

**Aamal Company Q.S.C.**

**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS**

**30 June 2016**

Aamal Company Q.S.C.

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 June 2016

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**Independent auditors' report on review of condensed consolidated interim financial statements**

To the Board of Directors  
Aamal Company Q.S.C.  
Doha  
State of Qatar

**Introduction**

We have reviewed the accompanying condensed consolidated statement of financial position of Aamal Company Q.S.C. (the "Company") as at 30 June 2016, the condensed consolidated statements of profit or loss and other comprehensive income, cash flows and changes in equity for the six month period then ended, and notes to the interim financial statements (the "condensed consolidated interim financial statements"). The Board of Directors of the Company is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.


**Scope of review**

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements 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 condensed consolidated interim financial statements as at 30 June 2016 are not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting".




25 July 2016  
Doha  
State of Qatar

  
Gopal Balasubramaniam  
KPMG  
Qatar Auditors Registry Number 251

# Aamal Company Q.S.C.

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2016

	Note	30 June 2016 (Reviewed) QR	31 December 2015 (Audited) QR
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances		473,247,448	642,210,740
Accounts receivable and prepayments		792,018,547	780,060,152
Amounts due from related parties		162,914,146	112,907,906
Inventories		245,175,466	237,346,337
		<u>1,673,355,607</u>	<u>1,772,525,135</u>
<b>Non-current assets</b>			
Retention and other non-current assets		58,016,616	53,147,371
Equity-accounted investees	5	227,703,206	192,842,183
Investment properties	6	6,854,208,911	6,832,332,107
Property, plant and equipment	7	599,526,253	586,809,332
		<u>7,739,454,986</u>	<u>7,665,130,993</u>
<b>TOTAL ASSETS</b>		<u>9,412,810,593</u>	<u>9,437,656,128</u>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Bank overdrafts		1,550,975	1,302,167
Accounts payable and accruals		465,503,768	394,941,366
Amounts due to related parties		102,674,969	359,540,264
Interest bearing loans and borrowings	8	666,438,366	751,312,750
		<u>1,236,168,078</u>	<u>1,507,096,547</u>
<b>Non-current liabilities</b>			
Interest bearing loans and borrowings	8	132,777,135	180,927,119
Employees' end of service benefits		27,083,605	25,013,967
		<u>159,860,740</u>	<u>205,941,086</u>
<b>Total liabilities</b>		<u>1,396,028,818</u>	<u>1,713,037,633</u>
<b>EQUITY</b>			
Share capital		6,300,000,000	6,300,000,000
Legal reserve		495,946,222	495,946,222
Treasury shares		(2,075,865)	(2,075,865)
Retained earnings		897,783,012	655,528,295
<b>Equity attributable to owners of the Company</b>		<u>7,691,653,369</u>	<u>7,449,398,652</u>
Non-controlling interests		325,128,406	275,219,843
<b>Total equity</b>		<u>8,016,781,775</u>	<u>7,724,618,495</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>9,412,810,593</u>	<u>9,437,656,128</u>
			
Sheikh Mohammed Bin Faisal Al-Thani Vice Chairman	Tarek Mahmoud El Sayed Managing Director	Mohammad Ramahi Chief Financial Officer	

The attached notes 1 to 13 form an integral part of these condensed consolidated interim financial statements.

Aamal Company Q.S.C.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2016

		<i>For the six months ended 30 June</i>	
		<u>2016</u>	<u>2015</u>
		<i>(Reviewed)</i>	<i>(Reviewed)</i>
		<i>QR</i>	<i>QR</i>
	<i>Note</i>		
Revenue		1,389,143,667	1,348,952,950
Direct costs		<u>(1,033,805,189)</u>	<u>(1,038,548,428)</u>
<b>GROSS PROFIT</b>		<b>355,338,478</b>	<b>310,404,522</b>
Other income		7,128,601	6,968,097
Marketing and promotion expenses		(8,599,483)	(8,369,647)
General and administrative expenses		(64,464,058)	(62,931,179)
Depreciation		(4,771,644)	(3,795,893)
Finance costs		(13,966,576)	(12,129,142)
Share of profits of equity-accounted investees	5	<u>34,861,023</u>	<u>17,287,863</u>
<b>PROFIT FOR THE PERIOD</b>		<b><u>305,526,341</u></b>	<b><u>247,434,621</u></b>
Profit attributable to:			
Equity holders of the Company		255,617,778	220,915,227
Non-controlling interests		<u>49,908,563</u>	<u>26,519,394</u>
		<b><u>305,526,341</u></b>	<b><u>247,434,621</u></b>
<b>BASIC AND DILUTED EARNINGS PER SHARE</b>	9	<u>0.41</u>	<u>0.35</u>
(attributable to equity holders of the Company)			

