

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

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE SIX MONTHS PERIOD ENDED
JUNE 30, 2015**

QATARI INVESTORS GROUP Q.S.C.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REVIEW REPORT

For the six months period ended June 30, 2015

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QR. 21398

INDEPENDENT AUDITOR'S REVIEW REPORT

**To The Board of Directors
Qatari Investors Group Q.S.C.
Doha – Qatar**

Introduction

We have reviewed the accompanying interim condensed consolidated financial position of Qatari Investors Group Q.S.C. (the “Company”) and its subsidiaries (together referred to as the “Group”) as at June 30, 2015 and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the six months period then ended and certain explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard No. 34: “Interim Financial Reporting”. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard No.34: “Interim Financial Reporting”.

**Doha - Qatar
July 14, 2015**

**For Deloitte & Touche
Qatar Branch**

**Muhammad Bahemia
Partner
License No. 103**

QATARI INVESTORS GROUP Q.S.C.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at June 30, 2015

| | <u>Notes</u> | June 30, 2015 (Reviewed) QR. | December 31, 2014 (Audited) QR. |
|--|--------------|---|--|
| ASSETS | | | |
| Non-current assets | | | |
| Goodwill | | 314,457,585 | 314,457,585 |
| Intangible assets | 7 | 1,779,764 | 2,373,030 |
| Property, plant and equipment | 8 | 2,444,040,892 | 2,220,837,207 |
| Investment properties | 9 | 630,269,090 | 605,485,909 |
| Equity accounted investments | | 47,896,729 | 52,295,690 |
| Available-for-sale investments | | 1,251,871 | 2,215,846 |
| Total non-current assets | | <u>3,439,695,931</u> | <u>3,197,665,267</u> |
| Current assets | | | |
| Inventories | 5 | 121,593,659 | 124,698,976 |
| Accounts receivable | | 173,277,483 | 152,816,341 |
| Due from related parties | | 1,027,967 | 2,522,007 |
| Advances to suppliers | | 119,960,583 | 83,089,713 |
| Gross amount due from customers for contract works | | 4,819,104 | 6,574,249 |
| Prepayments and other debit balances | 6 | 12,600,750 | 17,120,650 |
| Cash and bank balances | 4 | 415,172,394 | 491,651,340 |
| Total current assets | | <u>848,451,940</u> | <u>878,473,276</u> |
| Total assets | | <u><u>4,288,147,871</u></u> | <u><u>4,076,138,543</u></u> |

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

QATARI INVESTORS GROUP Q.S.C.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at June 30, 2015

| | Notes | June 30, 2015 (Reviewed) QR. | December 31, 2014 (Audited) QR. |
|--------------------------------------|--------------|---|--|
| EQUITY | | | |
| Share capital | | 1,243,267,780 | 1,243,267,780 |
| Legal reserve | | 542,933,575 | 542,933,575 |
| Fair value reserve | | -- | (1,771,109) |
| Retained earnings | | 514,403,013 | 387,905,526 |
| Proposed dividends | | -- | 93,245,084 |
| Total equity | | 2,300,604,368 | 2,265,580,856 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Islamic borrowings | 10 | 1,396,268,092 | 1,303,690,147 |
| Employee's end of service benefits | | 6,910,429 | 6,511,704 |
| Total non-current liabilities | | 1,403,178,521 | 1,310,201,851 |
| Current liabilities | | | |
| Islamic borrowings | 10 | 238,545,055 | 177,265,841 |
| Notes payable | | 333,645 | 1,463,808 |
| Accounts payable | | 106,480,167 | 79,736,442 |
| Due to related parties | | 164,697 | 164,697 |
| Accruals and other liabilities | | 171,765,919 | 174,651,122 |
| Retention payable | | 67,075,499 | 67,073,926 |
| Total current liabilities | | 584,364,982 | 500,355,836 |
| Total liabilities | | 1,987,543,503 | 1,810,557,687 |
| Total equity and liabilities | | 4,288,147,871 | 4,076,138,543 |

