# QATARI INVESTORS GROUP Q.P.S.C.
**DOHA – QATAR**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REVIEW REPORT FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023**

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Deloitte.

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**QR. 21398**

**RN: 127/JK/FY2024**

# INDEPENDENT AUDITOR'S REVIEW REPORT

**To The Shareholders**
**Qatari Investors Group Q.P.S.C.**
**Doha – Qatar**

## Introduction

We have reviewed the interim condensed consolidated statement of financial position of Qatari Investors Group Q.P.S.C. (the "Company") and its subsidiaries (together referred to as the "Group") as at June 30, 2023 and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and certain explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410: "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

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

**Doha - Qatar**
**August 8, 2023**

**For Deloitte and Touche**
**Qatar Branch**

دیلویت آند توش
محاسبون قانونيون
Public Accountants
DELOITTE & TOUCHE

**Joseph Khalife**
**Partner**
**License No. 433**
**QFMA Auditor License No. 120156**

**QATARI INVESTORS GROUP Q.P.S.C.**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2023

| | Notes | **June 30, 2023 (Reviewed)** | December 31, 2022 (Audited) |
|---|---|---|---|
| | | **QR.** | QR. |
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 4 | **2,165,787,718** | 2,165,938,341 |
| Right of use assets | 5 | **56,790,274** | 57,906,965 |
| Investment properties | 6 | **824,868,881** | 844,785,968 |
| Goodwill | | **242,506,403** | 242,506,403 |
| Investment in associates | 7 | **36,726,690** | 29,956,062 |
| Financial assets at fair value through other comprehensive income | | **9,498,293** | 8,405,344 |
| Derivative financial asset | 8 | **102,468,201** | 114,678,768 |
| **Total non-current assets** | | **3,438,646,460** | 3,464,177,851 |
| | | | |
| **Current assets** | | | |
| Derivative financial asset | 8 | **20,493,640** | 20,850,685 |
| Contract assets | | **11,387,923** | 18,579,465 |
| Inventories | 9 | **219,174,459** | 155,378,932 |
| Prepayments and other debit balances | 10 | **66,419,467** | 52,581,117 |
| Advances to contractors and suppliers | | **19,297,149** | 18,851,787 |
| Due from related parties | | **14,051,218** | 12,950,625 |
| Accounts receivable | 11 | **236,781,451** | 263,705,928 |
| Cash and bank balances | 12 | **679,548,691** | 799,739,381 |
| **Total current assets** | | **1,267,153,998** | 1,342,637,920 |
| **Total assets** | | **4,705,800,458** | 4,806,815,771 |

These interim condensed consolidated financial statements were approved on August 08, 2023 by the board of directors and were signed on their behalf by the following:

**Abdulla Bin Nasser Al Misnad**
**Chairman**

DELOITTE & TOUCHE
Doha - Qatar
08 AUG 2023
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Purposes Only

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

**QATARI INVESTORS GROUP Q.P.S.C.**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2023

| | Notes | **June 30, 2023 (Reviewed)** | December 31, 2022 (Audited) |
|---|---|---|---|
| | | **QR.** | QR. |
| **EQUITY** | | | |
| Share capital | | **1,243,267,780** | 1,243,267,780 |
| Legal reserve | | **621,633,890** | 621,633,890 |
| Fair value reserve | | **5,882,493** | 4,789,544 |
| Hedging reserve | | **122,961,841** | 135,529,453 |
| Retained earnings | | **1,052,478,395** | 950,872,006 |
| Proposed dividends | | **-** | 186,490,167 |
| Equity attributable to the shareholders of the Company | | **3,046,224,399** | 3,142,582,840 |
| Non-controlling interests | | **(5,212,137)** | (5,148,920) |
| **Total equity** | | **3,041,012,262** | 3,137,433,920 |
| | | | |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Bank borrowings | 13 | **983,492,803** | 1,040,933,455 |
| Lease liabilities | 14 | **57,330,192** | 53,690,980 |
| Employees' end of service benefits | | **10,573,479** | 10,352,610 |
| **Total non-current liabilities** | | **1,051,396,474** | 1,104,977,045 |
| | | | |
| **Current liabilities** | | | |
| Bank borrowings | 13 | **112,876,801** | 108,861,577 |
| Lease liabilities | 14 | **6,030,299** | 6,273,487 |
| Accounts payable | | **31,661,055** | 41,162,976 |
| Due to related parties | | **1,807,233** | 1,358,077 |
| Retention payables | | **11,010,963** | 10,256,770 |
| Notes payable | | **7,312,194** | 2,631,175 |
| Accruals and other liabilities | | **442,693,177** | 393,860,744 |
| **Total current liabilities** | | **613,391,722** | 564,404,806 |
| **Total liabilities** | | **1,664,788,196** | 1,669,381,851 |
| **Total equity and liabilities** | | **4,705,800,458** | 4,806,815,771 |

