QATARI INVESTORS GROUP Q.S.C.

QATARI INVESTORS GROUP
مجموعة المستثمرين القطريين

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED DECEMBER 31, 2017

INVITATION

For the Attendance of the Ordinary General Assembly of Qatari Investors Group Q.S.C.

The Board of Directors of Qatari Investors Group is pleased to invite the shareholders to attend the Ordinary General Assembly meeting to be held on Wednesday, 21 of February 2018, at 6:30pm at Al Daibel Hall, Four Seasons Hotel. In case a quorum is not met, the second meeting will be held on Wednesday, 28 of February 2018 at 6:30pm, at the same venue;
Accordingly, shareholders are kindly requested to be present at the meeting hall an hour before to enable taking a record of the attending shareholders' names and number of shares held by each.

Agenda of the Ordinary General Assembly:

- To hear the speech of the Chairman of the Board of Directors and the Board of Directors' report on the Company's activity and financial position for the year ended on 31 December 2017 and the Company's business plan for 2018.
- To discuss the report of the External Auditor on the Company's budget, financial position and final accounts submitted by the Board of Directors.
- To discuss the Company's budget and statement of profits and losses for the year ended on 31 December 2017 and ratifying them.
- To discuss the Board of Directors proposal to distribute a cash dividend of 7.5% of the share nominal value (i.e. QAR 0.75 per share).
- To discuss the Corporate Governance report of 2017.
- To consider the policies and procedures stipulated in the corporate governance system and the legal entities listed in the main market.
- To absolve the members of the Board of Directors from any liability for the financial year ended on 31 December 2017 and determining their remuneration.
- To present the tender related to appointing the External Auditors and determine their fees.

Abdulla Nasser Al Misnad
Chairman of the Board of Directors

Reminder:

1- A week before the General Assembly:
   I. A detailed disclosure shall include the data provided for in Article (122) of the Commercial Companies Law and Article (26) of the Corporate Governance Law in the Company's building - Wadi Al-Sail area, Doha.
   II. Policies and procedures provided by the Corporate Governance System and the legal entities listed in the main market - through the website.
   III. Corporate Governance Report for the year 2017, in accordance with the standards set out in the Corporate Governance and Legal Entities Act in the main market - through the website.
2- Each shareholder shall have the right to delegate to attend the meeting on his behalf, provided that the agent is a shareholder, the agency shall be private and written, and the agent shall not be a member of the board of directors. In all cases, the number of shares held by the agent shall not exceed 5% of the share capital of the Company (equivalent to 6.216.339 shares). In the case of the shareholder a legal entity, shall represent a written authorization signed and stamped on the company's paper.
3- This announcement is considered a legal invitation to all shareholders without the need to send a mail invitation in accordance with the provisions of Law No. 11 of the year 2015 promulgating the Commercial Companies Law.

BOARD OF DIRECTORS REPORT

Introduction:
The Board of Directors of Qatari Investors Group is pleased to introduce the Financial and Operational Report to the company's shareholders in accordance with Article (126) of the Commercial Company's Law.

Summarized Financial Results:
On December 31st 2017, the Group total assets amounted to 4,581.1 million Qatari Riyals– a decrease of 16.6 million Qatari Riyals in comparison with the previous year's figures. In addition, the Group achieved revenues of 739 million Qatari Riyals, a decrease of 85.9 million Qatari Riyals versus 2016.

Margins and Net Profit:
Qatari Investors Group succeeded to realize a net profit of QR 253,057,585 (Two Hundred Fifty-three million fifty-seven thousand and five hundred eighty-five Qatari Riyals only), with basic earnings per share at QR 2.04. For the same period of 2016, the net profit stood at QR 277,034,632 (Two Hundred Seventy-seven million thirty-four thousand and six hundred thirty-two Qatari Riyals only), with basic earnings per share at QR 2.23

Future Plans:
As part of the Board of Directors commitment to develop the company's performance and increase its profit, the Board of Directors outlined a business plan for the year 2018 and adopted new investment plans that will qualify the company to overcome any obstacles and economic difficulties such as the ones ravaged over the past years.

QIG Board of Directors adopted a policy to create innovative and sustainable business plans that supports the growth of financial status, maximizing profit and shareholders value while reducing the risk impact of the market fluctuations.
In addition, QIG constant support for its subsidiaries, and in particular the industrial sector will be the top priority on the annual agenda of the Board of Directors during the year 2018. The Board will continue to support the production and distribution policies to align with what has been done to increase production and development within the organization.

Distribution of Profits:
The Board will raise the recommendation to the Annual General Meeting to distribute a Cash Dividend of 7.5% from the share par value, i.e. 0.75 Dirhams for each share.

Best regards

Abdulla Nasser Al Misnad
Chairman of the Board of Directors

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Qatari Investors Group Q.S.C.
Doha - Qatar

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of Qatari Investors Group Q.S.C. ("the Company"), and its subsidiaries (together "the Group") which comprise the consolidated statement of financial position as at December 31, 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2017, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements in Qatar, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters.
The Group has QR 314,457,585 of goodwill at 31 December 2017 arising from past acquisitions of subsidiaries. There is a risk regarding the potential impairment of the carrying value of the goodwill given the judgements management are required to make in respect of the assumptions used to determine the recoverable amount. The key judgements include identification of cash generating units, growth rates in future cash flow forecasts both short term and longer term, discount rates applied to these forecasts and determining the impact of reasonably possible changes in these assumptions.	Our audit work assessed the adequacy of the design and implementation of controls over monitoring the carrying value of goodwill. Independently we identified and challenged management's assessment of the cash generating units within the Group based on a review of the cash flows internally reported by management, and our understanding of the Group structure. We challenged the assumptions used by management in their impairment assessment by using valuation specialists within the audit team to benchmark the discount rate against independently available data, together with peer group analysis, our understanding of the assumptions underpinning the Group's cash flow forecasts, and the historical performance of the businesses. Having audited the assumptions, we checked that the impairment model had been prepared on the basis of management's assumptions and was arithmetically accurate. We challenged the appropriateness of management's sensitivities based on our work performed on the key assumptions, and recalculated these sensitised scenarios.
The Group owns a portfolio of commercial and residential property assets valued at QR.769,138,673 at 31 December 2017. The valuation of the portfolio, including a number of development properties, is a significant judgement area and is underpinned by a number of assumptions. In addition, the valuation of the Group's property portfolio is inherently subjective due to, among other factors, the individual nature of each property, its location and the expected future rental revenues for that particular property. The Group uses a professionally qualified external valuer to fair value the Group's portfolio.	The valuer used by the Group, is a well-known local firm, with considerable experience of the Group's real estate market. We assessed the competence, capabilities and objectivity of the firm, and verified their qualifications. We also discussed the scope of their work and reviewed the terms of their engagement. We have tested the data inputs underpinning the investment property valuation for a sample of properties, to assess the reliability, completeness and accuracy of the underlying data. We have assessed the assumptions used and the reasons behind a number of significant movements in the valuations. These related primarily to assumptions throughout the year. We also compared a sample of the valuations to our independently formed market expectations and challenged any differences. In doing this we have used evidence of comparable market data and focused in particular on properties where the capital values were higher or lower than our expectations based on market indices.
The Group is engaged in a number of legal actions, of which the most significant are disclosed in Note 34. There are claims which could have an impact on the results of the Group if the potential exposures were to materialise.	We discussed this issue with internal and external legal counsel and read available external information in order to understand the latest position of the proceedings and assess management's views as to the strength of the claim against the Group. From the evidence obtained management has made the decision not to make a provision. However, given the uncertainty involved, the matter is not without risk. We also assessed the disclosures provided in order to determine whether the disclosures were sufficiently clear regarding the uncertainties that existed.

Other Information
Management is responsible for the other information. The other information comprises ***Board of Directors report,*** which we obtained prior to the date of this auditors' report and the annual report, which is expected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of *Management and Those Charged with Governance* for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and the applicable provisions of Qatar Commercial Companies Law, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- ► Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- ► Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- ► Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ► Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ► Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- ► Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law and regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements
Further, as required by the Qatar Commercial Companies Law, we are of the opinion that that proper books of account were maintained by the Group, physical inventory verification has been duly carried out and the contents of the directors' report are in agreement with the Group's consolidated financial statements. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. To the best of our knowledge and belief and according to the information given to us, no contraventions of the applicable provisions of Qatar Commercial Companies Law and the Company's Articles of Association were committed during the year which would materially affect the Group's financial position or performance.