The attached notes 1 to 13 form an integral part of these condensed consolidated interim financial statements.

# Aamal Company Q.S.C.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2016

	Note	For the six months ended	
		30 June	
		2016 (Reviewed) QR	2015 (Reviewed) QR
<b>OPERATING ACTIVITIES</b>			
Profit for the period		305,526,341	247,434,621
Adjustments for:			
Depreciation		30,336,228	23,858,259
Provision for employees' end of service benefits		3,820,142	3,120,471
Interest income		(1,939,522)	(2,437,299)
Share of results of equity-accounted investees	5	(34,861,023)	(17,287,863)
Gain on disposal of property, plant and equipment		(30,408)	(2,508)
Finance costs		13,966,576	12,129,142
Operating profit before working capital changes:		316,818,334	266,814,823
Inventories		(7,402,316)	48,687,421
Accounts receivable and prepayments		(16,239,094)	(280,264,607)
Accounts payable and accruals		69,972,314	(76,284,196)
Net movement in amounts due from and due to related parties		(294,036,363)	584,480,579
Cash from operations		69,112,875	543,434,020
Finance costs paid		(13,966,576)	(12,129,142)
End of service benefits paid		(2,138,044)	(1,291,916)
Net cash from operating activities		53,008,255	530,012,962
<b>INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment		(38,201,909)	(29,193,845)
Additions to investment properties		(21,876,804)	(16,777,826)
Acquisition of subsidiaries, net of cash acquired		(31,608,291)	-
Proceeds from disposal of property, plant and equipment		551,495	9,293
Interest income received		1,939,522	2,437,299
Net cash used in investing activities		(89,195,987)	(43,525,079)
<b>FINANCING ACTIVITY</b>			
Net movement in interest bearing loans and borrowings		(133,024,368)	166,235,735
Dividends paid		-	(600,000,000)
Net cash used in financing activity		(133,024,368)	(433,764,265)
<b>(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(169,212,100)</b>	<b>52,723,618</b>
Cash and cash equivalents at 1 January		640,908,573	552,312,937
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	4	<b>471,696,473</b>	<b>605,036,555</b>

The attached notes 1 to 13 form an integral part of these condensed consolidated interim financial statements.

**Aamal Company Q.S.C.**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the six months ended 30 June 2016

	Share capital QR	Legal reserve QR	Treasury shares QR	Retained earnings QR	Total QR	Non-controlling interests QR	Total equity QR
At 1 January 2015 (Audited)	6,000,000,000	435,842,111	(2,075,865)	1,031,009,690	7,464,775,936	219,525,216	7,684,301,152
Bonus shares issued	300,000,000	-	-	(300,000,000)	-	-	-
Dividends paid	-	-	-	(600,000,000)	(600,000,000)	-	(600,000,000)
Profit for the period	-	-	-	220,915,227	220,915,227	26,519,394	247,434,621
At 30 June 2015 (Reviewed)	6,300,000,000	435,842,111	(2,075,865)	351,924,917	7,085,691,163	246,044,610	7,331,735,773
At 1 January 2016 (Audited)	6,300,000,000	495,946,222	(2,075,865)	655,528,295	7,449,398,652	275,219,843	7,724,618,495
Profit for the period	-	-	-	255,617,778	255,617,778	49,908,563	305,526,341
Business acquisitions	-	-	-	(13,363,061)	(13,363,061)	-	(13,363,061)
At 30 June 2016 (Reviewed)	6,300,000,000	495,946,222	(2,075,865)	897,783,012	7,691,653,369	325,128,406	8,016,781,775

The attached notes 1 to 13 form an integral part of these condensed consolidated interim financial statements.