These interim condensed consolidated financial statements were approved on August 08, 2023 by the board of directors and were signed on their behalf by the following:

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Doha- Qatar

08 AUG 2023

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**Abdulla Bin Nasser Al Misnad**
**Chairman**

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**QATARI INVESTORS GROUP Q.P.S.C.**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six-month period ended June 30, 2023

| | Notes | For the six-month period ended June 30, 2023 (Reviewed) QR. | 2022 (Reviewed) QR. |
|---|---|---|---|
| Revenue | 15 | **267,629,316** | 390,528,087 |
| Cost of revenue | | **(123,886,095)** | (213,392,909) |
| **Gross profit** | | **143,743,221** | 177,135,178 |
| Income from short-term deposits and saving accounts | | **13,210,505** | 3,504,376 |
| Other income | | **6,612,742** | 1,808,488 |
| Investment income | | **1,823,828** | 5,472,062 |
| Share of profits of associates | | **10,191,469** | 6,632,596 |
| Selling and distribution expenses | | **(1,232,330)** | (1,351,647) |
| General and administrative expenses | | **(51,254,173)** | (49,197,081) |
| Finance costs | | **(18,677,192)** | (22,058,340) |
| **Net profit for the period before income tax** | | **104,418,070** | 121,945,632 |
| Income tax expense | | **(2,874,898)** | (3,540,720) |
| **Net profit for the period after income tax** | | **101,543,172** | 118,404,912 |
| **Attributable to:** | | | |
| Shareholders of the Company | | **101,606,389** | 119,557,841 |
| Non-controlling interests | | **(63,217)** | (1,152,929) |
| | | **101,543,172** | 118,404,912 |
| **Basic and diluted earnings per share** | 16 | **0.08** | 0.10 |

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**QATARI INVESTORS GROUP Q.P.S.C.**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the six-month period ended June 30, 2023

| | For the six-month period ended June 30, | |
|---|---|---|
| | **2023 (Reviewed)** | 2022 (Reviewed) |
| | **QR.** | QR. |
| **Net profit for the period after income tax** | **101,543,172** | 118,404,912 |
| **Other comprehensive income** | | |
| Net change in fair value of investments designated at FVTOCI | **1,092,949** | (1,265,435) |
| Change in fair value of cash flow hedging derivatives | **(12,567,612)** | 78,239,760 |
| **Total comprehensive income for the period after income tax** | **90,068,509** | 195,379,237 |
| **Attributable to:** | | |
| Shareholders of the Company | **90,131,726** | 196,532,166 |
| Non-controlling interests | **(63,217)** | (1,152,929) |
| | **90,068,509** | 195,379,237 |