Doha – Qatar
………, 2018

For Deloitte & Touche
Qatar Branch

Walid Slim
Partner
License No. 319

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2017

	Notes	2017 QR	2016 QR
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the year		**253,057,585**	277,034,632
Adjustments for:			
Amortization of intangible assets		**--**	1,186,533
Depreciation of property, plant and equipment	5	**91,125,848**	85,768,776
Finance costs		**55,769,801**	50,550,721
Share of profit from investments in associates	8	**(19,413,574)**	(25,699,403)
Write off of property, plant and equipment	5	**21,416,022**	3,020,825
Net provision provided for slow moving and obsolete inventories	10	**1,458,004**	8,994,366
Provision for doubtful debts	14	**1,229,344**	80,419
(Gain) on disposal of property, plant and equipment		**--**	(359,300)
Net change in fair values of investment properties	6	**13,198,046**	36,317,832
Provision for employees' end of service benefits	19	**1,889,808**	1,325,951
		419,730,884	438,221,352
Movements in working capital:			
Inventories		**(99,788,456)**	(46,440,790)
Prepayments and other debit balances		**(1,023,469)**	(2,763,006)
Advances to contractors and suppliers		**(1,032,760)**	14,176,710
Due from related parties		**307,470**	(148,705)
Accounts receivable		**(9,882,067)**	(56,670,678)
Amounts due from customers for contracts work		**(1,475,254)**	2,062,186
Accounts payable		**(36,872,603)**	(4,329,628)
Due to related parties		**--**	60,118
Retention payables		**5,939,217**	8,670,837
Accruals and other liabilities		**35,232,541**	30,308,724
Cash generated by operations		**311,135,503**	383,147,120
Employees' end of service benefits paid	19	**(1,558,824)**	(654,973)
Finance costs paid		**(48,608,114)**	(45,102,938)
Net cash generated by operating activities		**260,968,565**	337,389,209
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales of property, plant and equipment		**--**	359,300
Purchases of property, plant and equipment	5	**(57,785,839)**	(78,051,571)
Purchases of investment properties	6	**(27,626,360)**	(103,867,942)
Additions to financial assets available for sale		**(576,717)**	(117)
Dividends from investments in associates	8	**10,100,101**	17,065,578
Net cash used in investing activities		**(75,888,815)**	(164,494,752)
CASH FLOWS FROM FINANCING ACTIVITIES			
Islamic borrowings obtained		**--**	1,686,400,915
Repayment of Islamic borrowings		**(157,879,189)**	(1,613,051,723)
Payment of social and sports fund contribution		**(6,925,866)**	(6,298,867)
Notes payable		**(619,975)**	(518,294)
Dividends paid to the shareholders		**(124,326,778)**	(155,408,473)
Net cash used in financing activities		**(289,751,808)**	(88,876,442)
Net (decrease) / increase in unrestricted cash and cash equivalents		**(104,672,058)**	84,018,015
Unrestricted cash and cash equivalents at the beginning of the year		**437,660,641**	353,642,626
Unrestricted cash and cash equivalents at the end of the year	15	**332,988,583**	437,660,641

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2017

	Notes	2017 QR	2016 QR
ASSETS			
Non-current assets			
Property, plant and equipment	5	**2,424,989,206**	2,485,934,575
Investment properties	6	**769,138,673**	748,521,021
Goodwill	7	**314,457,585**	314,457,585
Investments in associates	8	**84,962,250**	75,648,777
Financial assets available for sale	9	**3,040,055**	2,463,338
Total non-current assets		**3,596,587,769**	3,627,025,296
Current assets			
Inventories	10	**301,352,108**	203,021,656
Prepayments and other debit balances	11	**18,334,834**	17,311,365
Advances to contractors and suppliers	12	**36,973,007**	35,940,247
Due from related parties	13(a)	**948,762**	1,256,232
Accounts receivable	14	**243,377,886**	234,725,163
Amounts due from customers for contracts work		**4,448,282**	2,973,028
Cash and cash equivalents	15	**379,128,926**	475,530,437
Total current assets		**984,563,805**	970,758,128
Total assets		**4,581,151,574**	4,597,783,424
Equity			
Share capital	16	**1,243,267,780**	1,243,267,780
Legal reserve	17	**621,138,267**	595,832,508
Retained earnings		**699,216,240**	571,035,938
Proposed dividends		**93,245,084**	124,326,778
Total equity		**2,656,867,371**	2,534,463,004
Liabilities			
Non-current liabilities			
Islamic borrowings	18	**1,343,603,690**	1,622,213,233
Employees' end of service benefits	19	**8,742,398**	8,411,414
Total non-current liabilities		**1,352,346,088**	1,630,624,647
Current liabilities			
Islamic borrowings	18	**287,096,412**	159,204,372
Accounts payable	20	**51,712,696**	88,585,299
Due to related parties	13(b)	**344,815**	344,815
Retention payables		**28,183,238**	22,244,021
Notes payable	21	**70,843**	690,818
Accruals and other liabilities	22	**204,530,111**	161,626,448
Total current liabilities		**571,938,115**	432,695,773
Total liabilities		**1,924,284,203**	2,063,320,420
Total equity and liabilities		**4,581,151,574**	4,597,783,424

These consolidated financial statements were approved by the board of directors and were signed on their behalf by the following on January 25, 2018.

Abdulla Bin Nasser Al Misnad
Chairman

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended December 31, 2017

	Notes QR	2017 QR	2016
Revenue	23	**739,118,953**	825,091,868
Cost of revenue	24	**(375,596,142)**	(422,047,168)
Gross profit		**363,522,811**	403,044,700
Rental income		**6,600,508**	7,189,601
Share of profit from investments in associates	8	**19,413,574**	25,699,403
Investment income		**507,760**	577,735
Net change in fair values of investment properties	6	**(13,198,046)**	(36,317,832)
Selling and distribution expenses	25	**(9,197,592)**	(9,074,092)
General and administrative expenses	26	**(70,524,261)**	(71,792,341)
Finance costs		**(55,769,801)**	(50,550,721)
Income from short-term deposits and saving accounts		**9,128,484**	6,409,877
Other income		**2,574,148**	1,848,302
Net profit for the year		**253,057,585**	277,034,632
Other comprehensive income			
Other comprehensive income for the year		**--**	--
Total comprehensive income for the year		**253,057,585**	277,034,632
Basic and diluted earnings per share	28	**2.04**	2.23

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2017

	Share capital QR	Legal reserve QR	Retained earnings QR	Proposed dividends QR	Total QR
Balance at January 1, 2016	1,243,267,780	568,129,045	452,957,413	155,408,473	2,419,762,711
Net profit for the year	--	--	277,034,632	--	277,034,632
Other comprehensive income for the year	--	--	--	--	--
Total comprehensive income for the year	--	--	277,034,632	--	277,034,632
Dividends paid to the shareholders	--	--	--	(155,408,473)	(155,408,473)
Proposed dividends to the shareholders	--	--	(124,326,778)	124,326,778	--
Social and sports fund contribution (Note 27)	--	--	(6,925,866)	--	(6,925,866)
Transfer to legal reserve (Note 17)	--	27,703,463	(27,703,463)	--	--
Balance as at December 31, 2016	1,243,267,780	595,832,508	571,035,938	124,326,778	2,534,463,004
Net profit for the year	--	--	253,057,585	--	253,057,585
Other comprehensive income for the year	--	--	--	--	--
Total comprehensive income for the year	--	--	253,057,585	--	253,057,585
Dividends paid to the shareholders	--	--	--	(124,326,778)	(124,326,778)
Proposed dividends to the shareholders	--	--	(93,245,084)	93,245,084	--
Social and sports fund contribution (Note 27)	--	--	(6,326,440)	--	(6,326,440)
Transfer to legal reserve (Note 17)	--	25,305,759	(25,305,759)	--	--
Balance as at December 31, 2017	**1,243,267,780**	**621,138,267**	**699,216,240**	**93,245,084**	**2,656,867,371**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2017

1. INCORPORATION AND ACTIVITIES
Qatari Investors Group Q.S.C. (the "Company") is a Qatari Shareholding Company incorporated in the state of Qatar on May 4, 2006 in accordance with the Qatar Commercial Companies Laws and the terms of its Articles of Association. The Company operates under commercial registration No. 32831.

The Company is primarily engaged in investing in shares and other financial instruments, managing and providing support to its subsidiaries, ownership, leasing of patent, trademarks and investment properties.

The address of the Company's registered head office is Wadi Alseel, Alesteklal Street, Doha, Qatar.

The accompanying consolidated financial statements comprise the financial statements of the Company and of its wholly owned subsidiaries (collectively "the Group").