These interim condensed consolidated financial statements were approved by the Board of Directors on July 14, 2015 and signed on its behalf by:

Sheikh Hamad Bin Faisal Thani Jassim Al-Thani
Vice-Chairman

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

QATARI INVESTORS GROUP Q.S.C.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

For the six months period ended June 30, 2015

| | <u>Note</u> | For the six months period ended June 30, | |
|--|-------------|---|-------------------|
| | | 2015 | 2014 |
| | | (Reviewed) | (Reviewed) |
| | | QR. | QR. |
| Revenue | | 348,425,301 | 301,358,746 |
| Cost of revenue | | (166,695,288) | (141,730,505) |
| Gross profit | | 181,730,013 | 159,628,241 |
| Income from short-term deposits and savings | | 1,443,633 | 673,141 |
| Share of profit of equity accounted investments | | 8,967,631 | 9,069,643 |
| Provision for impairment of available for sale investments | | (2,735,084) | -- |
| Investment income | | 392,360 | 392,360 |
| Rental income | | 3,774,159 | 1,908,681 |
| Other income | | -- | 1,644,334 |
| Finance cost | | (23,045,535) | (18,863,209) |
| General and administrative expenses | | (39,443,078) | (30,180,931) |
| Selling and distribution expense | | (4,976,360) | (3,493,859) |
| Net movement in fair values of investment properties | | 389,748 | (1,288,133) |
| Profit for the period | | 126,497,487 | 119,490,268 |
| Basic and diluted earnings per share | 11 | 1.02 | 0.96 |

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

QATARI INVESTORS GROUP Q.S.C.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the six months period ended June 30, 2015

| | For the six months period ended June 30, | |
|--|---|--------------------|
| | 2015 | 2014 |
| | (Reviewed) | (Reviewed) |
| | QR. | QR. |
| Profit for the period | 126,497,487 | 119,490,268 |
| Other comprehensive income | | |
| Net change in fair value of available-for-sale investments | -- | (278,709) |
| Reclassification adjustment relating to available for sale investments impaired during the period | 1,771,109 | -- |
| Total comprehensive income for the period | 128,268,596 | 119,211,559 |

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

QATARI INVESTORS GROUP Q.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months period ended June 30, 2015

| | <u>Share capital</u> | <u>Legal reserve</u> | <u>Fair value reserve</u> | <u>Retained earnings</u> | <u>Proposed dividends</u> | <u>Total</u> |
|---|-----------------------------|---------------------------|-------------------------------|------------------------------|-------------------------------|-----------------------------|
| | QR. | QR. | QR. | QR. | QR. | QR. |
| Balance as at January 1, 2014 (Audited) | 1,243,267,780 | 520,218,378 | (1,037,597) | 282,392,641 | 93,245,084 | 2,138,086,286 |
| Total comprehensive income for the period | -- | -- | (278,709) | 119,490,268 | -- | 119,211,559 |
| Dividend paid | -- | -- | -- | -- | (93,245,084) | (93,245,084) |
| Balance as at June 30, 2014 (Reviewed) | <u>1,243,267,780</u> | <u>520,218,378</u> | <u>(1,316,306)</u> | <u>401,882,909</u> | <u>--</u> | <u>2,164,052,761</u> |
| Balance as at January 1, 2015 (Audited) | 1,243,267,780 | 542,933,575 | (1,771,109) | 387,905,526 | 93,245,084 | 2,265,580,856 |
| Total comprehensive income for the period | -- | -- | 1,771,109 | 126,497,487 | -- | 128,268,596 |
| Dividend paid | -- | -- | -- | -- | (93,245,084) | (93,245,084) |
| Balance as at June 30, 2015 (Reviewed) | <u>1,243,267,780</u> | <u>542,933,575</u> | <u>--</u> | <u>514,403,013</u> | <u>--</u> | <u>2,300,604,368</u> |