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

## QATARI INVESTORS GROUP Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six-month period ended June 30, 2023

| | Share capital | Legal reserve | Fair value reserve | Hedging reserve | Retained earnings | Proposed dividend | Attributable to the shareholders of the Company | Non-controlling interests | Total |
|---|---|---|---|---|---|---|---|---|---|
| | QR. | QR. | QR. | QR. | QR. | QR. | QR. | QR. | QR. |
| Balance as at January 1, 2022 (Audited) | 1,243,267,780 | 621,633,890 | 6,054,979 | 32,949,444 | 949,999,717 | 124,326,778 | 2,978,232,588 | (3,357,006) | 2,974,875,582 |
| Net profit for the period after income tax | -- | -- | -- | -- | 119,557,841 | -- | 119,557,841 | (1,152,929) | 118,404,912 |
| Other comprehensive income for the period after income tax | -- | -- | (1,265,435) | 78,239,760 | -- | -- | 76,974,325 | -- | 76,974,325 |
| Total comprehensive income for the period after income tax | -- | -- | (1,265,435) | 78,239,760 | 119,557,841 | -- | 196,532,166 | (1,152,929) | 195,379,237 |
| Dividend paid* | -- | -- | -- | -- | -- | (124,326,778) | (124,326,778) | -- | (124,326,778) |
| Balance as at June 30, 2022 (Reviewed) | 1,243,267,780 | 621,633,890 | 4,789,544 | 111,189,204 | 1,069,557,558 | -- | 3,050,437,976 | (4,509,935) | 3,045,928,041 |
| | | | | | | | | | |
| Balance as at January 1, 2023 (Audited) | 1,243,267,780 | 621,633,890 | 4,789,544 | 135,529,453 | 950,872,006 | 186,490,167 | 3,142,582,840 | (5,148,920) | 3,137,433,920 |
| Net profit for the period after income tax | -- | -- | -- | -- | 101,606,389 | -- | 101,606,389 | (63,217) | 101,543,172 |
| Other comprehensive income for the period after income tax | -- | -- | 1,092,949 | (12,567,612) | -- | -- | (11,474,663) | -- | (11,474,663) |
| Total comprehensive income for the period after income tax | -- | -- | 1,092,949 | (12,567,612) | 101,606,389 | -- | 90,131,726 | (63,217) | 90,068,509 |
| Dividend paid* | -- | -- | -- | -- | | (186,490,167) | (186,490,167) | -- | (186,490,167) |
| **Balance as at June 30, 2023 (Reviewed)** | **1,243,267,780** | **621,633,890** | **5,882,493** | **122,961,841** | **1,052,478,395** | -- | **3,046,224,399** | **(5,212,137)** | **3,041,012,262** |

* During the period, cash dividends of QR. 0.15 per share amounting to QR. 186.49 million relating to 2022 were approved by the shareholders at the Annual General Assembly Meeting held on March 21, 2023 (June 30, 2022: QR. 0.10 per share amounting to QR 124.33 million relating to 2021).

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended June 30, 2023

| | Notes | For the six-month period ended June 30, 2023 (Reviewed) QR. | 2022 (Reviewed) QR. |
|---|---|---|---|
| **OPERATING ACTIVITIES** | | | |
| Net profit for the period before income tax | | **104,418,070** | 121,945,632 |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment | 4 | **34,048,076** | 37,995,726 |
| Amortization of right-of-use assets | 5 | **3,795,910** | 4,192,997 |
| Accrued finance cost | | **42,187,791** | 21,964,310 |
| Interest expense on lease liabilities | 14 | **1,747,815** | 1,910,567 |
| Share of profits of associates | 7 | **(10,191,469)** | (6,632,596) |
| Provision for advances to supplier | | **223,116** | -- |
| Net movement in provision for inventory | 9 | **(4,939,031)** | 3,161,455 |
| Net movement in provision for impairment of accounts receivable | 11 | **1,845,346** | 3,604,984 |
| Gain on disposal of property, plant and equipment | | **(1,373,210)** | (60,565) |
| Employees' end of service benefits | | **1,081,244** | 1,199,023 |
| | | **172,843,658** | 189,281,533 |
| **Movements in working capital:** | | | |
| Inventories | | **(58,856,496)** | (25,364,603) |
| Prepayments and other debit balances | | **(13,838,350)** | (2,269,158) |
| Advances to contractors and suppliers | | **(668,478)** | (9,009,324) |
| Due from related parties | | **(1,100,593)** | 187,991 |
| Accounts receivable | | **25,079,131** | (25,577,262) |
| Contract assets | | **7,191,542** | 9,637,660 |
| Accounts payable | | **(9,501,921)** | (5,856,728) |
| Due to related parties | | **449,156** | 61,679 |
| Retention payables | | **754,193** | 1,060,961 |
| Accruals and other liabilities | | **3,090,713** | 56,227,405 |
| **Cash generated from operations** | | **125,442,555** | 188,380,154 |
| Employees' end of service benefits paid | | **(860,375)** | (1,105,331) |
| Income tax paid | | **(680,819)** | (5,028,060) |
| Interest paid on lease liabilities | | **(73,721)** | (132,325) |
| Finance cost paid | | **(33,148,516)** | (22,252,997) |
| **Net cash generated from operating activities** | | **90,679,124** | 159,861,441 |