Composition of the Group:
The Group owns 100% of the beneficial interest and controls the following entities as at December 31, 2017:

Name of subsidiary	Place of incorporation	Ownership interest	Principal Activity
QIG Property L.L.C.	Qatar	100%	Real estate
The Investors Company L.L.C.	Qatar	100%	Trading of construction materials, equipment and trucks
Qatari Investment Group L.L.C.	Qatar	100%	Investment and other trading
QIG Marine Services Company L.L.C.	Qatar	100%	Marine services and shipping
QIG Technology Company L.L.C.	Qatar	100%	Information technology services
QIG Global Company L.L.C.	Qatar	100%	International companies representation
QIG Trading Company L.L.C.	Qatar	100%	International companies representation
QIG Financial Services L.L.C.	Qatar	100%	Financial services
QIG Projects Development L.L.C.	Qatar	100%	Industry equipment works
QIG Light Industries L.L.C.	Qatar	100%	Mechanical and industrial engineering equipment
QIG Industries L.L.C.	Qatar	100%	Industrial enterprises (Mechanical – Engineering)
QIG General Services L.L.C.	Qatar	100%	Construction materials trading – contracting
Qatari Group for Investment L.L.C.	Qatar	100%	Investment and other trading

The above list includes entities holding investments in other subsidiaries controlled by the Group such as Al Khalij Cement Company L.L.C, International Technical and Trading Company L.L.C. and Qatar Security System L.L.C.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)
2.1 New and revised IFRSs applied with no material effect on the consolidated financial statements
The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2017, have been adopted in these consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to IAS 7 *Disclosure initiative*
  The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of consolidated financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes.

  The Group's liabilities arising from financing activities consist of Islamic borrowings (Note 18). A reconciliation between the opening and closing balances of these items is provided in Note 18. Apart from the additional disclosure in Note 18, the application of these amendments has had no impact on the Group's consolidated financial statements.

- Amendments *to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses*
  The Group has applied these amendments for the first time in the current year. The amendments clarify how an entity should evaluate whether there will be sufficient future taxable profits against which it can utilise a deductible temporary difference.

  The application of these amendments has had no impact on the Group's consolidated financial statements.

- *Annual Improvements to IFRSs 2014 – 2016 cycle*
  The Group has applied the amendments to IFRS 12 included in the Annual Improvements to IFRSs 2014-2016 Cycle for the first time in the current year. The other amendments included in this package are not yet mandatorily effective and they have not been early adopted by the Group (see note 2.2).

  IFRS 12 states that an entity need not provide summarised financial information for interests in subsidiaries, associates or joint ventures that are classified (or included in a disposal group that is classified) as held for sale. The amendments clarify that this is the only concession from the disclosure requirements of IFRS 12 for such interests.

  The application of these amendments has had no effect on the Group's consolidated financial statements as none of the Group's interests in these entities are classified, or included in a disposal group that is classified, as held for sale.

2.2 New and revised IFRS in issue but not yet effective
The Group has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
Annual Improvements to IFRS Standards 2014 – 2016 Cycle amending IFRS 1 and IAS 28.	1 January 2018
Annual Improvements to IFRS Standards 2015–2017 Cycle amending IFRS 3, IFRS 11, IAS 12 and IAS 23.	1 January 2019
IFRIC 22 *Foreign Currency Transactions and Advance Consideration* The interpretation addresses foreign currency transactions or parts of transactions where: • there is consideration that is denominated or priced in a foreign currency; • the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and • the prepayment asset or deferred income liability is non-monetary.	1 January 2018
IFRIC 23 *Uncertainty over Income Tax Treatments* The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers: • Whether tax treatments should be considered collectively; • Assumptions for taxation authorities' examinations; •The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and • The effect of changes in facts and circumstances.	1 January 2019
Amendments to IFRS 2 *Share Based Payment* regarding classification and measurement of share based payment transactions.	1 January 2018
Amendments to IFRS 4 *Insurance Contracts*: Relating to the different effective dates of IFRS 9 and the forthcoming new insurance contracts standard.	1 January 2018
Amendments to IAS 40 *Investment Property*: Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The paragraph has been amended to state that .the list of examples therein is non-exhaustive	1 January 2018
Amendments to IAS 28 *Investment in Associates and Joint Ventures*: Relating to long-term interests in associates and joint ventures. These amendments clarify that an entity applies IFRS 9 *Financial Instruments* to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not .applied	1 January 2019
Amendments to IFRS 7 *Financial Instruments: Disclosures* relating to disclosures about the .initial application of IFRS 9	When IFRS 9 is first applied
IFRS 7 *Financial Instruments: Disclosures* relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge .accounting chapter in IFRS 9	When IFRS 9 is first applied
IFRS 17 *Insurance Contracts* IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for .insurance contracts. IFRS 17 supersedes IFRS 4 *Insurance Contracts* as of 1 January 2021	1 January 2021
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011) relating to the treatment of the sale or contribution of .assets from and investor to its associate or joint venture	Effective date deferred indefinitely. Adoption is still permitted.

IFRS 9 – Financial Instruments:
IFRS 9 will replace IAS 39 Financial Instruments: Recognition and Measurement and introduces new requirements for the classification and measurement of financial assets and financial liabilities, a new model based on expected credit losses for recognizing loan loss provisions and provides for simplified hedge accounting by aligning hedge accounting more closely with an entity's risk management methodology.

The Group has assessed the estimated impact on initial application of IFRS 9 as at 1 January 2018 on its consolidated financial statements and summarised below the preliminary impact. The actual impact of adopting IFRS 9 may change because of pending decisions on date of initial application (DIA) and changes to accounting policies.

	Retained earnings	Fair value reserve
	QR.	QR.
Closing balance under IAS 39 (31 December 2017)	699,216,240	--
Impact on reclassification and re-measurements		
Investment securities (equity) from available-for-sale to those measured at fair value through other comprehensive income	--	6,444,113
Impact on recognition of Expected Credit Losses		
Expected credit losses under IFRS 9 for accounts receivable	(3,704,516)	--
Expected credit losses under IFRS 9 for amounts due from customers for contracts work	(805)	--
Estimated adjusted opening balance under IFRS 9 on date of initial application of 01 January 2018	**695,510,919**	**6,444,113**

IFRS 15 – Revenue from contracts with customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

The Group plans to adopt IFRS 15 using the cumulative effect method, with the effect of initially applying this standard recognized at the date of initial application (i.e. 1 January 2018). As a result, the Group will not apply the requirements of IFRS 15 to the comparative period presented.

The estimated impact of the adoption of IFRS 15 on the Group's equity as at 1 January 2018 is based on assessments undertaken to date and is summarized below:

	As reported at 31 December 2017	Estimated to adjustment due adoption of IFRS 15	Estimated adjusted at opening balance January 1, 2018
	QR.	QR.	QR.
Retained earnings	699,216,240	(263,442)	698,952,798

The above assessment is preliminary because not all transition work has been finalized. The actual impact of adopting IFRS 15 on 1 January 2018 may change because:

- IFRS 15 will require the Group to revise its accounting process and internal controls and these changes are yet to complete;
- the new accounting policies, assumptions, judgments and estimation techniques employed are subject to change until the Group presents its first consolidated financial statements that include the date of initial application.

IFRS 16 Leases
IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IFRS 16 as highlighted in previous paragraphs, may have no material impact on the consolidated financial statements of the Group in the period of initial application.

Management anticipates that IFRS 15 and IFRS 9 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2018 and that IFRS 16 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2019.

3. SIGNIFICANT ACCOUNTING POLICIES
Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and applicable provisions of Qatar Commercial Companies' Law.

Basis of preparation
The consolidated financial statements have been prepared under the historical cost basis except for financial assets available for sale and investment properties that are measured at fair value at the end of each reporting period.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at measurement date.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

(i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
(ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
(iii) Level 3 inputs are unobservable inputs for the asset or liability.

These consolidated financial statements are presented in Qatari Riyal (QR.), which is the Group's functional and presentation currency.

The principal accounting policies are stated below.

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and its controlled entities as at December 31, 2017 (its subsidiaries). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and closes when the Company loses control of the subsidiary.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with those used by the Group.

All intragroup assets and liabilities, equity, income and expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Financial Statements of the Subsidiaries were prepared for the same period ended December 31, 2017.

Business combinations & goodwill
Acquisitions of business are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in the consolidated statement of profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Goodwill
Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in the consolidated statement of profit or loss and other comprehensive income as a bargain purchase gain.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated statement of profit or loss and other comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Land is not depreciated.

Depreciation is recognized to write-off the cost of assets less their residual values over their useful lives using the straight line method. The following are the estimated useful lives of the assets:

	Useful life in years
Buildings	15-50
Equipment	5-30
Furniture and fixtures	5
Computers and software	3
Motor and heavy vehicles	5-10

The asset's residual values, useful lives and method of depreciation are reviewed and adjusted, if appropriate, at each reporting date. The effect of any changes to estimates are accounted for on a prospective basis.