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

QATARI INVESTORS GROUP Q.S.C.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the six months period ended June 30, 2015

| | For the six months period ended June 30, | |
|---|---|-------------------|
| | 2015 | 2014 |
| | (Reviewed) | (Reviewed) |
| | QR. | QR. |
| OPERATING ACTIVITIES | | |
| Net profit for the period | 126,497,487 | 119,490,268 |
| Adjustments for: | | |
| Amortization of intangible assets | 593,266 | -- |
| Depreciation of property, plant and equipment | 31,405,609 | 29,983,278 |
| Provision for doubtful debts | 553,540 | -- |
| Provision for slow moving inventory | 159,692 | -- |
| Reversal of provision for slow moving inventory | (844,849) | -- |
| Net movement in available for sale investments | 2,735,084 | -- |
| Change in fair values of investment properties | (389,748) | 1,288,133 |
| Finance cost | 23,045,535 | 20,889,175 |
| Share of profit of equity accounted investments | (8,967,631) | (9,069,643) |
| Gain from disposal of property, plant and equipment | (9,953) | -- |
| Employees' end of service benefits | 994,434 | 1,201,570 |
| | 175,772,466 | 163,782,781 |
| Movement in working capital : | | |
| Accounts receivables | (21,014,682) | (8,271,592) |
| Due from related parties | 1,494,040 | (9,467) |
| Advances to suppliers | (36,870,870) | 2,416,576 |
| Gross amount due from customers for contract work | 1,755,145 | 42,472 |
| Inventories | 3,790,474 | 12,437,967 |
| Prepayments and other debit balances | 4,519,900 | 3,057,012 |
| Accounts payable | 26,743,725 | 20,184,810 |
| Accruals and other liabilities | 274,305 | (31,646,256) |
| Retention payable | 1,573 | -- |
| Notes payable | (1,130,163) | (3,557,922) |
| Cash generated from operations | 155,335,913 | 158,436,381 |
| Employees' end of service benefits paid | (595,709) | (257,981) |
| Finance cost paid | (21,791,518) | -- |
| Net cash from operating activities | 132,948,686 | 158,178,400 |
| INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (254,850,028) | (61,488,739) |
| Purchase of investment properties | (24,393,433) | (104,080,045) |
| Purchase of equity accounted investees | (2,638,588) | (102,000) |
| Proceeds from disposal of property, plant and equipment | 250,687 | -- |
| Dividend received from equity accounted investees | 16,005,180 | 14,320,533 |
| Net cash used in investing activities | (265,626,182) | (151,350,251) |

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

QATARI INVESTORS GROUP Q.S.C.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**For the six months period ended June 30, 2015

| | For the six months period ended June 30, | |
|--|---|-------------------|
| | 2015 | 2014 |
| | (Reviewed) | (Reviewed) |
| | QR. | QR. |
| FINANCING ACTIVITIES | | |
| Proceeds from Islamic borrowings | 238,322,267 | 61,489,900 |
| Repayment of Islamic borrowings | (83,199,834) | (34,736,823) |
| Payment of social and sports activity contribution | (5,678,799) | (5,516,776) |
| Dividend paid | (93,245,084) | (93,245,084) |
| Net cash generated from / (used in) financing activities | 56,198,550 | (72,008,783) |
| Decrease in cash and cash equivalents | (76,478,946) | (65,180,634) |
| Cash and cash equivalents at the beginning of the period | 491,651,340 | 399,203,447 |
| Cash and cash equivalents at the end of the period (note 4) | 415,172,394 | 334,022,813 |

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

QATARI INVESTORS GROUP Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended June 30, 2015

1. INCORPORATION AND ACTIVITIES

Qatari Investors Group Q.S.C. (“the Company”) and its subsidiaries (together referred to as the “Group”) is a Qatari Shareholding Company incorporated in the state of Qatar on 4 May 2006 under commercial registration No. 32831. The Company is governed by the provisions of the Qatar commercial Companies law No. (5) of 2002 and its articles of association.

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 Company is also engaged in setting up factories, trading and contracting and real estate.