# Aamal Company Q.S.C.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six months ended 30 June 2016

### 1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

Aamal was formed on 13 January 2001 as a private shareholding company with limited liability (W.L.L.) under the Commercial Registration Number 23245 in the State of Qatar. On 12 July 2007, the private shareholders resolved to transform Aamal into a Qatari Shareholding Company (Q.S.C.) (the "Company"). Accordingly, the Company was listed on Qatar Exchange on 5 December 2007. The Company's registered office is at P.O. Box 22477, Doha, State of Qatar.

The Company is organised into a head office (Aamal) and branches and operates in the State of Qatar. The following table sets out the principal activities of the branches:

<b>Branch</b>	<b>Principal activities</b>
City Center Qatar Branch	Leasing the facilities of a retail outlet complex in City Center Doha.
Aamal Real Estate Branch	Residential and commercial real estate investment and property rental.
Aamal Readymix Branch	Production and sale of readymix concrete.
Ebn Sina Medical Branch	Wholesale and retail distribution of pharmaceuticals and general consumable products.
Aamal Medical Branch	Wholesale distribution of medical equipment.
Aamal Trading and Distribution Branch	Sale of tyres, lubricants, batteries and home appliances.
Aamal Services Branch	Providing facilities management and cleaning services.
Aamal Travels Branch	Operating a travel agency.
Aamal for Industrial Projects Branch	Industrial investments.
Ebn Sina Health Care Solutions City Center Pharmacy (Good Life Pharmacy Branch)	Sale of pharmaceuticals, baby care products, medicine and general consumable products.
Foot Care Center Branch	Sale of footwear, clinical activities and general commercial trading products.

The condensed consolidated interim financial statements comprise the condensed interim financial statements of the Company and its subsidiaries (together referred to as the "Group").



# Aamal Company Q.S.C.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six months ended 30 June 2016

### 1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES (CONTINUED)

The principal subsidiaries of the Group are as follows:

Entity	Country of incorporation	Principal activities	Proportion of effective ownership held by the	
			Group	Non-controlling interest
Aamal Cement Industries W.L.L.	Qatar	Development and management of factories and the production of curb stone, interlock slabs and cement bricks.	99%	1%
IMO Qatar Company W.L.L.	Qatar	Construction and repair of power plant, establishment and management of industrial enterprises and acting as a representative for the international companies.	60%	40%
Senyar Industries Qatar Holding W.L.L.	Qatar	Management of subsidiaries and associates, owning of patents, businesses and subletting them and provision of investment portfolio management to its subsidiaries and associates. Under the shareholders agreement signed between the Group and the other shareholders, the Group is able to appoint the chairman and two other members to the Board of Directors (out of six members) and is able to control Senyar Industries Qatar Holding W.L.L. Accordingly, the company is considered as a subsidiary of the Group.	50%	50%
Doha Cables Qatar W.L.L.	Qatar	Maintenance and merchandise manufacture of electric cables, equipment and tools. Doha Cables Qatar W.L.L. is 91.875% (effectively) owned by Senyar Industries Qatar Holding W.L.L., a subsidiary of the Group. The Group, indirectly through Senyar Industries Qatar Holding W.L.L., controls Doha Cables Qatar W.L.L. and accordingly the company is considered as a subsidiary of the Group.	45.9%	54.1%
Ecco Gulf Co. W.L.L.	Qatar	Offers professional and business process outsourcing and call center services.	51%	49%
Advanced Pipes and Casts Industries W.L.L.	Qatar	Manufacturing of wide cement and glass reinforced pipes systems for infrastructure and pipeline projects. The Group has the control of Advanced Pipes and Casts Industries W.L.L. by virtue of a shareholders' agreement. Thus the Company has been considered as a subsidiary of the Group.	50%	50%
Johnsons Controls Qatar W.L.L.	Qatar	Provision of facilities management services, energy services and building maintenance and cleaning services to corporate clients.	51%	49%

# Aamal Company Q.S.C.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six months ended 30 June 2016

### 1 CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES (CONTINUED)

The principal subsidiaries of the Group (continued)