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended June 30, 2023

| | | For the six-month period ended June 30, | |
|---|---|---|---|
| | Notes | **2023 (Reviewed)** | 2022 (Reviewed) |
| | | **QR.** | QR. |
| **INVESTING ACTIVITIES** | | | |
| Proceeds from disposal of property, plant and equipment | | **3,698,064** | 198,481 |
| Additions to property, plant and equipment | 4 | **(15,603,795)** | (28,376,777) |
| Additions to investment properties | | **(868,427)** | -- |
| Net movement in term deposits maturing after three months | | **(164,000,000)** | (140,000,000) |
| Dividend from investments in associates | | **3,587,841** | 3,663,384 |
| **Net cash used in investing activities** | | **(173,186,317)** | (164,514,912) |
| **FINANCING ACTIVITIES** | | | |
| Proceed from bank borrowings | | **333,375** | 5,942,493 |
| Repayment of bank borrowings | | **(62,798,078)** | (72,087,653) |
| Payment of lease liabilities | | **(957,289)** | (1,378,868) |
| Payment of social and sports fund contribution | | **(4,804,166)** | (4,702,967) |
| Notes payable | | **4,681,019** | 2,379,923 |
| Dividend paid | | **(186,490,167)** | (124,326,778) |
| **Net cash used in financing activities** | | **(250,035,306)** | (194,173,850) |
| Net decrease in unrestricted cash and cash equivalents | | **(332,542,499)** | (198,827,321) |
| Unrestricted cash and cash equivalents at the beginning of the period | | **546,572,826** | 586,409,940 |
| **Unrestricted cash and cash equivalents at the end of the period** | 12 | **214,030,327** | 387,582,619 |

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## 1. INCORPORATION AND ACTIVITIES

Qatari Investors Group Q.P.S.C. (the "Company") is a Qatari Public 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 head office is QIG Tower, Lusail, Qatar.

The interim condensed consolidated financial statements comprise the interim financial statements of the Company and of its subsidiaries (collectively "the Group").

The Group controls the following entities as at June 30, 2023:

| 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% | Various trading activities |
| QIG Financial Services L.L.C. | Qatar | 100% | Financial services |
| QIG Projects Development L.L.C.* | Qatar | 100% | Industry equipment works |
| QIG Industries L.L.C.* | Qatar | 100% | Mechanical and industrial engineering equipment |
| QIG Contracting Company L.L.C. | Qatar | 100% | Contracting services |
| United FM Services L.L.C. (Formerly QIG General Services L.L.C.) | Qatar | 100% | Building maintenance works |
| Qatari Group for Investment L.L.C. | Qatar | 100% | Investment and other trading |

* These entities hold 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., Qatar Security Systems L.L.C. and Mobility Car Rental L.L.C.

## 2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six-month period ended June 30, 2023, have been prepared in accordance with "IAS 34: Interim Financial Reporting" under the historical cost convention.

The interim condensed consolidated financial information does not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2022. In addition, results for the six-month period ended June 30, 2023, are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2023.

The interim condensed consolidated financial information are prepared in Qatari Riyals, which is the Company's functional and presentation currency.

*Judgments, estimates and risk management*
The preparation of the interim condensed consolidated financial information requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual consolidated financial statements for the year ended December 31, 2022.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2022 and the notes attached thereto, except for the adoption of certain new and revised standards, that became effective in the current period as set out below:

**Application of new and revised International Financial Reporting Standards (IFRSs)**

**New and revised standards**

A number of new or amended standards became applicable for the current reporting period, and the Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2023:

IFRS 17: Insurance contracts

Amendments to IAS 1: Presentation of Financial Statements Classification of Liabilities as Current or Non-current

Amendments to IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

Amendments to IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The amendments listed above did not have a material impact on the amounts recognised in prior periods and are not expected to significantly affect the current period.

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after January 1, 2024 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing this interim condensed consolidated financial statements.

## 4. PROPERTY, PLANT AND EQUIPMENT

| | **June 30, 2023 (Reviewed)** | December 31, 2022 (Audited) |
|---|---|---|
| | **QR.** | QR. |
| Net book value at January 1, | **2,165,938,341** | 2,264,082,120 |
| Additions during the period / year | **15,603,795** | 44,202,830 |
| Transfer from and (to) investment properties | **20,785,514** | (4,790,870) |
| Transfer to investment in associate | **(167,000)** | -- |
| Impairment loss during the period / year | **--** | (63,427,565) |
| Disposals and write off during the period / year | **(2,324,856)** | (3,111,954) |
| Depreciation for the period / year | **(34,048,076)** | (71,016,220) |
| **Net book value at June 30, / December 31,** | **2,165,787,718** | 2,165,938,341 |

During the year 2022, the Group assessed certain capital work in progress for impairment indicators. Based on the assessment performed the Group recognized impairment loss of QR. 63.43 million (including a provision of QR. 7.68 million recognized in earlier years) against these assets as at December 31, 2022.