The accompanying interim condensed consolidated financial statements comprise the financial statements of the Company and of its wholly owned subsidiaries (collectively, the “Group”)

The Company owns 100% of the beneficial interest and controls the following entities, (collectively known as the “Group”) as at June 30, 2015.

| <u>Name of Subsidiary</u> | <u>Place of incorporation</u> | <u>Ownership interest</u> | <u>Principal Activity</u> |
|-------------------------------------|-------------------------------|---------------------------|---|
| QIG Properties S.P.C. | Qatar | 100% | Real estate |
| QIG Projects Development S.P.C. | Qatar | 100% | Industry equipment works |
| QIG Global Company S.P.C. | Qatar | 100% | International companies representation |
| QIG Industry Company S.P.C. | Qatar | 100% | Industrials enterprises (Mechanical – Engineering) |
| QIG Marine Services Company S.P.C. | Qatar | 100% | Marine services and shipping |
| QIG Technology Company S.P.C. | Qatar | 100% | Information technology services |
| QIG Trading Company S.P.C. | Qatar | 100% | International companies representation |
| QIG Financial Services S.P.C. | Qatar | 100% | Financial services |
| The Investor Company S.P.C. | Qatar | 100% | Trading of construction materials, equipment and trucks |
| QIG Light Industries Company S.P.C. | Qatar | 100% | Mechanical and industrial engineering equipment |
| QIG General Services S.P.C. | Qatar | 100% | Construction materials trading – contracting |
| Qatari Group for Investment S.P.C. | Qatar | 100% | Investment and other trading |
| Qatar Investment Group S.P.C. | Qatar | 100% | Investment and other trading |

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

QATARI INVESTORS GROUP Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended June 30, 2015

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These interim condensed consolidated financial statements for the six months period ended June 30, 2015 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” under the historical cost convention, except for available for sale investments and investment properties that are measured at fair value at the end of each reporting period.

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended December 31, 2014. In addition, results for the six months period ended June 30, 2015 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2015.

The interim condensed consolidated financial statements are prepared in Qatari Riyal (“QR”), which is the Group’s functional and presentation currency.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended December 31, 2014 except for the adoption of revised standards effective as of January 01, 2015.

(i) Revised Standards

Effective for annual periods beginning on or after January 1, 2015.

- IAS 19 (Amended) *Defined Benefit Plans: Employee Contributions*
- Annual Improvements 2010 - 2012 Cycle
 - IFRS 2: definition of 'vesting condition'.*
 - IFRS 3: accounting for contingent consideration.*
 - IFRS 8: aggregation of segments, reconciliation of segment assets.*
 - IAS 16: proportionate restatement of accumulated depreciation on revaluation.*
 - IAS 24: management entities*
 - IAS 38: proportionate restatement of accumulated depreciation on revaluation*
- Annual Improvements 2011 - 2013 Cycle
 - IFRS 3: scope exception for joint ventures.*
 - IFRS 13: scope of the portfolio exception in paragraph 52.*
 - IAS 40: interrelationship between IFRS 3 and IAS 40.*

The adoption of these revised standards did not have any impact on the financial position or financial performance of the Group as at and for the six months period ended June 30, 2015.

QATARI INVESTORS GROUP Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended June 30, 2015

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these financial statements, Management makes judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant 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 consolidated financial statements as at and for the year ended 31 December 2014.

4. CASH AND BANK BALANCES

| | June 30, 2015 (Reviewed) QR. | December 31, 2014 (Audited) QR. |
|-------------------------------------|---|--|
| Cash on hand | 160,708 | 94,747 |
| Bank balances: | | |
| Current accounts | 176,885,840 | 278,844,100 |
| Saving accounts | 10,254,871 | -- |
| Fixed deposits | 200,000,000 | 180,000,000 |
| Cash and cash equivalents | 387,301,419 | 458,938,847 |
| Restricted cash / Margin deposits | 27,870,975 | 32,712,493 |
| Total cash and bank balances | 415,172,394 | 491,651,340 |

*Fixed deposits and saving accounts in various banks earn effective interest rate of 2% in 2015 (2014: ranging from 1.5% to 2% per annum). These fixed deposits have a maturity period less than 3 months.