Entity	Country of incorporation	Principal activities	Proportion of effective ownership held by the	
			Group	Non-controlling interest
Ci-San Trading W.L.L.	Qatar	Selling, buying, renting and developing real estate, investment in shares, management of real estate properties, owning the patent and trademark and trading in equipment and vehicles. The Group controls Ci-San Trading W.L.L. by virtue of a shareholders' agreement.	50%	50%
Gulf Rocks Company W.L.L.	Qatar	Retail distribution of aggregates	74.5%	25.5%
Innovative Lighting W.L.L.	Qatar	Trading of Light Emitting Diode (LED) Lamps and other lighting products.	70%	30%
Al Farazdaq Company W.L.L.	Qatar	Trading of office supplies and providing printing and laminating services.	65%	35%
Aamal Optical Supplies W.L.L.	Qatar	Trading of optical supplies	51%	49%
Aamal For Maritime Transportation Services W.L.L.	Qatar	Purchasing and leasing of ships for transportation of goods	74.7%	25.3%
Family Entertainment Center Company W.L.L.	Qatar	Providing family entertainment park facilities in City Center Doha Mall.	100%	-
Winter Wonder Land	Qatar	Providing entertainment facilities in City Center Doha Mall.	100%	-

Details of the equity-accounted investees of the Group are as follows;

Company name	Country of incorporation	Principal activity	Proportion of ownership and voting power held by the Group
El Sewedy Cables Qatar W.L.L. (Joint venture)	Qatar	Trading in electro-mechanical equipment and providing related services. El Sewedy Cables Qatar W.L.L. is 49% owned (with 55% share of profits / (losses) by Senyar Industries Qatar Holding W.L.L., a subsidiary of the Group. However due to a revised shareholders agreement, the entity has become a joint venture effective from 1 January 2012 which is measured under the equity method.	55%
Frijns Structural Steel Middle East W.L.L. (Associate)	Qatar	Entity is engaged in steel fabrications. Group measure the associate under equity method.	20%
Aamal ECE L.L.C. (Joint Venture)	Qatar	Entity is a joint venture between the Group and ECE Projectmanagement International G.m.b.H. and is engaged in property management services.	51%

The condensed consolidated interim financial statements were authorised for issue by the representatives of the Board of Directors of Aamal Company Q.S.C. on 25 July 2016.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
For the six months ended 30 June 2016

**2 BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES**

**2.1 BASIS OF ACCOUNTING**

The condensed consolidated interim financial statements as at and for the six months ended 30 June 2016 have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") and have been presented in Qatari Riyals ("QR"), which is the Company's functional and presentation currency.

The condensed consolidated interim financial statements do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2015. In addition, the results for the six months ended 30 June 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016.

**2.2 SIGNIFICANT ACCOUNTING POLICIES**

**Business combination**

The Group accounts for business combinations using the acquisition method when control is transferred to the Group, unless the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory, in which case they are accounted using book value accounting method.

*Acquisition method*

When control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

*Book value accounting method*

The Group does not restate assets and liabilities to their fair values. Instead the Group incorporates the assets and liabilities at the amounts recorded in the books of the acquired company.

No goodwill arises in book value accounting method and any difference between the consideration given and the aggregate carrying amounts of the assets and liabilities (as of the date of the transaction) of the acquired entity are included within equity.

The consolidated interim financial statements incorporate the acquired entity's results as if both entities (acquirer and acquire) had always been combined, from the date on which the transaction took place.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
For the six months ended 30 June 2016

**2.2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**New standards, amendments and interpretations issued and effective on or after 1 January 2015**

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2015, except for the adoption of amendments to standards which became effective as of 1 January 2016, as noted below:

During the period, the Group has adopted the following new amendments effective for the annual periods beginning on or after 1 January 2016. These amendments did not have any material impact to the Group.