Certain plant assets are possessory mortgage to secure the credit facilities (Note 13).

## 5. RIGHT-OF-USE ASSETS

| | **June 30, 2023 (Reviewed)** | December 31, 2022 (Audited) |
|---|---|---|
| | **QR.** | QR. |
| **Cost:** | | |
| Balance as at January 1, | **84,942,495** | 87,244,376 |
| Additions during the period / year | **2,679,219** | 925,087 |
| Leases expired during the period / year | **--** | (3,226,968) |
| | **87,621,714** | 84,942,495 |
| **Accumulated amortization:** | | |
| Balance as at January 1, | **27,035,530** | 22,130,403 |
| Charge for the period / year | **3,795,910** | 8,132,095 |
| Leases expired during the period / year | **--** | (3,226,968) |
| | **30,831,440** | 27,035,530 |
| **Net book value at June 30, / December 31,** | **56,790,274** | 57,906,965 |

## 6. INVESTMENT PROPERTIES

| | **June 30, 2023 (Reviewed)** | December 31, 2022 (Audited) |
|---|---|---|
| | **QR.** | QR. |
| Net book value at January 1, | **844,785,968** | 769,231,515 |
| Additions during the period / year | **868,427** | -- |
| Transfers from property, plant and equipment | **--** | 11,806,418 |
| Transfers to property, plant and equipment | **(20,785,514)** | (7,015,548) |
| Net changes in fair value during the period / year | **--** | 70,763,583 |
| **Net book value at June 30, / December 31,** | **824,868,881** | 844,785,968 |

The fair value of the Group's investment properties as at December 31, 2022 are arrived on the basis of a valuation carried out at the date by a qualified, external, independent property valuer certified in the State of Qatar and they have appropriate recognised qualifications and relevant experience in the location and category of the properties being valued.

## 7. INVESTMENTS IN ASSOCIATES

The Group has interests in associate companies which are all incorporated in Qatar with a profit-sharing percentage 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 only over the associate companies as of June 30, 2023.

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

| | **June 30, 2023 (Reviewed)** | December 31, 2022 (Audited) |
|---|---|---|
| | **QR.** | QR. |
| Balance as at January 1, | **29,956,062** | 28,329,787 |
| Addition during the period / year | **167,000** | 151,999 |
| Share of profit from investments in associates | **10,191,469** | 10,167,038 |
| Dividend received from investment in associates | **(3,587,841)** | (8,692,762) |
| Balance as at December 31, | **36,726,690** | 29,956,062 |

## 8. DERIVATIVE FINANCIAL ASSET

| | **June 30, 2023 (Reviewed)** | December 31, 2022 (Audited) |
|---|---|---|
| | **QR.** | QR. |
| Interest rate swaps- cash flow hedges | **122,961,841** | 135,529,453 |
| **Classified as:** | | |
| Current portion | **20,493,640** | 20,850,685 |
| Non-current portion | **102,468,201** | 114,678,768 |
| | **122,961,841** | 135,529,453 |

## 9. INVENTORIES

| | **June 30, 2023 (Reviewed)** | December 31, 2022 (Audited) |
|---|---|---|
| | **QR.** | QR. |
| Finished goods | **3,198,127** | 3,503,127 |
| Semi-finished goods | **129,817,052** | 75,427,786 |
| Raw materials | **32,665,413** | 30,637,284 |
| Goods-in-transit | **395,295** | 1,461,267 |
| Spare parts | **57,439,251** | 53,629,178 |
| | **223,515,138** | 164,658,642 |
| Less: provision for inventories | **(4,340,679)** | (9,279,710) |
| | **219,174,459** | 155,378,932 |

