	20,234,543
Charge for the period/year	1,712,449	3,424,173
Balance at end of the period/year	<u>25,371,165</u>	<u>23,658,716</u>
Net book value at end of the period/year – Exhibit A	<u>86,397,601</u> =====	<u>88,102,622</u> =====

b) Investment properties include a property amounting to QR.97,495,867 at cost mortgaged to a local bank as at June 30, 2019. Further, it has been estimated by the management that the recoverable value of investment properties as of reporting date were higher than its carrying value.

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

The equity instruments at fair value through other comprehensive income (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.

Movements in the equity instruments at fair value through other comprehensive income (FVOCI) were as follows:

	June 30, 2019 (QR.) (Reviewed)	Dec. 31, 2018 (QR.) (Audited)
Balance at beginning of the period/year	33,993,839	34,027,485
Net changes in fair value of equity instruments at fair value through other comprehensive income (FVOCI)	1,148,674	10,008,208
Disposal of equity instruments at fair value through other comprehensive income (FVOCI)	-0-	(10,041,854)
Balance at end of the period/year – Exhibit A	<u>35,142,513</u> =====	<u>33,993,839</u> =====

8) **CASH AND CASH EQUIVALENTS**

This item consists of the following:

	June 30, 2019 (QR.) (Reviewed)	Dec. 31, 2018 (QR.) (Audited)
Cash in hand	12,201	7,806
Cash at banks	36,738,350	39,974,411
Short term fixed deposits	144,347	177,558
Total – Exhibit A	<u>36,894,898</u> =====	<u>40,159,775</u> =====

9) **SHARE CAPITAL**

a) This item consists of the following:

	June 30, 2019 (QR.) (Reviewed)	Dec. 31, 2018 (QR.) (Audited)
Authorized, issued and fully paid up capital with a par value of QR.1 each – Exhibit A	62,807,950 =====	62,807,950 =====
Authorized, issued and fully paid up share capital (number of shares) – Note 9 (b)	62,807,950 =====	62,807,950 =====

b) **Share Split**

As per the instruction of the Qatar Financial Markets Authority, the Company's Extraordinary General Assembly held on April 03, 2019, approved to split the nominal value of ordinary shares of the company from QR. 10 per share to QR.1 per share. As a result, the company's shares have been increased from 6,280,795 (with par value of QR.10 per share) to 62,807,950 (with a par value of QR.1 per share). The listing of the new shares on Qatar Exchange was effective from June 23, 2019. Consequently, weighted average number of shares outstanding has been retrospectively adjusted.

10) GENERAL AND ADMINISTRATIVE EXPENSES

This item consists of the following:	Six months ended June 30, 2019 (QR.) (Reviewed)	Six months ended June 30, 2018 (QR.) (Reviewed)
Salaries, wages and allowances	824,204	978,371
Board of directors remuneration	561,185	530,015
Professional, legal and government charges	295,570	304,903
Short term lease expenses – Note 3	48,000	59,892
Capacity fees – non lease component – Note 3	89,025	-0-
Advertisement expenses	10,000	18,677
End of service benefits	63,270	71,028
Travelling and transportation	55,052	83,375
Electricity and water	55,463	48,020
Cleaning expenses	33,553	27,698
Repair and maintenance	20,464	20,608
Insurance expenses	32,537	34,940
Others	49,939	50,966
Total – Exhibit B	<u>2,138,262</u> =====	<u>2,228,493</u> =====

11) 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, 2019 (Reviewed)	Six months ended June 30, 2018 (Reviewed)
Profit attributable to ordinary shareholders of the Company (QR.) – Exhibit B	4,324,548 =====	4,717,249 =====
Weighted average number of ordinary shares outstanding*	62,807,950 =====	62,807,950 =====
Basic earnings per share (QR.) – Exhibit B	0.069 =====	0.075 =====

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.

* The earnings per share for the comparative period have been retrospectively adjusted due to the shares split made by the company on June 23, 2019.

12) DIVIDENDS

Following the approval of the Annual General Assembly held on April 3, 2019, it was decided a cash dividend distribution of 15% of the paid up capital totaling QR.9,421,193 relating to the year ended December 31, 2018 (relating to the year ended December 31, 2017 a cash dividend distribution of 10% of the paid up capital totaling QR.6,280,795).

13) **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 company.

A sum of QR.255,185 board of directors remuneration and a sum of QR.306,000 as board meeting allowance have been included under general and administrative expenses for the six-month period ended June 30, 2019 (June 30, 2018: A sum of QR.224,015 board of directors remuneration and a sum of QR.306,000 as board meeting allowance have been included under general and administrative expenses).

In addition to the above, the total compensation for key management personnel of the company includes the following:

	Six months ended June 30, 2019 (QR.) (Reviewed)	Six months ended June 30, 2018 (QR.) (Reviewed)
Salaries and other short term benefits	135,950 =====	136,150 =====

14) **FAIR VALUE**

Fair Value Measurement

The Company measures certain financial instruments and certain non-financial assets, if applicable, at fair value at each reporting date.

Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value are disclosed in this interim condensed financial information, if any.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in this interim condensed financial information are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1:- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2:- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3:- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets that are recognized in the interim condensed financial information on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Accounting Classification And Fair Values

Based on the above fair value measurements, it has been assessed that the fair values of the financial instruments presented in this interim condensed financial information as of reporting date are not materially different from their carrying values.

Fair Value Hierarchy

The company uses the following hierarchy for determining and disclosing the fair value of the company's assets by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

The following table shows an analysis of assets recorded at fair value by level of the fair value hierarchy:

As at June 30, 2019 (Reviewed)	Level 1	Level 2	Level 3	Total
Equity instruments at FVOCI (QR.)	35,142,513	-0-	-0-	35,142,513
	=====	=====	=====	=====
As at December 31, 2018 (Audited)				
Equity instruments at FVOCI (QR.)	33,993,839	-0-	-0-	33,993,839
	=====	=====	=====	=====

During the period ended June 30, 2019 and the year ended December 31, 2018, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

15) COMMITMENTS AND CONTINGENCIES

The following summarizes the significant contractual commitments and contingencies:

	June 30, 2019. (QR.) (Reviewed)	Dec. 31, 2018 (QR.) (Audited)
Performance bonds	347,800	347,800
Letters of guarantee	100,000	100,000
	=====	=====

16) COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform with the presentation of the current period. However, except for the effects for the rectification of board of directors remuneration amounting to QR.224,015 adjusted through retained earnings during the six-month period ended June 30, 2018 and effects share split, there were no adjustments affected previously reported figures.

17) GENERAL

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