MANNAI
CORPORATION

MANNAI CORPORATION Q.P.S.C.

ANNUAL REPORT 2016

His Highness The Father Emir
Sheikh Hamad Bin Khalifa Al-Thani

His Highness The Emir
Sheikh Tamim Bin Hamad Al-Thani

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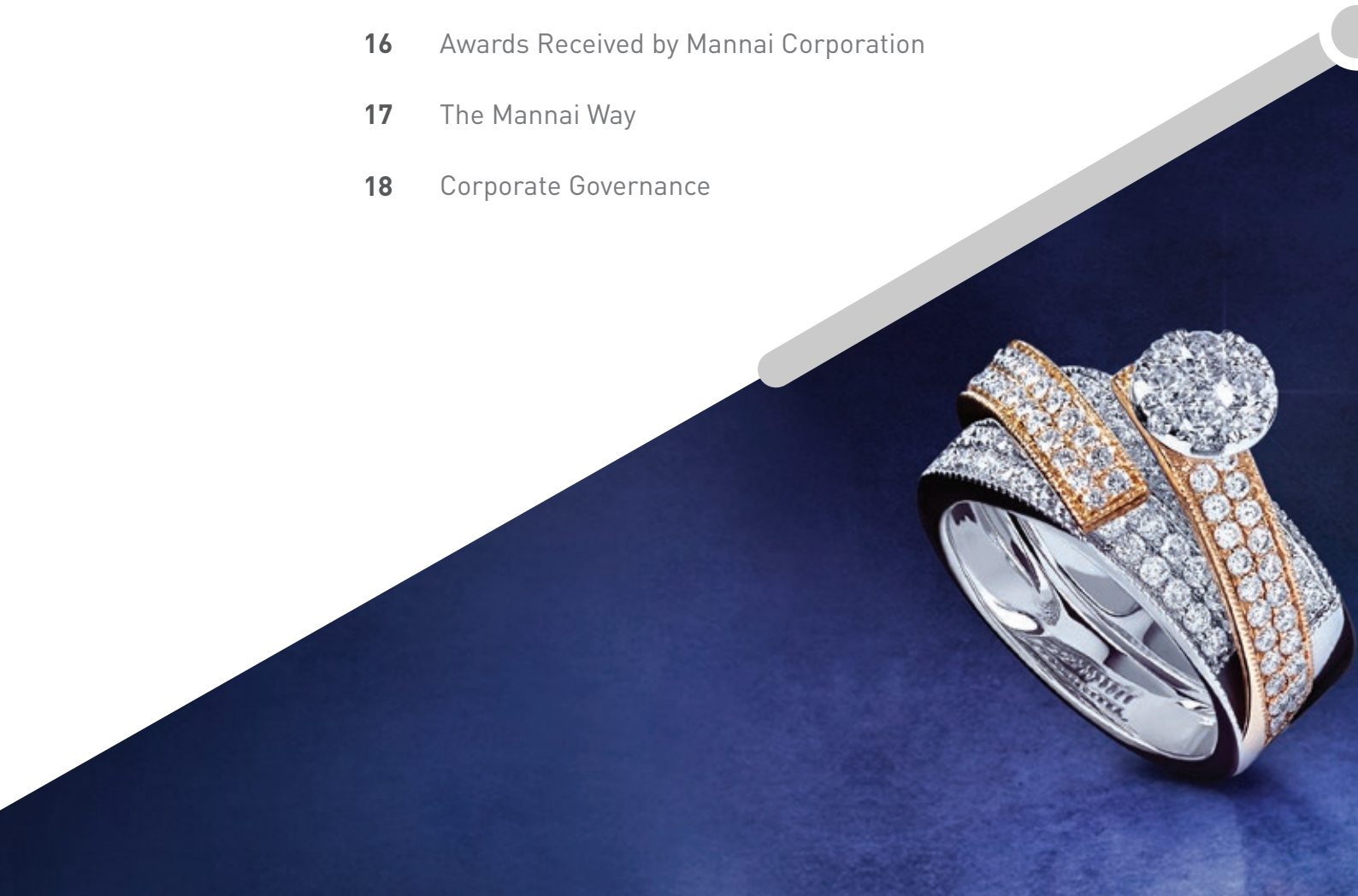

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Chairman's Report

Over the last 10 years the total assets of Mannai have grown from QR 1 Billion to almost QR 8 Billion today, and the Capital and Reserves of the Company have increased from QR 529 Million to QR 2.58 Billion in support of that growth.

This is my 10th Annual Report since Mannai Corporation was listed on the Qatar Exchange in August 2007.

I am pleased to say that Mannai has kept pace with the remarkable growth in Qatar over that decade, and there is no doubt that it is the sound and wise leadership of Qatar which created the long term stable business environment that provided Mannai with such a firm foundation for its growth.

From its strong home base in Qatar, Mannai also took the opportunity to expand in the GCC region over the last 5 years, and more recently in Europe.

Over the last 10 years the total assets of Mannai have grown from QR 1 Billion to almost QR 8 Billion today, and the Capital and Reserves of the Company have increased from QR 529 Million to QR 2.58 Billion in support of that growth.

The Compound Annual Growth Rate of Mannai's Net Profits since 2007 has been an average of 20.4% per year, which enabled the Board to declare dividends amounting to QR 1.72 Billion, over that time.

In my previous report I mentioned that in pursuit of its continued development Mannai had made an offer to acquire a majority stake in a Publicly Listed IT company in France. The acquisition of a 51.24% shareholding in Gfi Informatique was successfully concluded in early 2016, and its business in France and across Europe has added a new dimension to Mannai.

It is well known that economic conditions in the Gulf were tough in 2016. In the circumstances, the Net Profit of Mannai in 2016 of QR 535 Million, just slightly ahead of the QR 533 Million in 2015, is considered a good outcome for the Company in such subdued economic conditions.

With the notable exception of our IT business in Qatar, which performed strongly in 2016, trading conditions in the remainder of our businesses were affected by a downturn in revenues.

On a like-for-like basis the Net Profit would have shown a 7% decline, also partly due to a 24% lower contribution from Damas in 2016, as a result of a much lower level in luxury retail spending by consumers in the GCC.

Encouragingly, the contribution from our investment in Gfi Informatique in France in 2016 fully met expectations, boosting Net Profit and helping to compensate for the softer conditions in our Qatar and regional businesses.

As I have commented in the past, the diversification of Mannai's business in terms of products, services and geographic spread continues to underpin its strength.

In consideration of the profit level achieved in challenging conditions, and the need to continue to invest in the Company's future growth the Board has recommended a dividend of 40%, being QR 4 per share.