The movement in the provision for inventories was as follows:

| | **June 30, 2023 (Reviewed)** | December 31, 2022 (Audited) |
|---|---|---|
| | **QR.** | QR. |
| Balance as at January 1, | **9,279,710** | 4,443,682 |
| Net movement during the period / year | **(4,939,031)** | 4,836,028 |
| **Balance as at June 30, / December 31,** | **4,340,679** | 9,279,710 |

## 10. PREPAYMENTS AND OTHER DEBIT BALANCES

| | **June 30, 2023 (Reviewed)** | December 31, 2022 (Audited) |
|---|---|---|
| | **QR.** | QR. |
| Accrued income | **6,447,374** | 5,319,000 |
| Prepayments | **6,092,742** | 4,258,130 |
| Refundable deposits | **28,688,723** | 28,401,804 |
| Due from staff | **1,570,426** | 1,310,835 |
| Others* | **23,620,202** | 13,291,348 |
| | **66,419,467** | 52,581,117 |

*This mainly include the amount of accrued interest recoverable as a result of hedging.

## 11. ACCOUNTS RECEIVABLE

| | **June 30, 2023 (Reviewed)** | December 31, 2022 (Audited) |
|---|---|---|
| | **QR.** | QR. |
| Accounts receivable | **257,458,561** | 282,537,692 |
| Less: loss allowance | **(20,677,110)** | (18,831,764) |
| | **236,781,451** | 263,705,928 |

The aging of accounts receivable was as follows:

| **June 30, 2023** | **Less than 90 Days** | **91 to 180 Days** | **181 to 270 days** | **271 to 365 days** | **More than 365 days** | **Total** |
|---|---|---|---|---|---|---|
| | **QR.** | **QR.** | **QR.** | **QR.** | **QR.** | **QR.** |
| Expected credit loss rate | **0.98%** | **2.47%** | **6.60%** | **5.78%** | **94.64%** | |
| Estimated total gross carrying amount at default | **133,739,911** | **41,302,586** | **43,920,152** | **23,617,507** | **14,878,405** | **257,458,561** |
| Lifetime ECL | **(1,312,972)** | **(1,019,282)** | **(2,897,884)** | **(1,366,127)** | **(14,080,845)** | **(20,677,110)** |
| | **132,426,939** | **40,283,304** | **41,022,268** | **22,251,380** | **797,560** | **236,781,451** |

| December 31, 2022 | Less than 90 Days | 91 to 180 Days | 181 to 270 days | 271 to 365 days | More than 365 days | Total |
|---|---|---|---|---|---|---|
| | QR. | QR. | QR. | QR. | QR. | QR. |
| Expected credit loss rate | 1.37% | 1.54% | 2.34% | 1.70% | 100.00% | |
| Estimated total gross carrying amount at default | 162,213,229 | 48,424,873 | 43,044,121 | 14,260,917 | 14,594,552 | 282,537,692 |
| Lifetime ECL | (2,235,031) | (747,630) | (1,010,693) | (243,858) | (14,594,552) | (18,831,764) |
| | 159,978,198 | 47,677,243 | 42,033,428 | 14,017,059 | -- | 263,705,928 |

The movement in the provision for loss allowance was as follows:

| | **June 30, 2023 (Reviewed)** | December 31, 2022 (Audited) |
|---|---|---|
| | **QR.** | QR. |
| Balance as at January 1, | **18,831,764** | 16,385,993 |
| Net movement during the period / year | **1,845,346** | 2,445,771 |
| **Balance as at June 30, / December 31,** | **20,677,110** | 18,831,764 |

## 12. CASH AND BANK BALANCES

| | **June 30, 2023 (Reviewed)** | December 31, 2022 (Audited) |
|---|---|---|
| | **QR.** | QR. |
| Cash on hand | **721,507** | 763,856 |
| Bank balances: | | |
| Current accounts | **155,227,309** | 253,410,748 |
| Saving accounts | **14,401,511** | 12,295,722 |
| Term deposits with maturity of three months or less * | **43,680,000** | 280,102,500 |
| **Unrestricted cash and cash equivalents** | **214,030,327** | 546,572,826 |
| Restricted cash / Margin deposits ** | **176,518,364** | 128,166,555 |
| Term deposits with maturity over three months* | **289,000,000** | 125,000,000 |
| **Cash and bank balance** | **679,548,691** | 799,739,381 |

* Term deposits and saving accounts are placed with various local banks and earn effective profit rate ranging from 3.35% to 5.80% per annum (2022: ranging from 0.80% to 4.85% per annum).