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

5. INVENTORIES

| | June 30, 2015 (Reviewed) QR. | December 31, 2014 (Audited) QR. |
|---|---|--|
| Finished goods | 2,252,650 | 2,769,830 |
| Semi-finished goods | 42,799,848 | 51,526,155 |
| Raw material | 38,996,417 | 34,838,626 |
| Spare parts | 38,562,686 | 37,267,464 |
| Less: provision for slow moving inventory | (1,017,942) | (1,703,099) |
| | 121,593,659 | 124,698,976 |

QATARI INVESTORS GROUP Q.S.C.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six months period ended June 30, 2015

5. INVENTORIES (CONTINUED)

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

| | June 30, 2015 (Reviewed) QR. | December 31, 2014 (Audited) QR. |
|------------------------------------|---|--|
| Balance at January 1, | 1,703,099 | 120,000 |
| Provided during the year | 159,692 | 1,583,099 |
| Reversal of provision | (844,849) | -- |
| Balance at June 30, / December 31, | <u>1,017,942</u> | <u>1,703,099</u> |

6. PREPAYMENTS AND OTHER DEBIT BALANCES

| | June 30, 2015 (Reviewed) QR. | December 31, 2014 (Audited) QR. |
|-----------------------------|---|--|
| Due from staff | 1,463,300 | 520,744 |
| Refundable deposits | 3,414,939 | 2,497,894 |
| Prepayments | 1,524,117 | 7,544,170 |
| Deferred management fee (i) | 2,894,703 | 3,180,829 |
| Accrued income | 2,717,572 | 3,118,653 |
| Others | 586,119 | 258,360 |
| | <u>12,600,750</u> | <u>17,120,650</u> |

- (i) A management fee has been charged upon contracting the Ijara facilities which are amortized over the duration of the loan.

7. INTANGIBLES

| | June 30, 2015 (Reviewed) QR. | December 31, 2014 (Audited) QR. |
|--------------------------------------|---|--|
| Balance as at January 1, | 2,373,030 | 3,014,228 |
| Additions during the period / year | -- | 545,300 |
| Amortizations for the period / year | (593,266) | (1,186,498) |
| Balance as at June 30 / December 31, | <u>1,779,764</u> | <u>2,373,030</u> |

QATARI INVESTORS GROUP Q.S.C.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six months period ended June 30, 2015

8. PROPERTY, PLANT AND EQUIPMENT

| | June 30, 2015 (Reviewed) QR. | December 31, 2014 (Audited) QR. |
|---|---|--|
| Net book value at January 1, | 2,220,837,207 | 1,921,969,108 |
| Additions during the period / year | 254,850,028 | 360,509,312 |
| Disposals during the period / year | (240,734) | (1,313,869) |
| Depreciation for the period / year | (31,405,609) | (60,327,344) |
| Net book value at June 30, / December 31, | <u>2,444,040,892</u> | <u>2,220,837,207</u> |

*Depreciation charge for the period amounting to QR. 2,155,950 (2014: QR. 4,170,807) is included in General, administrative and selling expenses.

The movement in capital work in progress is as follows:

| | June 30, 2015 (Reviewed) QR | December 31, 2014 (Audited) QR |
|---|--|---|
| At 1 January, | 463,730,046 | 127,330,764 |
| Additions | 233,289,655 | 339,325,432 |
| Capitalization of borrowing costs for the period / year | 9,901,878 | 6,168,794 |
| Transfer from capital work in progress | (45,059,385) | (9,094,944) |
| At June 30, / December 31, | <u>661,862,194</u> | <u>463,730,046</u> |

9. INVESTMENT PROPERTIES

| | June 30, 2015 (Reviewed) QR. | December 31, 2014 (Audited) QR. |
|--|---|--|
| Net book value at January 1, | 605,485,909 | 495,492,613 |
| Additions during the period / year | 24,393,433 | 111,315,342 |
| Carrying amount | 629,878,342 | 606,807,955 |
| Net movement arising from changes in fair value during the period / year | 389,748 | (1,322,046) |
| Net book value at June 30, / December 31, | <u>630,269,090</u> | <u>605,485,909</u> |