Capital work-in-progress is stated at cost. When the asset is ready for its intended use, it is transferred from capital work-in-progress to appropriate category and is carried out in accordance with the Group's policies.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated statement of profit or loss and other comprehensive income as the expense is incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and other comprehensive income in the period the asset is derecognised.

Investment properties
Investment properties are properties held to earn rentals and/or capital appreciation (including property under construction for such purposes). Investment properties are initially measured at cost and subsequently at fair value with any change therein recognised in the consolidated statement of profit or loss and other comprehensive income in the period in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the consolidated statement of profit or loss and other comprehensive income in the period of derecognition.

Transfers are made to or from investment properties only when there is a change in use. For a transfer from investment properties to owner-occupied properties, the deemed cost for subsequent accounting is the net book value at the date of change in use. If owner-occupied properties become investment properties, the Group accounts for such properties in accordance with the policy stated under properties and equipment up to the date of change in use.

Impairment of tangible and intangible assets other than goodwill
At each annual reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit or loss unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Investments in associates
An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operations policy decisions of the investee but is not control or joint control over those policies. The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. If a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, then Group also reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs are those expenses incurred in bringing each product to its present location and condition. Cost is determined on a weighted average basis.

Net realizable value is based on estimated selling price in the ordinary course of business less estimated costs necessary to make the sale. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Construction contracts in progress
Construction contracts in progress represents the gross amount expected to be collected from customers for contract work performed to date. It is measured at costs incurred plus profits recognized to date less progress billings and recognized losses.

In the consolidated statement of financial position, construction contracts in progress for which costs incurred plus recognized profits exceed progress billings and recognized losses are presented as amounts due from customers for contracts work. Contracts for which progress billings and recognized losses exceed costs incurred plus recognized profits are presented as advance from customers. Advances received from customers are presented as accrued income.

Financial assets
Initial recognition and measurement
Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, loans and receivables, held to maturity investments and financial assets available for sale. The Group determines the classification of its financial assets at the time initial recognition, based on its nature and purpose.

Subsequent measurement
The subsequent measurement of financial assets depends on their classification as follows:

Financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transactions cost.

Cash and cash equivalents
Cash and cash equivalents consists of cash on hand, bank balances and short term deposits having maturity of less than 3 months from the date of placement, less bank over draft (if any).

Account receivables
Accounts receivable are stated at original invoice amount, less any provision for impairment for doubtful debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Financial assets available for sale (AFS)
AFS investments are non-derivative financial assets that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

Fair value is determined in the manner described in Note 29. Changes in the carrying amount of AFS monetary financial assets relating to changes in foreign currency rates, profit rate income calculated using the effective interest method and dividends on AFS equity investments are recognised in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, are measured at cost less any identified impairment losses at the end of each reporting period.

Impairment of financial assets
Financial assets, other than those measured at Fair Value Through Profit or Loss (FVTPL), are assessed for indicators of impairment at each statement of financial position date. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For other financial assets, objective evidence of impairment could include:

(i) significant financial difficulty of the issuer or counterparty; or
(ii) default or delinquency in profit or principal payments; or
(iii) it is becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
(iv) the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective profit rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial assets is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the statement of profit or loss.

Derecognition of financial assets
The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in consolidated statement of profit or loss and other comprehensive income.

Financial liabilities and equity instruments
Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity Instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Accounts payable
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Islamic borrowings
Islamic borrowings are recognized initially at fair value of the amounts borrowed, less directly attributable transaction costs. Subsequent to initial recognition, Islamic borrowings are measured at amortized cost using the effective profit method, with any differences between the cost and final settlement values being recognised in the consolidated statement of profit or loss over the period of borrowings. Instalments due within one year at amortised cost are shown as a current liability.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired.

Gains or losses are recognised in the consolidated statement of profit or loss and other comprehensive income when the liabilities are derecognised.

Provisions
Provisions are recognized when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Employees' end of service benefits and pension entitlements
The Group provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period, calculated under the provisions of the Qatar Labour Law and the employees' contracts and is payable upon resignation or termination of the employee. The expected costs of these benefits are accrued over the period of employment.

Under Law No. 24 of 2002 on Retirement and Pension, the Group is required to make contributions to a Government fund scheme for Qatari employees calculated as a percentage of the Qatari employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

Dividend distribution
Dividend distribution to the Group's shareholders is recognised as a liability in the consolidated financial statements in the period in which the dividends are approved.

Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from sales of goods
Revenue from the sale of goods is recognised when the goods are delivered and the titles have passed, at which time all the following conditions are satisfied:

- the Group transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvements to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Contracts revenues
If the outcome of a contract can be estimated reliably, then contract revenue is recognised in consolidated statement of profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed with reference to surveys of work performed. Otherwise, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

Contract expenses are recognised as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognised immediately in consolidated statement profit or loss.

Investment properties rental income
Rental income from investment properties is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Rendering of services
Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

(i) installation fees are recognised by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period;
(ii) servicing fees included in the price of products sold are recognised by reference to the proportion of the total cost of providing the servicing for the product sold; and
(iii) revenue from time and material contracts is recognised at the contractual rates as labour hours and direct expenses are incurred.

Dividend income
Dividend income from investments is recognised when the Group's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Group's and the amount of income can be measured reliably. Dividend income is recognized in the consolidated statement of profit or loss on the date that the Group's right to receive payment is established.

Finance income
Finance income from financial assets is recognized when it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably. Finance income is accrued on a time basis with reference to the principal outstanding and at the effective profit rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition

Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in the consolidated statement of profit or loss and other comprehensive income in the period in which they are incurred.

Foreign currency transactions
In preparing the individual financial statements of the Group companies, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except as otherwise stated in the Standards.

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY
In the application of the Group's accounting policies, which are described in Note 3, management is 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 recognised 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.

4.1 Critical judgments in applying accounting policies
The following are the critical judgements, apart from those involving estimations, that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in consolidated financial statements:

Revenue recognition
In making its judgment, management considered the detailed criteria for the recognition of revenue from the manufacturing of cement, construction, real estate and trading activities, as set out in IAS 18, Revenue. Management has judged that during the year, revenue has only been recognized when the outcome of transactions involving the rendering of services can be estimated reliably. In making this judgment, management has ensured that the following conditions have been satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity;
- The stage of completion of the transaction at the reporting date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Classification of investments

Management decides on the acquisition of an investment whether to classify it as available for sale, held-to-maturity or financial assets at fair value through profit or loss. The Group classifies investments as held-to-maturity if it has both the positive intention and ability to hold the investment till maturity. The Group classifies investments as financial assets at fair value through profit or loss if the investment is classified as held for trading and upon initial recognition it is designated by the Group as at fair value through profit or loss. All other investments are classified as available for sale.

Legal Cases
Note 34 describes a number of legal actions against the Group. Management has chosen not to make a provision for any claims against the Group as the eventual outcome of the legal actions are uncertain and they do not believe will have any financial impact.

Classification of associate:
The Group has various investments in associates. Despite holding of more than 50% of the shareholding of these companies, by virtue of the contractual arrangements, the Group does not have control over the financial and operating policy decisions and hence has a significant influence over these associate companies.

Measurement of investment properties
Management of the Group is required to choose as its accounting policy either the fair value model or the cost model and shall apply this policy to all of its investment property, except if it holds an investment property as a lessee under an operating lease, under which it is required to hold these investment properties only at fair value.

The Group has chosen to adopt the fair value model for the purposes of measuring its investment properties in the statement of financial position.

4.2 Key sources of estimation uncertainty
Cost to complete
In calculating revenue on long term contracts, management estimated the cost to complete for the contract, in order to ensure an appropriate profit percentage is accrued in each of the year. In the process of calculating the cost to complete, management conducted regular and systematic reviews of actual results and future projection with comparison against budgets. This process requires monitoring controls including financial operational, identifying major changes in projections, developing and implementing initiatives to manage those risks. Management is therefore confident that the cost to complete is fairly estimated.

Impairment of goodwill
Determining whether goodwill is impaired requires an estimation of the value in the use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Details of the value in use calculation are set out in note 7.

Fair value of investment properties
Fair value is time specific as of a given date. Because market conditions may change, the amount reported as fair value may be incorrect or inappropriate if estimated as of another time. The management uses independent appraiser to evaluate the investment properties and believes that the value of investment properties reflects the fair market value of these investment properties. Information about the fair value of investment properties is set out in note 6.