It has also been an equally challenging time for our staff across the Mannai Group as business conditions tightened and costs were reduced, and I must express my appreciation to the Managers and staff throughout the Group for their support and dedicated service at such a time.

The economic outlook remains uncertain as regional economies continue to adjust to changed revenue streams, and as businesses in the GCC prepare for the introduction of Value Added Tax in January 2018, and its impact on consumers.

However, the stabilisation measures taken in the Gulf economies will ultimately be good for business and I remain confident that the diversity of Mannai's business, together with the opportunities from the development of Qatar's infrastructure, will continue to sustain Mannai's performance going forward.

Hamad Bin Abdulla Bin Khalifa Al-Thani
Chairman

Director and Group Chief Executive Officer's Report

Gfi Informatique had an excellent year with 45.9% growth in net profit. The company concluded many acquisitions in Europe which will ensure its continued success in the years to come.

The highlight of the year was the acquisition of 51.24% of Gfi Informatique, a French Public Listed company.

2016 was a challenging year due to the collapse of oil prices which significantly affected consumer and business sentiments. This in turn lead to businesses reducing their workforce as new projects were either put on hold or cancelled.

The earnings from Gfi balanced the decline in earnings from our other businesses along with rationalisation of costs. Hence, we were able to finish this year with a net profit marginally ahead of 2015 and setting a new record for the net profit achieved.

The ICT business once again delivered a record breaking performance and further consolidated its position as Qatar's leading systems integrator that has built its reputation on trust and quality. The business is ideally positioned to provide the highest quality solutions to its customers throughout the entire technology stack.

Our other Qatar based businesses saw their net profits decline compared to previous years due to the lack of new infrastructure projects being released in the country. The Auto segment in Qatar declined by 27% and the Heavy Equipment segment declined by 57%. Mannai's Auto and Heavy Equipment segment by contrast only declined 8%.

Internationally, Damas witnessed a further decline due to the challenges in the luxury retail market in the GCC. The company rationalised its operating costs significantly. However, Damas is well positioned to take advantage of improvement in the luxury retail segment where affordable luxury is becoming an important growing segment and is an area where Damas excels. Having opened its new manufacturing unit in Nad Al Hamar, Dubai, Damas has ultimate control not only of the quality of the products but more importantly of the diamonds and gemstones selected.

Our associate company Axiom Telecom, where Mannai has a minority stake, were also not exempt from challenges in the slowdown in retail across the UAE and KSA. The company has taken out significant costs from its business operations including closing down numerous unviable stores. These initiatives will ensure that 2017 earnings are more robust than prior years.

Gfi Informatique had an excellent year with 45.9% growth in net profit. The company concluded many acquisitions in Europe which will ensure its continued success in the years to come.

PERFORMANCE

The Group delivered another year of record profits:

- Group Turnover : QR 4.88 Billion
- Net Profit for the year : QR 535 Million
- The Group's overseas operations contributed 44.53% of the overall profit of the Group
- Return on Equity is 22%
- Earnings Per Share : QR 11.73

DIVERSITY OF BUSINESSES

Mannai Corporation is a conglomerate operating within a single set of values that we call the "Mannai Way". We work with an array of leading globally recognised brands and international partners.

Our diverse range of trading, retail and service businesses deal with customers in the Oil & Gas industry, the Commercial and Government sector and through Gfi with a range of blue chip corporates in continental Europe, as well as retail client's throughout the GCC and Turkey. We aim to continue to provide a platform for future profitable growth, listening and responding to changing needs of our customers and clients while staying true to our core values of quality, value, service and trust.

Details of our businesses are expanded on in a subsequent section of this report.

AWARDS

We sincerely appreciate the recognition accorded to us by our multinational principals for our on-going commitment to Service and Quality, which are listed later in this report.

FUTURE OUTLOOK

The near term economic outlook remains unclear and challenging however, we remain committed to taking advantage of every opportunity available as we continue to build our business for growth over the longer term.

Alekh Grewal
Director & Group Chief Executive Officer


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Our Vision

Through exceptional service and added value, build Mannai to be the most dependable business partner in the region.

Our Mission

To create an environment which will attract and retain a committed team of talented professionals who will place Mannai at the forefront in our chosen markets.

Financial Highlights

EBITDA
773
QR Million

Revenue
4.8
QR Billion

Net Profit
535
QR Million

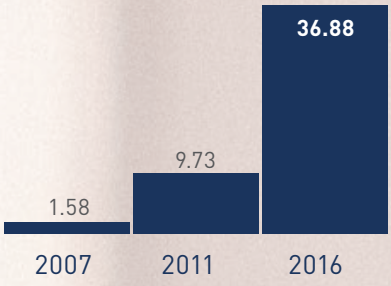
Earning per Share
11.73 QR

Debt to Equity Ratio
1.17

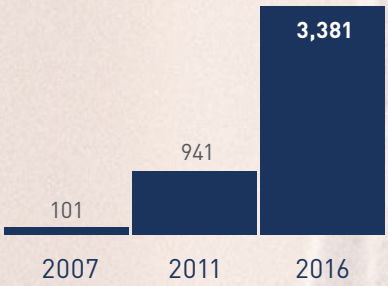
Current Ratio
1.27

Financial Highlights since listing

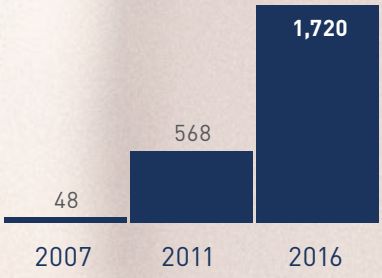
Total Revenue
QR Billions



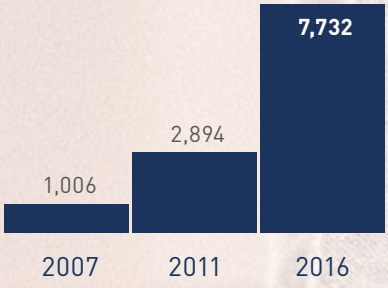
Total Net Profit
QR Millions



Total Cash Dividends
QR Millions



Total Assets
QR Millions



QATAR

Board of Directors

Sheikh Hamad Bin Abdulla Bin Khalifa Al-Thani
Chairman

Sheikh Suhaim Bin Abdulla Bin Khalifa Al-Thani
Vice Chairman

Sheikh Khalifa Bin Abdulla Bin Khalifa Al-Thani
Director

Mohamed Ali M. Al Kubaisi
Director

Alekh Grewal
Group Chief Executive Officer and Director

Ali Yousef Hussein Ali Kamal
Director

Keith Higley
Director

Khaled Sultan Al Rabban
Director

Mohammed Yousef Hussein Ali Kamal
Director

Abdulla Mohammed Ali Mohammed Al Kubaisi
Director

Executive Committee

Sheikh Suhaim Bin Abdulla Bin Khalifa Al-Thani
Chairman of the Executive Committee