QATARI INVESTORS GROUP Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended June 30, 2015

10. ISLAMIC BORROWINGS

| | June 30, 2015 (Reviewed) | December 31, 2014 (Audited) |
|---|---|-----------------------------------|
| | QR. | QR. |
| LC Murabaha Loan (i) | 4,374,114 | 36,132,880 |
| Ijara Facility (ii) | 1,004,661,720 | 1,055,302,175 |
| International Murabaha Facility I (iii) | 555,396,513 | 348,167,839 |
| International Murabaha Facility II (iv) | 70,380,800 | 41,353,094 |
| | <u>1,634,813,147</u> | <u>1,480,955,988</u> |
| | June 30, 2015 (Reviewed) | December 31, 2014 (Audited) |
| | QR. | QR. |
| Classified as: | | |
| Current portion | 238,545,055 | 177,265,841 |
| Non-current portion | 1,396,268,092 | 1,303,690,147 |
| | <u>1,634,813,147</u> | <u>1,480,955,988</u> |

- (i) The Group entered into an agreement with a local bank whereby the bank will finance the import of raw materials, tools and equipment with a limit of QR 103 million carrying profit rate of 3.75% to 4% per annum. The loan is repayable in seven monthly instalments with a grace period of five months from the date of development of letter of credit.
- (ii) In January 2013, the Group entered into a new Ijara loan refinance agreement with local bank to settle the previous facilities and finance the capital requirements of QIG Industry Company S.P.C. The profit rate of Ijara facility are as follows (a) in the grace period of first two years - 3.75% per annum, (b) next two years after grace period - 4% per annum, and (c) the remaining period - 4.5% per annum. The loan is repayable in 36 equal quarterly instalments starting after 24 months from January 2013. The credit facilities are secured by a possessory mortgage over the cement factory, special power of attorney issued by the Company in favour of the bank, assignment of all current and future revenue proceeds of the cement factory and three corporate guarantees from the Company, Qatar Investor Group S.P.C. and QIG Industries Company S.P.C. (subsidiary companies). The comprehensive risk insurance policy for the factory premises is endorsed in favour of the bank.
- (iii) In November 2013, the Group contracted an international Murabaha facility with local bank (mentioned under (ii)) to finance a new production line - Cement for a total facility amount of QR 709 million, out of which QR 541.154 million was withdrawn till June 2015. The drawdown period of said facility is 24 months starting December 2013. After the expiry of drawdown period, the facility will be converted into an Ijara facility (independent from the facility mentioned under (ii)) with a limit of QR 763 million subject to a profit rate of 4% per annum for the first two years and 4.5% for the remaining years. The credit facility is secured by an extension of the existing possessory pledge over the cement plant and by the corporate guarantees from Qatari Investors Group Q.S.C. and QIG Industries Company S.P.C.

QATARI INVESTORS GROUP Q.S.C.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six months period ended June 30, 2015

10. ISLAMIC BORROWINGS (CONTINUED)

- (iv) In October 2013, the Group also contracted an international Murabaha facility with local bank to finance the purchase of new investment properties for a total facility amount of QR. 200 million, of which QR 68.329 million has been withdrawn till June 2015. The drawdown period of said facility is 24 months starting October 2013. The facility is subject to a profit rate of 4% per annum for the first two years and 4.5% for the remaining facility tenure. The credit facility is secured by pledge over certain investment properties and corporate guarantees from Qatari Investors Group Q.S.C.