Impairment of financial assets available for sale
The Group follows the guidance of IAS 39 "Financial Instruments: Recognition and measurement" to determine when an available for sale investment is impaired. This determination requires significant judgment. In making this judgement, the Group assesses, among other factors, whether objective evidence of impairment exists.

Property, plant and equipment
The cost of property, plant and equipment is depreciated over the estimated useful lives, which are based on expected usage of the asset, expected physical wear and tear, the repair and maintenance program and technological obsolescence arising from changes and the residual value. The management has not considered any residual value.

The Group's management tests whether there is an indication that assets have suffered impairment in accordance with accounting policies. The recoverable amount of an asset is determined based on value-in-use method. This method uses estimated cash flow projections discounted using market rates.

5. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Equipment	Furniture and fixtures	Computers and software	Motor and heavy vehicles	Capital work in progress	Total
	QR	QR	QR	QR	QR	QR	QR	QR
Cost:								
Balance at January 1, 2016	3,282,015	750,896,404	1,135,751,479	10,152,833	9,533,951	85,287,217	744,638,675	2,739,542,574
Additions	--	4,907,252	15,737,183	1,828,985	121,187	1,425,000	54,031,964	78,051,571
Transfer	--	386,974,494	319,770,275	15,263,372	863,996	--	(722,872,137)	--
Disposals	--	--	--	--	--	(3,346,000)	--	(3,346,000)
Write-off	--	--	(3,452,807)	--	--	--	--	(3,452,807)
Balance as at December 31, 2016	3,282,015	1,142,778,150	1,467,806,130	27,245,190	10,519,134	83,366,217	75,798,502	2,810,795,338
Additions	--	3,370,867	18,306,522	689,455	65,024	96,000	35,257,971	57,785,839
Transfer	--	935,000	130,640	185,147	--	--	(1,250,787)	--
Transfers to investment properties*	(782,749)	--	--	--	--	--	(5,406,589)	(6,189,338)
Write-off	--	(20,646,364)	(1,752,617)	--	--	--	--	(22,398,981)
Balance as at December 31, 2017	**2,499,266**	**1,126,437,653**	**1,484,490,675**	**28,119,792**	**10,584,158**	**83,462,217**	**104,399,097**	**2,839,992,858**
Accumulated depreciation:								
Balance at January 1, 2016	--	60,599,263	124,860,908	4,806,420	8,937,114	43,666,264	--	242,869,969
Depreciation for the year	--	22,864,575	52,957,501	2,204,960	883,184	6,858,556	--	85,768,776
Depreciation relating to disposal	--	--	--	--	--	(3,346,000)	--	(3,346,000)
Depreciation relating to write-off	--	--	(431,982)	--	--	--	--	(431,982)
Balance at December 31, 2016	--	83,463,838	177,386,427	7,011,380	9,820,298	47,178,820	--	324,860,763
Depreciation for the year	--	24,657,606	57,128,313	2,316,691	250,692	6,772,546	--	91,125,848
Depreciation relating to write-off	--	(722,616)	(260,343)	--	--	--	--	(982,959)
Balance as at December 31, 2017	--	**107,398,828**	**234,254,397**	**9,328,071**	**10,070,990**	**53,951,366**	--	415,003,652
Net carrying amount:								
At December 31, 2017	**2,499,266**	**1,019,038,825**	**1,250,236,278**	**18,791,721**	**513,168**	**29,510,851**	**104,399,097**	**2,424,989,206**
At December 31, 2016	3,282,015	1,059,314,312	1,290,419,703	20,233,810	698,836	36,187,397	75,798,502	2,485,934,575

Certain credit facilities are secured by a possessory mortgage over the plant's production line 1 and machinery and equipment for production line 2.(Note 18 (i)).

* During the year, the management has decided to change the use of these assets to investment property. Accordingly, land amounting to QR. 782,749 and capital work in progress amounting to QR. 5,406,589 were transferred to investment properties upon completion of the project.

Depreciation charges for the year are allocated as set out below:

	2017	2016
	QR.	QR.
Cost of revenue	**88,053,612**	81,924,813
Selling and distribution expenses (Note 25)	**661,538**	810,995
General and administrative expenses	**2,410,698**	3,032,968
	91,125,848	85,768,776

The movement in assets under construction is as follows:

	2017	2016
	QR.	QR.
Balance at January 1,	**75,798,502**	744,638,675
Additions, net*	**35,257,971**	49,879,791
Capitalization of borrowing costs for the year	--	4,152,173
Transfer from capital work in progress	**(1,250,787)**	(722,872,137)
Transfer to investment property	**(5,406,589)**	--
Balance as at December 31,	**104,399,097**	75,798,502

* Additions in 2016 were presented net of proceeds from the sale of commissioned products.

6. INVESTMENT PROPERTIES

	Investment properties	Properties under development	Total
	QR.	QR.	QR.
Balance at January 1, 2016	522,369,910	158,601,001	680,970,911
Additions	--	98,517,406	98,517,406
Capitalization of borrowing costs for the year	--	5,350,536	5,350,536
Net movement arising on changes in fair values	(7,210,689)	(29,107,143)	(36,317,832)
Balance as at December 31, 2016	515,159,221	233,361,800	748,521,021
Transfers from property, plant and equipment	6,189,338	--	6,189,338
Additions	--	20,938,315	20,938,315
Capitalization of borrowing costs for the year	--	6,688,045	6,688,045
Net movement arising on changes in fair values	(10,136,085)	(3,061,961)	(13,198,046)
Balance as at December 31, 2017	**511,212,474**	**257,926,199**	**769,138,673**

Investment properties comprise of a number of commercial and residential properties that are or will be leased to third parties.

The fair value of the Group's investment properties as at December 31, 2017 are arrived on the basis of a valuation carried out at the date by a qualified, external, independent property valuer not related to the Group, having certified valuators in the state of Qatar and they have appropriate recognised qualifications and recent experience in the location and category of the properties being valued.

In estimating the fair value of the properties, the highest and best use of the properties is considered to be their current use.

The fair value is determined by the independent valuers using the following valuation approaches in accordance with the International Valuation Standards Committee:

- Market comparable method that reflects recent transactions in the same area, taking into account the characteristics of the property, the differences in location, and individual factors, such as frontage and size, between the comparable property, at an average rate.
- Replacement cost method that reflects the amount that would be required currently to replace the service capacity of an asset (current replacement cost)

There has been no change to the valuation technique during the year.

	2017	2016
	QR.	QR.
Rental income derived from investment properties	**5,484,508**	6,804,999
Direct operating expenses	**(2,494,966)**	(1,860,294)
Change in fair value	**(13,198,046)**	(36,317,832)

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements. Details of the Group's investment properties and information about the fair value as at the end of the reporting period are as follows:

	2017	2016
	QR.	QR.
Residential units	**107,294,353**	94,525,341
Commercial property, land and others	**661,844,320**	653,995,680
Total	**769,138,673**	748,521,021

All of the properties have been valued using the market comparable approach except for certain of the commercial properties which are valued using replacement cost method. A slight difference in the assumption of the rate per square meter of the comparable property would result in a significant increase/decrease in fair value.

All of the investment properties are considered level 3 in the fair value hierarchy.

7. GOODWILL

	2017	2016
	QR.	QR.
Goodwill	**314,457,585**	314,457,585

The shareholders approved in their extra-ordinary general assembly meeting on April 26, 2009, the 100% acquisition of QIG Industries L.L.C. (Previously named "Qatari Investor Company W.L.L."). The total purchase consideration amounted to QR. 879.0 million, which was settled by issuance of additional shares at a premium of QR. 435.73 million. This transaction resulted in goodwill of QR. 314.46 million.

Impairment losses and subsequent reversal
On December 31, 2017 an impairment review of the goodwill was undertaken by the Management internally, on which the carrying value of goodwill with the anticipated recoverable amounts of the subsidiary, which is the cash-generating unit to which the goodwill was allocated. The recoverable amounts of the cash-generating units are based on value in use, which is calculated from cash flow projections for 5 years ending December 31, 2022 using data from board approved budgets. A key assumption for the value in use calculations was the discount rate represented in the Group's weighted average cost of capital of 14 %. The Management estimates discount rates that reflect the current market assessments of the time value of money and risks specific to the cash-generating units, and they consider the appropriate risk adjusted discount rate is 14%. Changes in revenue and direct costs are based on an assumed compound growth rate of 3.5%, as well as past experience and expectations of future changes in the market. The management believe that any possible change in the key assumptions on which the recoverable amount is based would not change the carrying amount of the cash-generating unit to exceed its recoverable amount. The management concluded from this review that there had been no impairment to the goodwill during the year ended December 31, 2017.