Alekh Grewal
Group Chief Executive Officer and Director

Khalid Mannai
Vice Chairman of the Executive Committee

Mohamed Helmy
Group General Manager, Automotive

Ewan Cameron
Chief Financial Officer

Juan Leon
Group General Manager,
Information and Communication
Technology

Awards received in 2016

UNITED ARAB EMIRATES

Heavy Equipment

- JCB Attachment No1 Dealer for JS Excavators Breakers in the World
- CALTEX , No1 till Q3 2016 among all GCC & Middle East
- Best Performance from JCB
- Thermoking Dealer Award
- Golden Award from Chevron

Auto

- 10-Year Grandmasters award from GM

Software

- 2016 IT Business Award - Service Provider of the Year (Hardware)
- 2016 Oracle Specialized Partner of the Year: Industry – Gulf States and Saudi Arabia

Systems

- Best Customer Retention, Veritas Partner EMEA
- NetApp Partner of the Year
- VMware Partner of the year – GCC

Networks

- Structured Cabling Business-Platinum Partner of MENA region from PANDUIT
- Best Marketing Partner of the Year (Gulf region) from Veeam
- ELV-CCTV Business-Outstanding partner performance award from Samsung

E&IM

- SKM Distributor of the year 2016

ISBM

- Jollyboard - Sales Award for Excellent Sales of Filler Boards in Qatar for 2016
- Best Distributor of Lama Exported Products for the year 2016
- Qud Paints - Best Distributor of Construction Material in Qatar for years 2012, 2013, 2014, 2015, 2016

Travel

- Mannai Air Travel, Top Sales award for Philippine Airlines in Qatar 2016
- Space Travel, recognised as the Best Consistent Partner 2016 TCI, a Thomas Cook (India) Ltd. subsidiary
- Mannai Air Travel, number 2 agent in Qatar for their performance and contribution in 2016 and received an award for the same from Etihad Airways on the 15th May

The Mannai Way

We want Mannai to be clearly recognised as the standard of excellence.

Customers

Delighted customers are our future and we are judged by how well we:

- Exceed our customers' expectations through listening and understanding
- Earn our customers loyalty and trust through honesty and courtesy
- Commit to the highest standards in quality of customer care, timely delivery and after sales service
- Become the customers first choice each and every time because of our passion for excellence
- Anticipate and respond to customer needs

Leadership

Everyone in Mannai is a leader. Leaders are judged by the standards they set for themselves. Leaders in Mannai:

- Share knowledge and ideas openly
- Treat everyone equally with fairness and integrity
- Motivate and inspire to get results
- Embrace and adapt to change
- Empower people to take responsibility

Community

Mannai aims to promote the interests of the countries in which we operate and we will be judged by:

- Our contribution to the local economy
- Our adherence to practices that protect and support our natural environment
- How well we develop and train our human resources

Shareholders

We aim to meet the expectations of our shareholders, and we will be judged by:

- Our ability to deliver consistent long-term value
- Our high standards of corporate governance

Business Partners

We believe in an open partnership with our suppliers and can be judged by how well we:

- Deliver our best in class solutions to our customers
- Develop our long term relationships as partner of choice
- Build competitive advantage for the businesses we represent

Teams

Mannai is a team. Our team is judged by how well we work together. We aim to:

- Practice open and clear communication
- Help one another to deliver benefits for the whole Group
- Show respect for each other and take pride in our achievements
- Treat mistakes as an opportunity to learn, not to blame
- Create a stimulating environment where people are proud to work

Corporate Governance

Mannai Corporation is committed to having a high level of corporate governance practices and procedures in a way which maintains the company's standards and enhances shareholder value.

During 2009, the Qatar Financial Markets Authority issued a Corporate Governance Code for listed companies in Qatar. Accordingly, as reported in the 2009 Annual Report the Board of Mannai Corporation began structuring its corporate governance procedures in line with the principles of the Code and the actions taken and updated status is summarised below :

- The Terms of Reference for our Board Committees were published in 2009 Annual Report and are available on our website www.mannai.com
- The Company's Dividend Policy and Remuneration Policy are submitted to our shareholders in accordance with the Code. These have been outlined below and are also available on the Company's website.

The company has not yet adopted the following Articles of the Code into the Company's Articles of Association and the explanations are given below:

» **Code Articles 9/2** (Board Composition), 16/2 (Nomination Committee), 17/1 (Remuneration Committee) and 18/1 (Audit Committee) respectively provide that formation of the Board and these Board Committees shall include independent Directors. At present, Mannai has a majority of Non-Executive Directors, but only one fully independent Director.

The Chairman considers that the Board and its committees have a good balance of skills and experience in its Executive and Non-Executive Directors but with reference to the Corporate Governance Code has requested the Board to consider how it might work towards creating a further independent member.

» **Code Article 24/1** (Obtaining Information): The Board of Directors annually provides necessary information and data to shareholders before holding the General Assembly and informs shareholders of such right in the invitation addressed to them to attend the General Assembly of the company. The Articles of Association of the company do not include specific procedures for obtaining information, but the company seeks to be transparent in the information published on its website and its Annual Report.

» **Code Article 27/2** (Cumulative Voting): The Board is satisfied that shareholder decisions depend ultimately on a majority vote, which is in accordance with Article 128 of the Commercial Companies Law no. 5 of 2002, being "one vote per share" voting system, without any exceptions among shareholders, irrespective of the number of shares they own.

» **Code Article 29** (Minority Shareholders' Rights and Tag along Rights and Major Transactions): The Board recognise their responsibility to represent the interests of all shareholders, however shareholder decisions will ultimately depend on a majority vote, in accordance with the Article 128 of the Commercial Companies Law no. 5 for the year 2002.

The annual report for the financial year ended 31st December, 2016 is also available in Arabic and English on the company's website.

Board Committees

AUDIT COMMITTEE		NOMINATION COMMITTEE	
Sheikh Suhaim Bin Abdulla Al-Thani	Chairman	Sheikh Khalifa Bin Abdulla Al-Thani	Chairman
Mr. Mohamed Al Kubaisi	Member	Mr. Mohamed Al Kubaisi	Member
Mr. Ali Yousef Kamal	Member	Mr. Ali Yousef Kamal	Member
Mr. Alekh Grewal	Member		
REMUNERATION COMMITTEE		**CORPORATE GOVERNANCE COMMITTEE**	
Sheikh Suhaim Bin Abdulla Al-Thani	Chairman	Mr. Keith Higley	Chairman
Sheikh Khalifa Bin Abdulla Al-Thani	Member	Mr. Abdulla Al Kubaisi	Member
Mr. Mohamed Al Kubaisi	Member		
Mr. Keith Higley	Member		

Dividend Policy

Article 28 of the Corporate Governance Code requires that the Board of Directors shall submit to the General Assembly a clear policy on Dividend Distribution.