** Restricted cash mainly composed of dividends to be paid to shareholders, held at a dedicated local bank account in addition to bank margin kept as pledged account to secure bank guarantees and letter of credits.

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the Qatar Central Bank. Accordingly, the management of the Group have assessed that there is no material impairment, and hence have not recorded any loss allowances on these balances.

## 13. BANK BORROWINGS

| | **June 30, 2023 (Reviewed)** | December 31, 2022 (Audited) |
|---|---|---|
| | **QR.** | QR. |
| Facility I (i) | **1,077,206,190** | 1,127,502,081 |
| Facility II (ii) | **19,163,414** | 22,292,951 |
| | **1,096,369,604** | 1,149,795,032 |
| *Classified as:* | | |
| Current portion – Gross | **191,170,134** | 190,486,220 |
| Less: deferred charges | **(78,293,333)** | (81,624,643) |
| **Current portion – Net** | **112,876,801** | 108,861,577 |
| Non-current portion - Gross | **1,213,532,028** | 1,308,158,356 |
| Less: deferred charges | **(230,039,225)** | (267,224,901) |
| **Non-current portion – Net** | **983,492,803** | 1,040,933,455 |
| | **1,096,369,604** | 1,149,795,032 |

## 13. BANK BORROWINGS (CONTINUED)

(i) The Group has a syndicated term loan facility agreement with two local banks. The facility amount of USD 407.9 million is currently carrying the average interest rate of 3.35% (2022: 3.35%) per annum. Final maturity date of this facility is 10 years from the date of first drawdown and the repayments are to be made in 19 semi-annual instalments of USD 25 million starting from January 02, 2020 with final settlement of the balance loan value in July 2029. The credit facilities are to be secured by a possessory pledge over the cement plant, routing of revenue proceeds of the cement factory to the bank accounts, assign cement plant insurance, assign usage right over plant leasehold land favoring the bank to cover the limits including the profit and corporate guarantees from Qatari Investors Group Q.P.S.C. and a subsidiary company.

(ii) The Group has a facility with a local bank amounting to QR. 30,000,000 to finance 75% of the cost of the vehicles purchases. The loan bears interest rate ranging from 4.25% to 7.25% and secured against the vehicles purchased. The loan amount will be repaid in 48 equal monthly installments for each drawdown after six-month grace period.

**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.

| | As at January 1, 2023 | Financing cash flows | Other changes | As at June 30, 2023 |
|---|---|---|---|---|
| | QR. | QR. | QR. | QR. |
| Bank borrowings | 1,149,795,032 | (62,464,702) | 9,039,275 | 1,096,369,605 |
| Lease liabilities | 59,964,467 | (1,031,010) | 4,427,034 | 63,360,491 |
| Notes payable | 2,631,175 | 4,681,019 | -- | 7,312,194 |
| Dividend payable | 126,025,356 | (186,490,167) | 234,266,673 | 173,801,862 |

## 14. LEASE LIABILITIES

| | June 30, 2023 (Reviewed) | December 31, 2022 (Audited) |
|---|---|---|
| | QR. | QR. |
| Balance as at January 1, | 59,964,467 | 66,185,604 |
| Additions during the period / year | 2,679,219 | 925,087 |
| Interest expenses for the period / year | 1,747,815 | 3,792,178 |
| Payments during the period / year | (1,031,010) | (10,938,402) |
| | 63,360,491 | 59,964,467 |
| *Classified as:* | | |
| Payable not later than one year | 9,467,476 | 9,684,626 |
| Less: deferred interest expenses | (3,437,177) | (3,411,139) |
| **Current portion – Net** | 6,030,299 | 6,273,487 |

## 14. LEASE LIABILITIES (CONTINUED)

| | **June 30, 2023 (Reviewed)** | December 31, 2022 (Audited) |
|---|---|---|
| | **QR.** | QR. |
| Payable later than 1 year but not later than 5 years | **45,737,922** | 43,072,934 |
| Payable later than 5 years | **25,333,736** | 25,512,586 |
| Less: deferred charges: | **(13,741,466)** | (14,894,540) |
| **Non-current portion – Net** | **57,330,192** | 53,690,980 |
| | **63,360,491** | 59,964,467 |