8. INVESTMENTS IN ASSOCIATES
The Group has interests in associate companies which are all incorporated in Qatar with a profit sharing percentages varying between 20% to 50%. Despite holding more than 50% of the shareholding of these companies, based on contractual arrangements, the Group does not have control over the financial and operating policy decisions and hence has a significant influence over the associate companies at December 31, 2017. There are neither changes in ownership nor in profit sharing in 2017. These associates are in the industry of shipping services, manufacturing and others.

The share of profit from investments in associates has been calculated based on the audited financial statements of those associates or where those are not available, the management accounts. The Group's management does not expect any material differences in the figures recorded based on management accounts when audited.

All of the associates are accounted for using the equity method in these consolidated financial statements.

	2017	2016
	QR.	QR.
Net profit for the year	**50,121,772**	61,317,630
Share of profit from investments in associates	**19,413,574**	25,699,403
Share of other comprehensive income	--	--
Share of total comprehensive income	**19,413,574**	25,699,403

Movement in the investments in associates balance during the year is as follows:

	2017	2016
	QR.	QR.
Balance as at January 1,	**75,648,777**	67,014,952
Acquisition during the year	--	--
Share of profit from investments in associates	**19,413,574**	25,699,403
Dividend received	**(10,100,101)**	(17,065,578)
Balance as at December 31,	**84,962,250**	75,648,777

9. FINANCIAL ASSETS AVAILABLE FOR SALE
At December 31, financial assets available for sale comprised of the following:

	2017	2016
	QR.	QR.
Quoted equity securities	**1,255**	1,538
Unquoted equity securities	**3,038,800**	2,461,800
	3,040,055	2,463,338

Unquoted equity securities amounting to QR. 3,038,800 (2016: QR. 2,461,800) are carried at cost because fair value could not be reliably measured.

Impairment on available for sale investments:
The Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. Objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. The determination of what is 'significant' or 'prolonged' requires judgment. In making this judgment, the Group evaluates, among other factors, historical share price movements and the duration or extent to which the fair value of an investment is less than its cost.

Based on these criteria, the Group identified an impairment loss on its quoted/unquoted equity securities of NIL (2016: NIL).

The fair value of investment securities trading in active markets is based on market prices.

10. INVENTORIES

	2017	2016
	QR.	QR.
Finished goods	**3,552,443**	3,675,588
Semi-finished goods	**226,862,239**	119,805,856
Raw materials	**25,957,710**	34,467,242
Goods-in-transit	**711,272**	1,681,427
Spare parts	**55,478,247**	53,143,342
	312,561,911	212,773,455
Less: provision for slow moving inventories	**(11,209,803)**	(9,751,799)
	301,352,108	203,021,656

The movement in the provision for slow moving inventories was as follows:

	2017	2016
	QR.	QR.
Balance as at January 1,	**9,751,799**	757,433
Net Provided during the year	**1,458,004**	8,994,366
Balance at December 31,	**11,209,803**	9,751,799

11. PREPAYMENTS AND OTHER DEBIT BALANCES

	2017	2016
	QR.	QR.
Accrued income	**6,279,198**	4,877,601
Prepayments	**5,470,680**	6,837,572
Refundable deposits	**2,578,279**	2,497,232
Due from staff	**592,043**	2,006,938
Others	**3,414,634**	1,092,022
	18,334,834	17,311,365

12. ADVANCES TO CONTRACTORS AND SUPPLIERS

	2017	2016
	QR.	QR.
Advances to contractors	**7,991,694**	8,726,053
Advances to suppliers	**28,981,313**	27,214,194
	36,973,007	35,940,247

13. RELATED PARTY TRANSACTIONS
Related parties as defined in International Accounting Standard 24: Related Party Disclosures, represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Balances and transactions between the Group and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation. Details of transactions between the Group and other related parties are disclosed below.

Pricing policies and terms of these transactions are approved by the Group's management.

(a) Due from related parties

	2017	2016
	QR.	QR.
Al Misnad L.L.C.	**675,363**	991,363
National Aviation Services Company	**200,000**	200,000
Others	**73,399**	64,869
	948,762	1,256,232

(b) Due to related parties

	2017	2016
	QR.	QR.
National Aviation Services Company	**164,697**	164,697
Hello Fashion	**60,000**	60,000
Legendary Fashion	**60,000**	60,000
First Information Security	**60,118**	60,118
	344,815	344,815

(c) Transactions with related parties

	Nature	2017	2016
		QR.	QR.
United Gulf Cement Company W.L.L.	Sales	**36,287,253**	23,445,953

d) Key management remuneration

	2017	2016
	QR.	QR.
Short term benefits	**9,000,000**	9,000,000

14. ACCOUNTS RECEIVABLE

	2017	2016
	QR.	QR.
Accounts receivable from industrial activities	**238,999,890**	229,666,709
Accounts receivable from contractual activities	**9,757,522**	9,208,636
	248,757,412	238,875,345
Less: Provision for doubtful debts	**(5,379,526)**	(4,150,182)
	243,377,886	234,725,163

As at December 31, the aging of account receivables is as follows:

2017	Less than 90 Days	91 to 180 Days	181 to 365 days	More than 365 days	Total
	QR.	QR.	QR.	QR.	QR.
Neither past due nor impaired	129,417,931	62,247,629	49,914,762	--	241,580,322
Past due but not impaired	--	--	--	1,797,564	1,797,564
Past due and impaired	--	--	--	5,379,526	5,379,526
Total	129,417,931	62,247,629	49,914,762	7,177,090	248,757,412

2016	Less than 90 Days	91 to 180 Days	181 to 365 days	More than 365 days	Total
	QR.	QR.	QR.	QR.	QR.
Neither past due nor impaired	160,000,494	62,764,244	11,544,409	--	234,309,147
Past due but not impaired	--	--	--	416,016	416,016
Past due and impaired	--	--	--	4,150,182	4,150,182
Total	160,000,494	62,764,244	11,544,409	4,566,198	238,875,345

The movement in the provision for doubtful debts was as follows:

	2017	2016
	QR	QR
Balance as at January 1,	4,150,182	4,069,763
Provided during the year (Note 26)	1,229,344	80,419
Balance at December 31,	5,379,526	4,150,182

15. CASH AND CASH EQUIVALENTS

	2017	2016
	QR.	QR.
Cash on hand	251,142	241,011
Bank balances:		
Current accounts	10,814,928	18,901,617
Saving accounts	52,497,513	86,950,671
Term deposits*	269,425,000	331,567,342
Unrestricted cash and cash equivalents	332,988,583	437,660,641
Restricted cash**	46,140,343	37,869,796
	379,128,926	475,530,437

*Short term deposits and saving accounts are placed with various local banks and earn effective profit rate ranging from 0.80% to 3.25% per annum (2016: ranging from 1% to 3.2% per annum). Short term deposits have a maturity period of 3 months or less.

**Restricted cash is mainly composed of dividends to be paid to shareholders, held at a dedicated local bank account in addition to bank margin.

16. SHARE CAPITAL

	2017	2016
	QR.	QR.
Authorized, issued and fully paid up share capital 124,326,778 shares (2016: 124,326,778 shares) of QR. 10 per share	1,243,267,780	1,243,267,780

Proposed dividends
On January 25, 2018, the Board of Directors of the Group proposed a cash dividend distribution of 7.5% of the paid up capital amounting to QR.93,245,084 for the year ended December 31, 2017 (2016: QR.124,326,778) which is subject to the approval of the shareholder General Assembly Meeting.

On January 19, 2017, the Board of Directors of the Group have proposed a cash dividend distribution of 10% of the paid up capital amounting to QR.124,326,778 (2016: cash dividend distribution of 12.5% of the paid up capital amounting to QR. 155,408,473). The above proposed dividends were approved by the General Assembly Meeting held on February 22, 2017.

17. LEGAL RESERVE
As required by Qatar Commercial Companies' Law and the Company's Articles of Association, a minimum of 10% of the net profit for the year should be transferred to legal reserve each year until this reserve equals 50% of the paid up share capital. The reserve is not available for distribution except in the circumstances stipulated in the above-mentioned Law.