This shall include the background and rationale of such policy in terms of the best interest of the Company and the shareholders.

The payment of dividends is subject to the recommendation of the Board of Directors and approval by the Company's shareholders.

Since becoming a Listed Company the company paid the following Cash dividend and Bonus Shares:

Years	Cash Dividend	Bonus Shares
2007	40%	20%
2008	60%	10%
2009	50%	50%
2010	70%	20%
2011	55%	-
2012	47.5%	-
2013	55%	-
2014	60%	-
2015	50%	-
2016	40%	-

The declaration of dividends is discretionary and generally in line with market practice. Any future dividend payments by the Company will depend on a number of factors including but not limited to the company's operational performance, financial results, financial condition and prospects, as well as cash and liquidity requirements (including capital expenditure and investment plans) the market situation, legal regulatory and other such factors as the Board may deem relevant at the time.

The Company believes that the payment of dividends is an important element in creating shareholder value for its investors and subject to the above, it is the policy of the company at this time, which may be subject to changes in the future, to propose to the shareholders cash dividends generally in line with the market.

Remuneration Policy

Mannai Corporation aims to remunerate fairly and responsibly by ensuring reward for performance is competitive and by aligning executive reward with shareholders interests.

Remuneration takes into account the responsibilities and scope of the functions at all levels as well as the performance of the company.

Compensation at Management and Senior Executive level includes fixed and performance related components in order to motivate the achievement of objectives and to link rewards to corporate and individual performance. It may also include a component based on long term performance of the company.

No Senior Executive or Director should decide his or her own remuneration.

Automotive Group

Mannai wins the GM Grandmasters Award for the 10th time

Auto Group

- Reasonable growth in heavy equipment sales despite the market size shrinkage
- Second largest market share in earth moving equipment in Qatar
- Increase of 5% in JCB market share despite the depressed market conditions
- Tangible increase in the sales of DAF trucks, Eicher buses and Thermo King units in comparison with 2015
- Caltex Qatar continues to hold the highest market share in the GCC and Middle East regions
- JCB parts & attachments continues to hold the highest sales in the world for JCB heavy line breakers

Automotive Group

Mannai Automotive Group Qatar is composed of two divisions: (i) the Passenger and Commercial vehicles division and (ii) Heavy Equipment and Construction Machinery division. Mannai Automotive Group is representing over forty reputable international companies for decades.

Mannai Auto Group continues to invest in its after-sales capacity by opening new service centers and deploying mobile service vans to assure all its customers convenience, speed of execution and quality of service.

In line with Corporation's strategy to expand in emerging markets offering high growth rate and potentials, as well as the geographical diversification of revenues, Mannai Auto Group has been operating in Turkey under the commercial name of Global Trade Centre (GTC).

Mannai's fully owned subsidiary in Turkey – GTC Otomotiv operates three 3S Facilities (Sales, Spares and Service), two representing General Motors' Opel range of vehicles on the Anatolian side of Istanbul.

New Vehicle Sales

Mannai Automotive Group is the franchisee of General Motors' world class premium brands Cadillac and GMC, in addition to the premium Japanese brand of Subaru.

In 2016, the total automotive sector in Qatar witnessed a substantial drop in actual units sold and registered. Despite the considerable drop, Automotive Group managed to retain its market share.

Mannai Automotive was awarded the 2016 General Motors Cadillac Grandmasters International Operations Dealer Award in recognition of its stellar performance in achieving the highest standards of customer satisfaction in sales and after-sales. This award comes to consolidate Mannai's leading position in the region as a 10th time winner of this award.

Cadillac launched two new models, namely CT6 and XT5 that are considered best in class according to reviews made by several automotive critics given the impressive amount of new technologies and industry first features. These new additions to the portfolio of vehicles are expected to maintain and improve Mannai's performance in the Qatari market in the years ahead.

Towards the end of 2016, GMC and Mannai launched the all-new 2017 GMC Acadia in the Qatari market. The technological content and variety of trims of vehicle received high praises from customers.

Mannai Automotive's best selling vehicle GMC Sierra, continues to be the market leader and be praised as the best lifestyle with great off-road capabilities truck in the Qatari market

Service and Parts

In 2016, the Service division of Mannai Automotive Group won two of the Top 10 GM Middle East Technician's Skill Competition Awards. Additionally the service advisors team managed to win the Top 10 GM Middle East Service Advisory Staff Competition Award. Also, Mannai Auto-Service Centre technicians won in three quarters the national and regional GM Middle East Fix It Right the First Time competitions.

Mannai is also ranked in: the Top 5 GM Middle East Dealers in the 5 years' service retention Key Performance Indicator; Top 5 GM Middle East Dealers in Fix It Right First Time and GM Middle East Service Satisfaction Survey.

With a solid network comprised of main Auto-Service Center in Salwa Industrial Area, reinforced with 3 Quick Service Centres in Wakrah, Um Al-Afaei, Umm Salal and 3 mobile service vans, Mannai strives to achieve the highest standards of customer convenience, loyalty and satisfaction.

Cadillac

GMC COMMANDS RESPECT

SUBARU Confidence in Motion


UNITED STATES OF AMERICA
QATAR
TURKEY

Heavy Equipment Division

HEG earned the first place in the whole of Middle East and Africa, for the second consecutive year, under the Caltex Distributor Program, by selling premium, multi-grade, and diesel engine Lubricant products.

Heavy Equipment Group (HEG), a business division within Mannai Automotive Group is specialised in the sales and marketing of heavy equipment and construction machinery, catering to the construction and industrial sectors. The product line includes Grove cranes, JCB units, TCM forklifts, Massey Ferguson agricultural tractors and farm equipment, generators, Daewoo and Eicher Buses, Dulevo, Mathieu and Elgin Sweepers, DAF and Eicher Trucks, Comp Air-Holman air compressors, Thermo King Transport refrigeration, Allison fully automatic Transmissions, Chalwyn Safety Valves and MTU Diesel industrial/marine engines.

HEG registered a reasonable growth in sale of JCB units and managed to secure 2nd largest market share in Qatar.

HEG also provides an efficient aftersales support with adequate stock of spares and components maintained in the warehouse and specialised workshop services for repairs and maintenance.