- IFRS 14 Regulatory Deferral Accounts
- IFRS 11 Accounting for acquisitions of interest in Joint Ventures
- Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)
- Equity Method in Separate Financial Statements (Amendments to IAS 27)
- Annual Improvements to IFRSs 2012–2014 Cycle – various standards
- Disclosure Initiative (Amendments to IAS 1)

**New standards and amendments issued but not yet effective**

The new standards, amendments to standards and interpretations, which have been issued but are not yet effective for the period ended 30 June 2016 and have not been early applied in preparing these condensed consolidated interim financial statements were as follows:

- Disclosure Initiative - Amendments to IAS 7 (Effective 1 January 2017)
- Recognition of Deferred Tax Assets for Unrealised Losses - Amendments to IAS 12 (Effective 1 January 2017)
- IFRS 15 Revenue from Contracts with Customers (Effective 1 January 2018)
- IFRS 9 Financial Instruments (Effective 1 January 2018)
- IFRS 16 Leases (Effective 1 January 2019)

## Aamal Company Q.S.C.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six months ended 30 June 2016

#### 3 BUSINESS ACQUISITIONS

With effect from 1 January 2016, the Group acquired the entire voting shares of,

- Family Entertainment Center Company W.L.L., a limited liability company incorporated in Qatar and registered under commercial registration number 37360.
- Winter Wonder Land, an entity incorporated in Qatar and registered under commercial registration number 81863.

The following is a summary of the net identifiable assets acquired and consideration paid for above subsidiaries

	<b>Total QR</b>
Book value of net identifiable assets acquired	27,636,939
Consideration paid	<u>(41,000,000)</u>
<b>Excess consideration over the net identifiable assets acquired recognised in equity</b>	<b><u>(13,363,061)</u></b>

#### 4 CASH AND CASH EQUIVALENTS

For the purpose of condensed consolidated statement of cash flows, cash and cash equivalents comprise the following balances:

	<i>As at 30 June</i>	
	<i>2016 (Reviewed) QR</i>	<i>2015 (Reviewed) QR</i>
Cash and bank balances	473,247,448	610,397,642
Bank overdrafts	<u>(1,550,975)</u>	<u>(5,361,087)</u>
	<b><u>471,696,473</u></b>	<b><u>605,036,555</u></b>

Cash and bank balances include short term deposits made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short term deposit rates.

#### 5 EQUITY-ACCOUNTED INVESTEEES

The Group has the following investments in equity-accounted investees;

	<i>30 June 2016 (Reviewed) QR</i>	<i>31 December 2015 (Audited) QR</i>
	Interest in joint venture	217,612,470
Interest in associates	<u>10,090,736</u>	<u>8,928,987</u>
	<b><u>227,703,206</u></b>	<b><u>192,842,183</u></b>

	<i>For the six months ended 30 June</i>	
	<i>2016 (Reviewed) QR</i>	<i>2015 (Reviewed) QR</i>
Share of equity-accounted investees' revenue and profit:		
Revenue	<u>513,911,400</u>	<u>301,998,091</u>
Profit	<b><u>34,861,023</u></b>	<b><u>17,287,863</u></b>

# Aamal Company Q.S.C.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six months ended 30 June 2016

### 6 INVESTMENT PROPERTIES

	<i>30 June 2016 (Reviewed) QR</i>	<i>31 December 2015 (Audited) QR</i>
At the beginning of the period / year	6,832,332,107	6,669,136,000
Additions during the period / year	21,876,804	27,759,311
Net gain from fair value adjustment	-	135,436,796
	<u>6,854,208,911</u>	<u>6,832,332,107</u>
At the end of the period / year	<u>6,854,208,911</u>	<u>6,832,332,107</u>

#### Notes:

- (i) The fair values of the Group's investment properties have been arrived at on the basis of valuations carried out on the respective dates by professionally qualified, independent valuer not related to the Group. The independent valuer has appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The fair value was determined based on market comparable approach that reflects recent transaction prices for similar properties.
- (ii) Management having experience and knowledge of real estate market, believes that the carrying amounts of investment properties approximate their fair values at the reporting date.
- (iii) Investment properties are located in the State of Qatar.