11. BASIC AND DILUTED EARNINGS PER SHARE

| | For the six months period ended June 30, | |
|--|---|--------------------|
| | 2015 (Reviewed) | 2014 (Reviewed) |
| | QR. | QR. |
| Profit for the period (QR.) | 126,497,487 | 119,490,268 |
| Weighted average number of shares | 124,326,778 | 124,326,778 |
| Basic and diluted earnings per share (QR.) | 1.02 | 0.96 |

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

12. CONTINGENT LIABILITIES

| | June 30, 2015 (Reviewed) | December 31, 2014 (Audited) |
|--|--------------------------------|-----------------------------------|
| | QR. | QR. |
| Letters of guarantees | 11,233,806 | 14,029,818 |
| Letters of credit | 28,771,540 | 7,721,923 |
| Guarantee Cheques | 13,438,464 | 13,438,464 |
| Capital Commitments towards the construction of cement factory | 318,728,853 | 340,944,527 |

QATARI INVESTORS GROUP Q.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended June 30, 2015

13. SEGMENT INFORMATION

The Company and its subsidiaries are organized into six main business segments and operate only in Qatar. Details of each segment as of and for the six months period ended June 30, 2015 are stated below:

| | <u>Industrial</u> <u>QR.</u> | <u>Contracting and</u> <u>engineering</u> <u>QR.</u> | <u>Real estate</u> <u>investment</u> <u>QR.</u> | <u>Marine and</u> <u>aviation</u> <u>QR.</u> | <u>Trading</u> <u>QR.</u> | <u>Other segments</u> <u>QR.</u> | <u>Total</u> <u>QR.</u> | <u>Eliminations</u> <u>QR.</u> | <u>Total</u> <u>QR.</u> |
|---|---------------------------------|--|---|--|------------------------------|-------------------------------------|----------------------------|-----------------------------------|----------------------------|
| As of June 30, 2015 | | | | | | | | | |
| Total assets | <u>5,130,081,679</u> | <u>184,595,827</u> | <u>684,618,456</u> | <u>44,080,404</u> | <u>5,000,952</u> | <u>2,786,171,290</u> | <u>8,834,548,607</u> | <u>(4,546,400,736)</u> | <u>4,288,147,871</u> |
| Total liabilities | <u>(3,892,916,575)</u> | <u>(78,454,472)</u> | <u>(635,354,919)</u> | <u>(16,891,059)</u> | <u>(3,491,414)</u> | <u>(1,016,134,350)</u> | <u>(5,643,242,789)</u> | <u>3,655,699,286</u> | <u>(1,987,543,503)</u> |
| For the six months ended June 30, 2015 | | | | | | | | | |
| Revenue | <u>(339,942,299)</u> | <u>(10,676,420)</u> | <u>(3,328,786)</u> | <u>(4,922,006)</u> | <u>(240,000)</u> | <u>(2,449,940)</u> | <u>(361,559,451)</u> | <u>--</u> | <u>(361,559,451)</u> |
| Net income | <u>(131,987,782)</u> | <u>(1,923,500)</u> | <u>(2,008,732)</u> | <u>(4,907,856)</u> | <u>(111,261)</u> | <u>14,441,644</u> | <u>(126,497,487)</u> | <u>--</u> | <u>(126,497,487)</u> |
| As of June 30, 2014 | | | | | | | | | |
| Total assets | <u>4,573,305,968</u> | <u>162,329,549</u> | <u>633,267,985</u> | <u>34,713,988</u> | <u>4,040,451</u> | <u>2,636,828,198</u> | <u>8,044,486,139</u> | <u>(4,387,793,867)</u> | <u>3,656,692,272</u> |
| Total liabilities | <u>(3,471,850,964)</u> | <u>(63,096,290)</u> | <u>(586,610,125)</u> | <u>(16,876,939)</u> | <u>(1,308,186)</u> | <u>(848,090,874)</u> | <u>(4,987,833,378)</u> | <u>3,495,193,867</u> | <u>(1,492,639,511)</u> |
| For the six months ended June 30, 2014 | | | | | | | | | |
| Revenue | <u>(282,695,775)</u> | <u>(18,084,823)</u> | <u>--</u> | <u>--</u> | <u>(200,000)</u> | <u>(378,148)</u> | <u>(301,358,746)</u> | <u>--</u> | <u>(301,358,746)</u> |
| Net income | <u>(114,664,515)</u> | <u>(11,742,241)</u> | <u>840,425</u> | <u>(4,455,028)</u> | <u>(166,707)</u> | <u>10,697,798</u> | <u>(119,490,268)</u> | <u>--</u> | <u>(119,490,268)</u> |