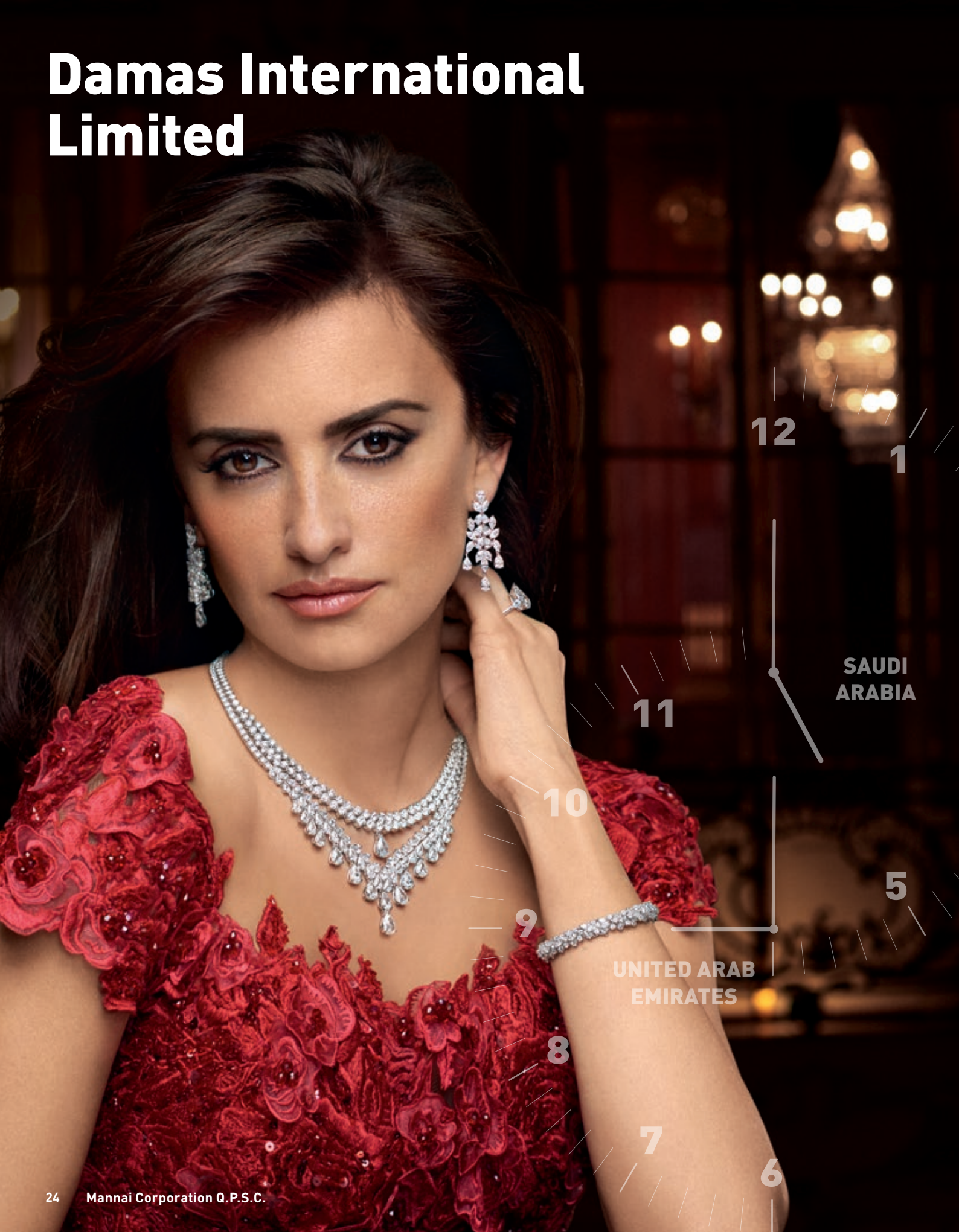
For increasing customer satisfaction and convenience, HEG has been investing in after-sales operations by operating dedicated Service Center in the Industrial area, primarily focused on Trucks, Buses and Refrigeration Units.

HEG earned the first place in the whole of Middle East and Africa, for the second consecutive year, under the Caltex Distributor Program, by selling premium, multi-grade, and diesel engine Lubricant products.

HEG will continue to capitalise upon its strong presence in the Qatari market to best serve its continuously growing customer base on the sales and after-sales fronts. Heavy Equipment Group (HEG), continues with providing creative solution to Construction & Infrastructure segment in Qatar supporting aggressively the view of Qatar National Vision.


UNITED
KINGDOM
JCB
3CX
3CXeco

Damas International Limited



In terms of marketing strategy, 2016 was a year witnessing a strong shift towards digital marketing in order to achieve an effective reach-out to the GCC resident population, who are reputed to spend an average of 5 hours per day on the internet and social media.

Damas International Ltd, a wholly owned subsidiary of Mannai Corporation, based in Dubai, is the leading jewellery retailer in the GCC. A network of 251 stores offer an attractive combination of Damas in-house collections along with a wide range of international brands, including well-known industry leaders such as Graff, Fope, Roberto Coin, Marco Bicego, Mikimoto, Forevermark, Magerit, Parmigiani, Perrelet, Louis Moinet and Ernest Borel.

During 2016 Damas reinforced its position as the leading jewellery retailer in the region through selective campaigns emphasising its innovative and quality oriented approach. Early in the year 'Damas Classics' was launched in collaboration with Forevermark by DeBeers, introducing a range of creative, classic designs that gives a new generation of consumers the choice to opt for ethically sourced diamonds of superior quality. In the second half of the year, the flagship brand 'Sama' was revealed to a discerning audience summarizing the unique Damas brand experience represented by the elegant and iconic Penelope Cruz.

In terms of marketing strategy, 2016 was a year witnessing a strong shift towards digital marketing in order to achieve an effective reach-out to the GCC resident population, who are reputed to spend an average of 5 hours per day on the internet and social media.

It is a well-documented fact that 2016 was a challenging year for retailers in the GCC , particularly for those operating in the luxury retail segment. Careful planning and early deployment of operational cost cutting initiatives ensured that Damas was well positioned for the subdued retail climate and indeed enabled continued growth strategies, including in KSA where 10 new stores were opened.

Also in 2016, Damas opened its new manufacturing unit in Nad Al Hamar, Dubai. The in-house manufacturing facility means that Damas has ultimate control, not only of the quality of the product but more importantly of the diamonds and gemstones selected. The capability to exclusively design and manufacture jewellery is a significant differentiating factor for Damas compared to its regional competitors.