### 7 PROPERTY, PLANT AND EQUIPMENT

	<i>30 June 2016 (Reviewed) QR</i>	<i>31 December 2015 (Audited) QR</i>
Cost:		
Balance at the beginning of the period / year	885,528,579	806,203,601
Acquired through business combinations	36,459,603	-
Additions during the period / year	38,201,909	87,320,382
Disposals/write off during the period / year	(8,219,740)	(7,995,404)
	<u>951,970,351</u>	<u>885,528,579</u>
Balance at the end of the period / year	<u>951,970,351</u>	<u>885,528,579</u>
Accumulated depreciation:		
Balance at the beginning of the period / year	298,719,247	252,865,543
Acquired through business combinations	31,087,276	-
Depreciation for the period / year	30,336,228	53,301,770
Relating to disposals/write off during the period / year	(7,698,653)	(7,448,066)
	<u>352,444,098</u>	<u>298,719,247</u>
Balance at the end of the period / year	<u>352,444,098</u>	<u>298,719,247</u>
Net carrying amount at the end of the period / year	<u>599,526,253</u>	<u>586,809,332</u>

Depreciation charge for the period amounting to **QR 25,564,584** (30 June 2015: QR 20,062,366) is included in direct costs.

## Aamal Company Q.S.C.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six months ended 30 June 2016

#### 8 INTEREST BEARING LOANS AND BORROWINGS

	<i>30 June 2016 (Reviewed) QR</i>	<i>31 December 2015 (Audited) QR</i>
Term loans	799,705,885	932,787,783
Less: Deferred financing costs	<u>(490,384)</u>	<u>(547,914)</u>
	<u><b>799,215,501</b></u>	<u><b>932,239,869</b></u>

Presented in the condensed consolidated statement of financial position as follows:

Current portion	666,438,366	751,312,750
Non-current portion	<u>132,777,135</u>	<u>180,927,119</u>
	<u><b>799,215,501</b></u>	<u><b>932,239,869</b></u>

#### 9 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period.

There were no potentially diluted shares outstanding at any time during the period and therefore, the diluted earnings per share is equal to the basic earnings per share.

	<i>For the six months ended 30 June</i>	
	<i>2016 (Reviewed)</i>	<i>2015 (Reviewed)</i>
Profit for the period attributable to owners of the Company (QR)	<u>255,617,778</u>	<u>220,915,227</u>
Weighted average number of shares outstanding during the period	<u>629,842,934</u>	<u>629,842,934</u>
Basic and diluted earnings per share (QR)	<u><b>0.41</b></u>	<u><b>0.35</b></u>

The weighted average number of shares for the purpose of calculating earnings per share has been calculated as follows:

	<i>30 June 2016 (Reviewed)</i>	<i>30 June 2015 (Reviewed)</i>
Qualifying shares at the beginning of the period	630,000,000	600,000,000
Effect of bonus shares issued and capitalized	-	30,000,000
	<u>630,000,000</u>	<u>630,000,000</u>
Less: Treasury shares	<u>(157,066)</u>	<u>(157,066)</u>
Weighted average number of shares at the end of the period	<u><b>629,842,934</b></u>	<u><b>629,842,934</b></u>

# Aamal Company Q.S.C.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six months ended 30 June 2016

### 10 COMMITMENTS

	<i>30 June 2016 (Reviewed) QR</i>	<i>31 December 2015 (Audited) QR</i>
Estimated capital expenditure budgeted and approved for at the reporting date but not provided for:		
Investment properties	<b>220,527,119</b>	234,088,842
Property, plant and equipment	<b>56,000,000</b>	21,707,851
	<b><u>276,527,119</u></b>	<b><u>255,796,693</u></b>
Operating lease commitments under non cancellable lease agreements:		
Payable within one year	<b>5,681,897</b>	819,931
Payable after one year but not more than five years	<b>1,291,429</b>	1,713,548
	<b><u>6,973,326</u></b>	<b><u>2,533,479</u></b>

### 11 CONTINGENT LIABILITIES

The Group had the following contingent liabilities from which it is anticipated that no material liabilities will arise.