## 15. REVENUE

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major product lines:

| | **For the six-month period ended June 30,** | |
|---|---|---|
| | **2023 (Reviewed)** | 2022 (Reviewed) |
| **Revenue- at a point in time** | | |
| Revenue from industrial activities | **201,068,552** | 328,887,401 |
| **Revenue- over the period** | | |
| Contracting revenue | **19,084,382** | 17,585,492 |
| Service revenue – maintenance and other services | **360,076** | 3,026,537 |
| Service revenue – marine and logistics services | **11,275,155** | 12,645,337 |
| Service revenue- vehicle rental | **17,557,782** | 18,001,341 |
| Lease rental income | **18,283,369** | 10,381,979 |
| | **267,629,316** | 390,528,087 |

## 16. BASIC AND DILUTED EARNINGS PER SHARE

| | **For the six month period ended June 30,** | |
|---|---|---|
| | **2023 (Reviewed)** | **2022** (Reviewed) |
| Net profit for the period after income tax attributable to shareholders of the Company (QR.) | **101,606,388** | 119,557,841 |
| Weighted average number of shares | **1,243,267,780** | 124,326,7780 |
| Basic and diluted earnings per share (QR.) | **0.08** | 0.10 |

The basic and diluted earnings per share for the period are the same as there are no diluted effects on earnings.

## 17. SEGMENT INFORMATION

The Company and its subsidiaries are organized into below main business segments and operate only in Qatar. Details of each segment as of and for the six-months period ended June 30, 2023 are stated below:

| | Real estate | Marine Services | Industrial | Contracting and technology | Other segments | Consolidated |
|---|---|---|---|---|---|---|
| | QR. | QR. | QR. | QR. | QR. | QR. |
| **As of June 30, 2023** | | | | | | |
| **Total assets** | **916,133,686** | **90,123,493** | **3,263,833,238** | **43,604,737** | **392,105,304** | **4,705,800,458** |
| **Total liabilities** | **(31,811,481)** | **(36,875,663)** | **(1,358,061,733)** | **(21,943,080)** | **(216,096,239)** | **(1,664,788,196)** |
| **For the six month period ended June 30, 2023** | | | | | | |
| **Revenue*** | **18,013,949** | **13,344,429** | **202,948,714** | **19,084,382** | **26,253,139** | **279,644,613** |
| **Net profit / (loss)** | **(2,148,809)** | **3,406,441** | **100,828,407** | **184,493** | **(727,360)** | **101,543,172** |
| As of December 31, 2022 | | | | | | |
| Total assets | 925,474,047 | 94,616,721 | 3,483,465,908 | 66,558,172 | 236,700,923 | 4,806,815,771 |
| Total liabilities | (27,489,904) | (45,304,345) | (1,393,915,490) | (27,054,214) | (175,617,898) | (1,669,381,851) |
| For the six month period ended June 30, 2022 | | | | | | |
| Revenue * | 9,810,979 | 14,658,858 | 336,682,709 | 20,003,036 | 21,477,163 | 402,632,745 |
| Net profit / (loss) | (1,426,674) | 3,292,962 | 125,648,743 | 320,083 | (9,430,202) | 118,404,912 |

* The segment revenue includes revenues, rental income, investment income and share of profit from associates.

## 18. CONTINGENT LIABILITIES

| | **June 30, 2023 (Reviewed)** | December 31, 2022 (Audited) |
|---|---|---|
| | **QR.** | QR. |
| Letters of guarantees | **54,819,388** | 68,120,145 |
| Letters of credit | **-** | 1,656,066 |
| Secured cheques | **8,899,812** | 10,014,425 |

## 19. LEGAL CASES

As of June 30, 2023, legal cases filed against the Group are as follows:

**Lawsuits related to the General Assembly of Qatari Investors Group**

Lawsuits filed by subsidiaries related to Sheikh Thani Al Thani and Sons, Al-Eklim Real Estate Brokerage Company, and Ethmar Construction and Trading.

Case no. 755/2022 First Instance Civil – Case no. 184/2023 First Instance Commercial.

The lawsuits previously filed against the group by subsidiaries of the same entity mentioned above, some of which have expired with final court rulings, while others are either suspended or under consideration in advanced stages before the courts.

Management presented that the outcome of the above cases will not have any financial impact on the Group’s interim condensed consolidated financial statements.

## 20. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements of the Group for the six-month period ended June 30, 2023, were authorised for issue by the Board of Directors on August 08, 2023.