The annual "Our Damas" programme concentrating on the company's values and future plans was again conducted by senior management with staff in each of the regions, resulting in a high level of employee engagement, understanding of the company strategy and the personal contribution required on an individual level.

Throughout 2016 Damas continued to invest in people development, with an emphasis on in-store coaching initiatives which support a consistently high standard of customer service, through the Damas Signature Customer Experience programme.

Whilst the company has already achieved an industry leading percentage of front-line staff qualified by the Gemological Institute of America (GIA), Damas continued to implement the Accredited Jewellery Professional Diploma programme in order that an increasing number of retail and operations staff have the opportunity to enhance their skill set and professional qualification, resulting in more than 600 staff now being qualified gemologists.

Inspite of the subdued market conditions in 2016 Damas was pleased to have served a similar number of customers with its Jewellery collections during the year, but the average transaction value was much lower than 2015.

Accordingly sales revenue dipped to AED 1.7 Billion in 2016 in line with lower consumer spending trends. Affordable luxury will remain a theme in 2017 which is an area where Damas excels, both in terms of quality and trust as a brand, together with a strong focus on value for money.

Damas continues to retain a loyal customer base which it is well placed to serve with exciting quality Jewellery across the GCC in 2017 and beyond

Information and Communication Technology

Mannai's ICT Group performed excellently in 2016 in a challenging market with revenues of QR 1.5 Billion.

Mannai's ICT Group performed excellently in 2016 in a challenging market with revenues of QR 1.5 Billion, Mannai ICT Group has further increased its share of the Qatari ICT market. The biggest contributors were once again Networks & Data Center and Mannai InfoTech. As such Mannai ICT Group has further strengthened its dominant position as Qatar's leading systems integrator, extending its reputation of trust & quality to successfully serve the IT needs of the public & private sector in the State of Qatar.

The ICT Group is organised into the following business units: **Networks & Data Center** provides CISCO based voice and data solutions, structured cabling, storage and CCTV to key customers in Qatar; **Mannai InfoTech** with its key principal ORACLE is in an ideal position to add value to its customers businesses by providing optimally integrated end-to-end solutions. The division is leaving a distinct mark with its excellent professional skills relating to application development and implementation.

The **Integrated IT Solutions** division provides comprehensive hardware, storage, virtualization and security solutions from, DELL, MICROSOFT, VMWARE, PALO ALTO NETWORKS, SYMANTEC and a host of other vendors; Finally, **HP Solutions** has done a remarkable job to represent the portfolio of HP Enterprise and HP Inc. in the State of Qatar and to ensure that its broad capabilities in the realm of Hardware, Software, Printing & Computing Systems are well positioned to meet customer needs at all times.

Networks & Data Center division provides innovative next generation technology solutions that involve Networking, IP Telephony, Unified Collaboration, Computing, Virtualization, Storage, Backup, Recovery, Security & Integrated IT that are provided by Market Leaders like Cisco Systems, EMC, VMware, VCE, RSA & Pivotal for IT Infrastructure catering to the needs of Small, Medium, Enterprise, Government, Defense & Service-Provider customers.

Mannai Networks & Data Center also has extensive experience in supplying, installing and commissioning a range of ELV and security systems enabling it to meet the clients' requirements in a variety of sectors encompassing CCTV networks, integrated command control center, public announcement systems, audio/video, access control, IP Lighting, and other smart solutions. Networks & Data Center is a CISCO Gold Certified Partner and is regionally recognised for its innovative approach towards delivering business value and its commitment to quality & support.

Mannai InfoTech division achieved another year of excellence which culminated in receiving the much coveted award as "Middle East's Industry Partner of the Year 2016". Offering a broad spectrum of IT services including Application Implementation, bespoke Application Development, Systems Integration, Mobility, Master Data Management, Enterprise Content Management, Data Warehousing, Enterprise Resource Planning (ERP), and Customer Relationship Management (CRM) using on-premises and/or cloud architecture, Mannai InfoTech has established itself firmly as the most sophisticated next generation IT service provider in the State of Qatar.

Mannai InfoTech takes special pride in being OpenText Platinum Partner for Enterprise Information Management (EIM), the country's only Gold Partner of Kony for delivering Mobile Applications and Esri® Strategic Business Partner & Esri® Sole Distributor for the State of Qatar. Additionally, Mannai InfoTech is benefitting strongly from the global expertise of its sister company Gfi Informatique, headquartered in France and is leveraging the special know-how and intellectual property of Gfi in various projects in Qatar and beyond.

Integrated IT Solutions division is a "turn-key solution provider", integrating disparate technologies to provide cost efficient solutions and support in the most effective manner. Integrated IT Solutions has evolved from a systems Integrator to a next generation hyper-converged solution provider encompassing partnership with 20+ technology vendors under one roof.

The division remains in the highest partnership status in the region with its diverse range of specialised vendors and world-class technology partners. Integrated IT Solutions division has received several awards and special accolades, including awards from Barracuda, CITRIX, Fluke Networks, Microsoft, NetApp, Nutanix, Palo Alto Networks, Riverbed, Symantec, VEEAM, Vision Solutions & VMware. In 2016 Mannai Integrated IT Solutions has achieved Dell Preferred Partner status by fulfilling all revenue, training and certification requirements in a record time. By achieving Dell Preferred Partner status, Mannai Integrated IT Solutions has become even stronger in offering integrated solutions to benefit its customers.

HP Solutions division continues to be the leading HP Partner in the State of Qatar in 2016. This dominant market position is the result of a meticulous approach to delivering value to customers and to keeping its highly qualified workforce abreast of all technological trends and developments in HP Enterprise' & HP Inc.'s impressive solution portfolio. The strong emphasis the Division gives training and continuous professional development together with its comprehensive sales achievements has ensured that Platinum Partner status has been retained for both HP Enterprise & HP Inc. On the basis of these unique competencies many major turnkey solution projects were successfully delivered to Qatar's public & private sector in 2016 and the business is ideally posed to enter 2017 on the basis of a strong pipeline.

Travelport division had another successful year as Qatar's premier provider of Global Distribution System (GDS) services to Qatar's travel industry. In a challenging global and regional travel market the division has further improved its operating efficiency and key customer satisfaction metrics.

ICT's **Office Equipment** division underwent realignment in 2016, which has now been completed and positioned the business in a situation to deliver solid results in terms of revenue and net profits in 2017 and beyond.

The **Medical and Scientific Equipment** division continued to make important contributions to Qatar's growing and ambitious healthcare and scientific research sector.

The division has streamlined its portfolio which enabled it to deliver its solutions more efficiently and to increase value creation in the process. It is ideally positioned to serve Qatar's buoyant healthcare sector in the years to come and will add further solution offerings in the process.