18. ISLAMIC BORROWINGS

	2017	2016
	QR.	QR.
Murabaha Facility I (i)	1,491,397,686	1,614,681,230
Murabaha Facility II (ii)	139,302,416	166,736,375
	1,630,700,102	1,781,417,605

	2017	2016
	QR.	QR.
Presented in the consolidated statement of financial position:		
Current portion – Gross	355,207,730	173,331,909
Less: deferred charges:	(68,111,318)	(14,127,537)
Current portion – Net	287,096,412	159,204,372
Non-current portion – Gross	1,487,701,440	1,639,546,264
Less: deferred charges:	(144,097,750)	(17,333,031)
Non-current portion – Net	1,343,603,690	1,622,213,233
Total	1,630,700,102	1,781,417,605

(i) In 2016, the Group converted Ijara facilities to a Murabaha facility (I) whereby the bank refinanced the existing exposure of Ijara facilities with a net finance value of QR 1.6 billion under Murabaha facility, currently carrying the effective profit rate of 4.45% per annum (2016: 3.12% per annum). Final maturity date of this facility is before end of 2023 and it has 30 revolving times after each 3 months from the execution date. The facility had 18-months grace period and 25 equal quarterly installments. The profit was paid during the grace period on quarterly basis. The credit facilities are secured by a possessory pledge over the plant's production line 1 and new projects machinery and equipment for production line 2, routing of no less than 50% of revenue proceeds of the cement factory to the bank account, assign insurance favoring the bank to cover the limit including the profit and corporate guarantees from Qatari Investors Group Q.S.C. and Qatari Investors Group Industries L.L.C. (subsidiary company).

(ii) The Group also has a Murabaha facility (II) with a local bank to finance the Group's construction of investment properties for a total facility amount of QR. 200 million. The last installment date of the facility is before end of 2022 and the repayments are made in 24 equal quarterly installments started from the January 1, 2017. The credit facility is subject to effective profit rate of 5% per annum until January 1, 2018 and 5.5% per annum for the remaining facility tenure. The credit facility is secured by corporate guarantees from Qatari Investors Group Q.S.C and authorization letter from Al Khalij Cement Company L.L.C. (subsidiary company).

Reconciliation of liabilities arising from financing activities
The table below details changes in the Group's liabilities arising from financing activities, including cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

Reconciliation of liabilities arising from financing activities (continued)

	As at January 1, 2017	Financing cash flows	Non-cash changes	As at December 31, 2017
	QR.	QR.	QR.	QR.
Islamic borrowings	1,781,417,605	(157,879,189)	7,161,686	1,630,700,102

19. EMPLOYEES' END OF SERVICE BENEFITS

	2017	2016
	QR.	QR.
Balance as at January 1,	8,411,414	7,740,436
Charge for the year	1,889,808	1,325,951
Paid during the year	(1,558,824)	(654,973)
Balance as at December 31,	8,742,398	8,411,414

20. ACCOUNTS PAYABLE

	2017	2016
	QR.	QR.
Local suppliers / contractors	50,009,872	69,949,535
Foreign suppliers / contractors	1,702,824	18,635,764
	51,712,696	88,585,299

21. NOTES PAYABLE

	2017	2016
	QR.	QR.
Notes payable	70,843	690,818

Notes payable represent post-dated cheques for a government entity.

22. ACCRUALS AND OTHER LIABILITIES

	2017	2016
	QR.	QR.
Dividends payable	45,639,338	35,868,792
Contractors and others claims	796,622	1,002,643
Electricity consumption	34,897,444	28,919,687
Accrual for social and support fund contribution (Note 27)	6,326,440	6,925,866
Advances from customers	7,812,810	3,165,609
Staff salaries accruals	4,888,928	5,867,568
Gas consumption	18,446,432	9,750,567
Consumables and spares payable	6,832,496	9,520,547
Accrued royalties	7,258,450	8,834,852
Accrued expenses	48,165,116	28,214,762
Other accruals and payables	23,466,035	23,555,555
	204,530,111	161,626,448

23. REVENUE

	2017	2016
	QR.	QR.
Revenue from industrial activities	713,668,311	805,393,807
Revenue from contracting and services	25,450,642	19,698,061
	739,118,953	825,091,868

24. COST OF REVENUE

	2017	2016
	QR.	QR.
Cost of industrial activities	369,020,914	420,508,986
Cost of contracting and services	6,575,228	1,538,182
	375,596,142	422,047,168

25. SELLING AND DISTRIBUTION EXPENSES

	2017	2016
	QR.	QR.
Repair and maintenance	3,255,129	4,287,051
Salaries and benefits	4,036,555	3,218,673
Depreciation (Note 5)	661,538	810,995
Selling and marketing expenses	281,586	282,782
Insurance expenses	162,990	165,728
Rent expenses	339,496	218,391
Miscellaneous expenses	460,298	90,472
	9,197,592	9,074,092

26. GENERAL AND ADMINISTRATIVE EXPENSES

	2017	2016
	QR.	QR.
Salaries and benefits	40,448,997	39,433,082
Legal and professional charges	11,478,460	8,704,367
Fee, subscriptions and fines	1,538,520	2,314,455
Depreciation and amortization	2,410,698	4,219,501
Repair and maintenance	2,880,789	2,219,685
Board of director remuneration*	1,750,000	250,000
Rent expenses	1,436,998	1,712,384
Insurance expenses	22,567	66,082
Travel and entertainment expenses	153,687	102,693
Communication expenses	785,118	591,423
Provision of allowance for bad debts expenses (Note 14)	1,229,344	80,419
Miscellaneous expenses	6,389,083	12,098,250
	70,524,261	71,792,341

*During the year, the board of directors did not receive any remuneration however, the Group has accrued for the remuneration of QR 1,750,000 (2016: QR. 250,000).

27. SOCIAL AND SPORTS FUND CONTRIBUTION
In accordance with Law No. 13 of 2008, the Group has taken a provision for the support of sports, social, cultural and charitable activities for an amount equivalent of 2.5% of the net profit of the Group. As per the instructions issued during the year 2010 by the Ministry of Economy and Finance, this social contribution has been treated as distribution from retained earnings of the Group. The provision for the year ended December 31, 2016 has been paid to the Public Revenues and Tax Department at the Ministry of Economy and Finance.

28. BASIC AND DILUTED EARNINGS PER SHARE
Basic and diluted earnings per share are calculated by dividing the net profit attributed to the Group's shareholders for the year by the weighted average number of shares outstanding during the year.

There are no dilutive potential ordinary shares. The information necessary to calculate basic and diluted earnings per share based on the weighted average number of shares outstanding during the year are as follows:

	2017	2016
Profit for the year (QR.)	253,057,585	277,034,632
Weighted average number of shares	124,326,778	124,326,778
Basic and diluted earnings per share (QR.)	2.04	2.23

29. FINANCIAL INSTRUMENTS
Categories of financial assets:

Financial instruments consist of financial assets and financial liabilities.

Financial assets of the Group include mainly accounts receivable, cash and bank balances, due from customers for contract works, financial assets available for sale, other debit balances and due from related parties.

Financial liabilities of the Group include mainly Islamic borrowings, accounts payable, notes payable and due to customers for contract work and due to related parties. Accounting policies for key items of financial assets and liabilities are set out in Note 3.

Fair Value of Financial Instruments:
Fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable and willing parties transacting at "arm's length". The consolidated financial statements have been prepared under the historical cost basis except for financial assets available for sale and investments properties that are measured at fair value at the end of each reporting period.

In the opinion of management, the fair values of the Group's financial assets and liabilities approximate their carrying values. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial Assets / (Financial Liabilities)	Fair Value as at Dec 31, 2017	Dec 31, 2016	Fair Value Hierarchy	Valuation techniques
Financial assets available for sale				
-*Quoted equity securities*	1,255	1,538	*Level 1*	*Quoted market price*
-*Unquoted equity shares*	3,038,800	2,461,800	*Level 3*	*Cost method*
Islamic borrowings	(1,630,700,102)	(1,781,417,605)	*Level 2*	*Amortized cost*
	(1,627,660,047)	(1,778,954,267)		

30. RISK MANAGEMENT
The Group's Treasury function provides services to the business, co-ordinates access to financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, profit rate risk, and equity price risk), credit risk and liquidity risk.

Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, profit rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and profit rates.

Foreign currency risk
The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of Group companies. The functional currencies of Group is the Qatari Riyal. The currencies in which these transactions are primarily denominated are US Dollars and Euro.

Management is of the opinion that the Group's exposure to currency risk is minimal as the Group's significant transactions are denominated in Qatari Riyal and the US Dollar, against which the Qatari Riyal is pegged

The following table demonstrates the sensitivity to a reasonably possible change in the foreign exchange rates, with all other variables held constant, of the Group's profit (due to changes in the fair value of monetary assets and liabilities).

	Change in US Dollar rate	Effect on profit
	(QR)	(QR)
December 31, 2017	***0.025***	**10,215,000**
	(0.025)	**(10,215,000)**
December 31, 2016	*0.025*	11,050,000
	(0.025)	(11,050,000)

Profit rate risk
The Group is exposed to profit rate risk as it borrows funds at both fixed and floating profit rates. The risk is managed by the Group by maintaining an appropriate mix of debt and equity.