	<i>30 June 2016 (Reviewed) QR</i>	<i>31 December 2015 (Audited) QR</i>
Letters of guarantee	<b><u>515,795,131</u></b>	<b><u>497,089,379</u></b>
Letters of credit	<b><u>13,300,497</u></b>	<b><u>14,235,851</u></b>

### 12 RELATED PARTY DISCLOSURES

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management. Transactions with related parties included in the condensed consolidated interim financial statements are as follows:

	<i>For the six months ended 30 June</i>	
	<i>2016 (Reviewed) QR</i>	<i>2015 (Reviewed) QR</i>
Sale of goods	<b><u>260,313,093</u></b>	<b><u>311,361,357</u></b>
Rental income	<b><u>780,641</u></b>	<b><u>1,336,885</u></b>
Purchase of goods and services	<b><u>18,022,224</u></b>	<b><u>83,069,662</u></b>
Rental expenses	<b><u>5,005,391</u></b>	<b><u>1,336,885</u></b>



## Aamal Company Q.S.C.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six months ended 30 June 2016

#### 12 RELATED PARTY DISCLOSURES (CONTINUED)

##### Compensation of key management personnel

The remuneration of key management during the period was as follows:

	<i>For the six months ended 30 June</i>	
	<i>2016</i>	<i>2015</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	<i>QR</i>	<i>QR</i>
Short-term benefits	<b>3,845,161</b>	3,813,982
Employees' end of service benefits	<b>297,957</b>	325,898
	<b>4,143,118</b>	<b>4,139,880</b>

##### Parent

The Group's ultimate parent is Al Faisal Holding Company W.L.L.

### 13 SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their nature of activities and has four reportable segments and the Head Office as follows:

#### *Property:*

The segment consists of City Center Qatar Branch, Aamal Real Estate Branch and Aamal ECE L.L.C, which are involved, in leasing the facilities of retail outlet complex, real estate investments and property rental businesses.

#### *Trading and distribution:*

The segment represents wholesale and / or retail distribution of pharmaceutical and consumable items, home appliances, medical equipment, tyres and lubricants and industrial printing. The segment includes the following entities:

- Ebn Sina Medical Branch
- Aamal Medical Branch
- Aamal Trading and Distribution Branch
- Foot Care Center Branch
- Ebn Sina Health Care Solutions City Center Pharmacy (Good Life Pharmacy Branch)
- Al Farazdaq Company W.L.L.
- Aamal Optical Supplies Company W.L.L.

#### *Industrial manufacturing:*

The segment involves manufacturing, wholesale and/or retail distribution of electric cables and tools, aggregates, ready-mix concrete and cement blocks and provision of services in relation to industrial investment, repair and construction of power plants, trading of LED lighting products and management of industrial enterprises. The segment includes the following entities:

- Aamal Cement Industries W.L.L.
- Aamal Readymix Branch
- Doha Cables Qatar W.L.L.
- Senyar Industries Qatar Holding W.L.L.
- Advanced Pipes and Casts Industries W.L.L.
- Gulf Rocks Company W.L.L.
- Ci-San Trading Company W.L.L.
- Innovative Lighting W.L.L.
- Frijns Structural Steel Middle East W.L.L.
- Aamal For Maritime Transportation Services W.L.L.

#### *Managed services:*

The segment involves provision of housekeeping and cleaning services, entertainment and amusement services, call center services and acting as travel agents. The segment includes the following entities:

- Aamal Services Branch
- Aamal Travels Branch
- Ecco Gulf W.L.L.
- Johnson Controls Qatar W.L.L.
- Family Entertainment Center Company W.L.L.
- Winter Wonder Land

#### *Head Office:*

It provides corporate services to the branches and subsidiaries of the Group.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss of these segments. Transfer pricing between operating segments are on arm's length basis in a manner similar to transactions with third parties.

Aamal Company Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2016

13 SEGMENT INFORMATION (CONTINUED)

Operating segments:

The operating segment is presented as follows, after elimination of inter branch and inter-company transactions.

	Six months ended 30 June 2016 (Reviewed)						
	Property QR	Trading and distribution QR	Industrial manufacturing QR	Managed services QR	Head Office QR	Eliminations QR	Total QR
Revenues							
- External parties	160,269,025	348,929,469	833,866,374	46,078,799	-	-	1,389,143,667
- Inter segments	3,761,512	5,078,705	9,877,854	947,647	-	(19,665,718) <sup>(i)</sup>	-
Total revenue	164,030,537	354,008,174	843,744,228	47,026,446	-	(19,665,718)	1,389,143,667
Profit / (loss) for the period	135,486,868	68,204,794	117,041,056	4,650,768	(19,857,145)	-	305,526,341
Depreciation	628,550	2,446,755	25,227,595	1,675,672	357,656	-	30,336,228