ORACLE

Microsoft

Leica

CISCO

hp

esri

BEACONMEDÆS

OPENTEXT Partner PLATINUM

Gfi Informatique Group

14,000
EMPLOYEES

PARTNERSHIP

Gfi Informatique is a major partner of Paris Saint-Germain Handball

16
COUNTRIES

France | Spain | Portugal | Belgium | Switzerland | Luxembourg | England | Poland | Romania | Morocco | Ivory Coast | Angola | USA | Mexico | Colombia | Brazil

5 VALUES

Ambition | Innovation | Commitment | Team Spirit | Social Responsibility

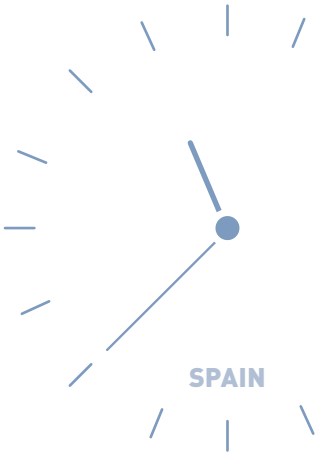
€1015m
REVENUE 2016

16
SHARED SERVICE CENTRES

IN FRANCE
Lille
Lyon
Nantes
Toulouse
Meudon

INTERNATIONAL
Alicante (Spain)
Lisbon (Portugal)
Covilha (Portugal)
Casablanca (Morocco)
Warsaw (Poland)
Poznań (Poland)
Lublin (Poland)
Pune (India)
São Paulo (Brazil)
Bogota (Colombia)
Macao (APAC)

Gfi France



6 BUSINESS LINES

Application Services |
Infrastructure Services |
Business Solutions | SAP | Software |
Consulting

+

INNOVATION

PROXIMITY

INDUSTRIALISATION

5 BUSINESS SOLUTIONS

Insurance
Distribution-Services
Health-Social
Public Sector
Telecom

6 BUSINESS SECTORS

Banking-Finance-Insurance
Industry-Aerospace-Transport
Public Sector
Telecom-Media-Entertainment
Energy-Utilities-Chemicals
Distribution-Services

7 GROUP PRACTICES

Smart Cities
Digital Banking
Omni Commerce
Industry 4.0
IoT
DevOps
Digital Transformation

STOCK EXCHANGE

Gfi Informatique is listed on the Euronext Paris Market.

www.gfi.world

Energy and Industrial Markets (E&IM)

2016 was again a good year whereby E&IM was able to win and deliver along with its Principals, Wrapping Tapes for various Ashghal Road Projects, Al Dhakhira STP, Al Wakra Bypass and Lusail Projects, also Heat Shrinkable Sleeves and chlorination systems for the Strategic Mega Reservoirs Packages.

Energy & Industrial Markets ("E&IM") division has an excellent track record of providing comprehensive services to international manufacturers, suppliers and contractors by providing local expertise and "know-how" to the Oil and Gas, Construction, Infrastructure and Utilities segments of the Qatari Economy.

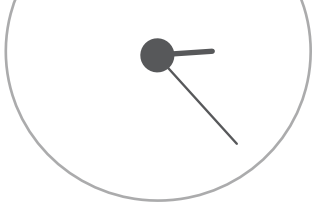
Infrastructure, a segment of E&IM division supplies Ductile Iron Pipes, fittings & valves, heavy duty DI covers, pipe wrapping materials, municipality covers, pumps, water treatment as well as disinfection and chlorination systems.

2016 was again a good year whereby E&IM was able to win and deliver along with its Principals, Wrapping Tapes for various Ashghal Road Projects, Al Dhakhira STP, Al Wakra Bypass and Lusail Projects, also Heat Shrinkable Sleeves and chlorination systems for the Strategic Mega Reservoirs Packages.

Saint Gobain PAM and Mannai LLC, the joint venture company established a year ago started winning orders for Ductile Iron Pipes, Fittings, Valves and municipal covers.

FRANCE

UNITED STATES OF AMERICA



DENMARK

HVAC segment, is one of the leading suppliers of HVAC systems in Qatar. Its range of products includes major manufacturers within the HVAC world notably SKM, Toshiba, Novenco and Lawton. In 2016, HVAC has been successful in expanding its products portfolio with new partners notably Munters, Grundfos pumps, Best choice Industry, and UVDI. The collaboration of Mannai and its partners ensure the availability of the largest range of HVAC equipment in Qatar: Chillers, Air Handling Units, Heat/Energy Recovery Units, Fan Coil Units, VRF, Packaged Units, Central Ducted Split systems, Swimming pool units, Mini and ducted Split Units, Window AC, Central/ Domestic/Car Park Ventilation Fans, Copper Tubes, Fittings, & accessories, Field devices, valves & controls, Humidifiers and Dehumidification systems, Chilled water pumps, Air outlets and Air Disinfection by Ultra Violet (UV) technology.

During the year, HVAC delivered many prestigious projects such as Umm Al Houl Power Station, Administration Building Energy City, People Mover System at Qatar Foundation, Viva Bahriya towers at Pearl, various Al Meera Convenience Stores, Qatar Academy at Al Khor, Al Emadi Hospital Extension, Manateq Central Market at Al Sailiya, New Port Project, MOI National Cyber Centre, and various school projects with PWA Ashghal..etc.

Electrical, Mechanical & Construction materials segment supplies Light fittings, cable Management systems, cable cleats, joints, terminations and accessories, Circuit breakers, Fuses, Copper pipes, Fittings, & accessories (Plumbing and Medical), Water heaters, Seamless tubes, Pumps, Roof supports, access panels, hatches, ladders and many other construction materials.

During the year, this segment was able to secure Cable Management Systems for the prestigious Doha Oasis Project, Ministry of Interior Cyber Security Centre, Ministry of Interior Office at Al Saad, Workers Hospital at Ras Laffan, Qatar National Museum, College of Media & Communications at Qatar Foundation; Light Fittings for Manweir Facilities at Ras Laffan and Qatar Logistics Building at Industrial Area, Cable Joints & Terminations, Air Break Switches and Fuse Links to KahraMaa, Roof Hatches & Access Panels for Viva Bahriya towers, QPD Project in West Bay, Qatar Golf Club, Khalifa Stadium, Sidra Medical Research Centre, etc...

Oil & Gas segment has executed some turbine & plate heat exchangers maintenance contracts with major Oil and Gas companies like QP, Qatargas and Rasgas.

O&G won several projects of heat tracing systems, gas flow meters and gas chromatographs.