Sensitivity analysis for variable rate instruments

Presently, the Group holds profit rate bearing loans to financial institutions that expose the Group to cash flow profit rate risk. In case of 50 basis points increase / decrease in profit rate on December 31, 2017, with all other variables held constant, the net assets and income of the Group for the year would change as follows:

December 31, 2017	Increase / (decrease) in basis points	Effect on profit
		(QR)
Liabilities	***50***	**8,153,500**
	(50)	**(8,153,500)**
December 31, 2016		
Liabilities	*50*	8,907,000
	(50)	(8,907,000)

Equity price risks
Equity price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group's quoted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification. Reports on the equity portfolio are submitted to the Group's Board of Directors on a regular basis. The Board of Directors review and approve all equity investment decisions.

A decrease of 10% in the fair values of the quoted securities would not significantly affect the profit and equity of the Group.

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial assets, which potentially subject the Group to concentrations of credit risk, consist of principally accounts receivable, cash and bank balances, available for sale investments and due from customers for contract work. The Group has adopted a policy of only dealing with credit worthy counter parties and the use of letter of credit/guarantees from customers. The carrying amount of financial assets recorded in the consolidated financial statements, which is net of impairment losses if any, represents the Group's maximum exposure to credit risk.

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below analyses the Group's non-derivative financial liabilities based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

December 31, 2017	Carrying Amounts	Contractual cash flows	Less than 1 year	More than 1 year
	QR.	QR.	QR.	QR.
Islamic borrowings	1,630,700,102	1,842,909,170	355,207,730	1,487,701,440
Account payables	51,712,696	51,712,696	51,712,696	--
Due to related parties	344,815	344,815	344,815	--
Retention payable	28,183,238	28,183,238	28,183,238	--
Accruals and other liabilities	204,530,111	204,530,111	204,530,111	--
Notes payable	70,843	70,843	70,843	--
	1,915,541,805	2,127,750,873	640,049,433	1,487,701,440

December 31, 2016	Carrying Amounts	Contractual cash flows	Less than 1 year	More than 1 year
	QR.	QR.	QR.	QR.
Islamic borrowings	1,781,417,605	1,812,878,173	173,331,909	1,639,546,264
Account payables	88,585,299	88,585,299	88,585,299	--
Due to related parties	344,815	344,815	344,815	--
Retention payable	22,244,021	22,244,021	22,244,021	--
Accruals and other liabilities	161,626,448	161,626,448	161,626,448	--
Notes payable	690,818	690,818	690,818	--
	2,054,909,006	2,086,369,574	446,823,310	1,639,546,264

Capital risk management
The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders value.

The Group actively monitors and manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, after fulfilling senior debt obligations, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended December 31, 2017 and December 31, 2016.

The Group monitors capital using a gearing ratio, which is debt divided by capital plus debt.

The Group includes within debt, profit bearing loans, and borrowings. Capital includes equity less any net unrealized gains reserve. The gearing ratio at the yearend was as follows:

	2017	2016
	QR.	QR.
Debt (i)	1,630,700,102	1,781,417,605
Cash and cash equivalent (Note 15)	(379,128,926)	(475,530,437)
Net debt	1,251,571,176	1,305,887,168
Equity (ii)	2,656,867,371	2,534,463,004
Net debt to equity ratio	47%	52%

(i) Debt is defined as Islamic borrowings, as detailed in Note 18.
(ii) Equity includes all capital and reserves of the Group that are managed as capital.

31. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

	2017	2016
	QR.	QR.
Letters of bank guarantees	15,272,268	12,479,065
Letters of credit	--	2,400,109
Secured cheques	8,221,782	8,238,782
Properties under development	12,931,929	29,067,308

32. COMMITMENTS UNDER OPERATING LEASES
The Group has entered into a non-cancellable lease agreement for the lease of land. The rental costs in respect of this land is accounted for as operating leases.

The future lease commitments in respect of the above land lease agreement are as follows:

	2017	2016
	QR.	QR.
Not later than 1 year	8,190,782	8,190,782
Later than 1 year and not longer than 5 years	32,763,128	32,763,128
Later than 5 years	77,812,429	86,003,211
	118,766,339	126,957,121

33. SEGMENT INFORMATION
(a) Basis for segmentation
The Group has the following six strategic divisions, which are its reportable segments. These divisions offer different products and services, and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations of each segment.

Reportable segment	Operations
Real estate	Purchase, construction and selling of lands and buildings
Marine services	Shipping, logistics, marine and aviation services.
Industrial	General industrial activity
Contracting and technology	Supply, installation of security system
Trading	Trading of sports equipment etc.
Others	Investments in agencies, sponsorship shares and engineering businesses.

The Managing Director reviews internal management reports of each division at least quarterly. Other operations include financial services, agencies, information technology services and the holding activities. None of these segments meet the quantitative thresholds for reporting segments in 2017 or 2016

(b) Information about reportable segments
Information related to each reportable segment as of and for the year ended December 31, 2017 is set out below. Segment profit, as included in internal management reports reviewed by the Managing Director, is used to measure performance because management believes that such information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industry.

	Real Estate	Marine Services	Industrial	Contracting & Technology	Trading	Other Segments	Grand Total	Elimination	Consolidated
	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.	QR.
As at December 31, 2017									
Total assets	876,365,746	80,044,341	6,200,889,771	213,789,324	5,492,075	3,463,893,850	10,840,475,107	(6,259,323,533)	4,581,151,574
Total liabilities	(873,405,013)	(42,844,508)	(4,581,958,761)	(161,884,869)	(5,550,178)	(1,625,270,346)	(7,290,913,675)	5,366,629,472	(1,924,284,203)
Revenue*	5,484,508	13,731,953	724,893,851	22,209,164	(2,663,015)	1,984,334	765,640,795	--	765,640,795
Net income	(9,608,502)	13,729,944	280,685,537	6,304,592	(2,728,868)	(35,325,118)	253,057,585	--	253,057,585
As at December 31, 2016									
Total assets	792,151,854	66,312,498	5,594,052,379	196,202,770	8,155,517	2,992,149,793	9,649,024,811	(5,051,241,387)	4,597,783,424
Total liabilities	(779,582,619)	(32,842,609)	(3,975,806,645)	(150,644,760)	(5,484,752)	(1,270,622,067)	(6,214,983,452)	4,151,663,032	(2,063,320,420)
Revenue*	6,204,999	12,225,707	821,085,582	13,313,444	595,025	5,133,849	858,558,606	--	858,558,606
Net income	(33,498,835)	12,224,012	327,719,985	4,164,744	325,781	(33,901,055)	277,034,632	--	277,034,632

*Total segment revenue does not include other income amounting to QR 11,702,632 (2016: QR. 8,258,179).

34. LEGAL CASES
As of December 31, 2017, legal cases filed against the Group are as follows:

A) Lawsuits related to the invalid ownership of shares by a major shareholder for shares in the company.

Lawsuits from companies owned by Ezdan Holding: Al Itqan Trading Company, Al Kara Trading, Al Iklim Real Estate Brokerage Company, Al Manara Medical Equipment Company, Manazel Trading Company, Tariq Al Khair Company, Al Rubah Al Khali Company, Al Kora Al Zahabeya. (All these are 100% owned by Ezdan Holding Company).

B) Lawsuits related to the invalidity of Annual General Assembly Meeting Minutes held on 2015 onwards:

Plaintiffs: Al Itqan Trading, Al Iklim Real Estate Brokerage Company, Sanad Al Doha Real Estate Investment W.L.L., Al Kara Trading Company, Shati Al Neil Company, Ithmar Construction and Trading Company, Ruba Al Khali Trading, Al Sawan Trading and Contracting Company. (All these are 100% owned by Ezdan Holding Company).

C) Lawsuits related to Liquidation/Dissolution/ Judicial Management of the Group:

Plaintiffs: Al Iklim Real Estate Brokerage Company, Arkan Import & Export Company, Al Tayebin Trading. (All these are 100% owned by Ezdan Holding Company).

D) Lawsuits related to forced changes in Articles of Association:

Plaintiffs: Al Iklim Real Estate Brokerage Company. (Company is 100% owned by Ezdan Holding Company).

Most of the lawsuits mentioned above have dismissed in favour of the Group and they are no longer outstanding, unless appealed by the plaintiffs for prolonging the dispute. As of the reporting date, there is no impact of those lawsuits, which are in general repetitive in nature without any reasonable basis

35. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS
The consolidated financial statements were approved by the board of directors and were signed on January 25, 2018.