	Six months ended 30 June 2015 (Reviewed)						
	Property QR	Trading and distribution QR	Industrial manufacturing QR	Managed services QR	Head Office QR	Eliminations QR	Total QR
Revenues							
- External parties	158,730,083	372,856,467	784,984,828	32,381,572	-	-	1,348,952,950
- Inter segments	1,209,328	3,032,388	22,047,869	348,768	-	(26,638,353) <sup>(i)</sup>	-
Total revenue	159,939,411	375,888,855	807,032,697	32,730,340	-	(26,638,353)	1,348,952,950
Profit / (loss) for the period	133,769,385	71,013,950	60,980,343	2,447,214	(20,776,271)	-	247,434,621
Depreciation	645,261	1,900,528	19,902,957	891,426	518,087	-	23,858,259

Aamal Company Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2016

13 SEGMENT INFORMATION (CONTINUED)

The following table presents the segment assets and liabilities:

<i>At 30 June 2016 (Reviewed)</i>	<i>Property QR</i>	<i>Trading and distribution QR</i>	<i>Industrial manufacturing QR</i>	<i>Managed services QR</i>	<i>Head Office QR</i>	<i>Eliminations QR</i>	<i>Total QR</i>
<b>Current assets</b>	373,295,976	616,317,861	770,303,878	98,337,557	99,049,245	(283,948,910)	1,673,355,607
<b>Non-current assets</b>	6,882,889,337	14,691,977	831,667,151	11,788,962	442,139	(2,024,580)	7,739,454,986
<b>Total assets</b>	<u>7,256,185,313</u>	<u>631,009,838</u>	<u>1,601,971,029</u>	<u>110,126,519</u>	<u>99,491,384</u>	<u>(285,973,490)</u>	<u>9,412,810,593</u>
<b>Current liabilities</b>	166,169,956	146,075,741	649,341,218	28,492,774	530,035,299	(283,946,910)	1,236,168,078
<b>Non-current liabilities</b>	1,050,001	9,719,624	142,294,101	4,331,396	2,465,618	-	159,860,740
<b>Total liabilities</b>	<u>167,219,957</u>	<u>155,795,365</u>	<u>791,635,319</u>	<u>32,824,170</u>	<u>532,500,917</u>	<u>(283,946,910)</u>	<u>1,396,028,818</u>
<b>Capital expenditure <sup>(h)</sup></b>	<u>22,195,955</u>	<u>353,467</u>	<u>33,430,156</u>	<u>3,508,249</u>	<u>590,886</u>	<u>-</u>	<u>60,078,713</u>

Aamal Company Q.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2016

13 SEGMENT INFORMATION (CONTINUED)

<i>At 31 December 2015 (Audited)</i>	<i>Property QR</i>	<i>Trading and distribution QR</i>	<i>Industrial manufacturing QR</i>	<i>Managed services QR</i>	<i>Head Office QR</i>	<i>Eliminations QR</i>	<i>Total QR</i>
Current assets	413,946,443	623,334,031	689,292,764	62,013,098	195,484,422	(211,545,623) <sup>(i)</sup>	1,772,525,135
Non-current assets	6,857,966,535	16,864,154	787,720,670	4,071,822	705,165	(2,197,353) <sup>(i)</sup>	7,665,130,993
Total assets	7,271,912,978	640,198,185	1,477,013,434	66,084,920	196,189,587	(213,742,976)	9,437,656,128
Current liabilities	282,318,109	176,038,295	628,836,694	17,100,117	614,346,955	(211,543,623) <sup>(i)</sup>	1,507,096,547
Non-current liabilities	36,116,379	8,950,213	154,928,918	3,750,560	2,195,016	-	205,941,086
Total liabilities	318,434,488	184,988,508	783,765,612	20,850,677	616,541,971	(211,543,623)	1,713,037,633
Capital expenditure <sup>(ii)</sup>	27,854,659	6,594,076	79,341,775	1,196,390	92,793	-	115,079,693

Notes:

- (i) Inter-segment balances are eliminated on consolidation.
- (ii) Capital expenditure consists of additions to property, plant and equipment, investment properties and properties under development.