Its range of products represents major manufacturers within the O&G industry notably Siemens, Alfa Laval, SPX Clyde Union Pumps, Howden compressors and David Brown.

In 2016 this segment has added new partners such as GASCO, ASCO, PARESA, Jindal Saw Limited.

E&IM strives to continuously upgrade its capabilities and provide value added services and products for its customers and Principals alike.

Industrial Supplies and Building Materials (ISBM)

ISBM has an excellent track record of providing comprehensive services to the local Oil & Gas industry by supplying genuine spares for the Gas Turbines & Compressors.

Industrial Supplies & Building Materials ("ISBM"), a division of Mannai Trading Co. ("MTC") is a well-recognised supplier of Building & Construction Materials, Industrial Tools, Machinery as well as Welding Products. ISBM has an excellent track record of providing comprehensive services to the local Oil & Gas industry by supplying genuine spares for the Gas Turbines & Compressors. ISBM various activities are being handled by qualified and well-trained engineers & professionals.

Welding & Power Generation segment offers a wide range of welding equipment from standard MMA,TIG, MIG/MAG to high-tech portable / synergic inverter welding machines and all type of welding consumables for use in small to heavy fabrication and manufacturing industries, constructions and oil & gas projects.

Various Gas & Plasma Cutting Equipment including portable CNC Cutting machines to High performance CNC Cutting machines for use in shipbuilding, steel construction, manufacturing and fabrication industries.

Diesel Power Generators ranging from 10KVA up to 700 KVA for prime & standby applications for commercial, Industrial and Construction purposes. A complete range of Tower Lights from the standard metal halide to Hybrid / Hydro Lighting Towers. Also offers ATEX version Link towers meeting requirements of Zone-II Hazardous area classification.

Our After Sales Services are provided to our clients by dedicated, factory trained service personnel.

Tools & Machinery segment deals with various type of Tools & Machineries catering to the industrial and construction sectors:

- Personal Protection Equipment "PPE"
- General hand tools
- Pipe tools & pipe cutters, threading & grooving machines, measuring equipment
- Equipment for construction, like Bar bending & bar cutting machines, portable bender and cutters, as well as equipment for concrete tiles cutting, concrete coring machine, diamond cutting blades, concrete core cutters as well as Steel rebar coupling systems
- Various consumables, like cutting and grinding discs, flap wheels, flap disc, carbide burrs, abrasive material etc.
- Builders construction hoists, construction lifts and rack & pinion platforms
- Workshop equipments, Pneumatic breakers, electrical & pneumatic lifting, pulling & hoist equipment
- Air operated diaphragm pumps and submersible pumps
- Various types of industrial bearings
- Plumbing, Air conditioning & Refrigeration Copper pipes & fittings
- Steel rebar coupling systems

Building & Construction Materials

This segment caters to the requirement of local infrastructure projects by supplying high quality waterproofing membranes & construction chemicals from renowned supplier Bitumat KSA, LAMA Jordan, Alyaf KSA, Terraco UAE, Twin Walls UAE, which greatly enhances the durability of buildings. Additionally, it also offers many other products such as Expansion Joint Fillers, Non-woven Geotextiles, Polypropylene Corrugated Sheet, Plywood Boards and Protection Boards, etc.

In 2016, we received Appreciation Certificates of Excellence in Sales and Marketing from Twin Walls UAE, LAMA-Jordan Bituminous Products, Alyaf Industrial Co., Terraco UAE, Eastern Coast Polystyrene, Jolly Board Ltd, QUDS Paints, Bayshield International etc.

Gulf Laboratories Co. WLL

QATAR

Gulf Laboratories will be moving their physical testing laboratory and main offices to a brand new facility located on St. 13 Salwa Industrial Area.

Gulf Laboratories Co. WLL, a wholly owned subsidiary of Mannai Corporation, provides ground investigation, borehole drilling and laboratory testing services to international and local clients within the State of Qatar. The business has provided its specialist services to a large proportion of civil engineering, water resource and development projects within Qatar for over 35 years.

Activities include onshore and offshore ground investigations, water-well drilling and testing, earthing and cathodic protection borehole drilling, geophysical surveys, hydrogeological investigations and mineral resource studies. During 2016, ground investigations have been performed to support engineering design activities as part of the Hamad International Airport Expansion, Umm Al Houl IWPP, Al Bayt Stadium (Al Khor), Simaisma Island Project, QEZ3, Abu Samra Beach Resort and the iconic Lusail Marina Tower and Zaha Hadid's Lusail Hotel Tower, and well as numerous road, metro and other infrastructure projects. Water wells, soakaway, earthing and cathodic protection borehole drilling works are also routinely carried out as part of construction projects.

Laboratory testing services are offered to the construction industry and include the physical and chemical analysis of construction materials including soil, rock, aggregate, cement, concrete, steel and asphalt. These services are performed at an extensive central laboratory located at St.2 Salwa Industrial Area or at project sites where temporary laboratory facilities are established.

On-site material testing laboratories and call-off testing services provide ongoing involvement at the Doha Metro Project, New Port Project, New Orbital Highway, West Corridor Project, Lusail Development Project, Doha Expressway, Dukhan Highway, QEZ3 and various Sewage Treatment Plants.

The company also carries out a wide range of environmental testing activities including chemical and microbiological testing of groundwater, seawater, potable water and treated and untreated effluent. The services are performed either to support initial baseline environmental surveys or as part of long term environmental monitoring plans. The environmental testing laboratory continues to be involved with various monitoring and testing programmes for Dolphin Gas, Pearl GTL, Qatar Petroleum, Qatar Airways and a number of Ashghal sewage treatment plants and groundwater monitoring well networks.

Petroleum testing services are also offered, including the physical and chemical analyses of transformer and lubricant oils.

Gulf Laboratories will be moving their physical testing laboratory and main offices to a brand new facility located on St.13 Salwa Industrial Area. The existing laboratory at St.2 will become a dedicated chemical and environmental testing facility and allow expansion into food analysis during 2017.

The company's quality and occupational health, safety and environmental management systems are certified to ISO 9001, OHSAS 18001 and ISO 14001 standards. The laboratories have over 400 tests accredited to BS EN ISO 17025:2005 and continue to add further test parameters to the accreditation.

Manweir LLC

By early 2017, Manweir plans to relocate its complete operations to Ras Laffan Industrial City and shall operate from an area of 46,000 m2 in a purpose built facility in one of the fastest growing industrial cities in the world

With ongoing operations for above 4 decades in Qatar, Manweir LLC has served the Oil and Gas industry both offshore and onshore. Manweir has further extended its services to Petrochemical, Marine and Energy sectors. With technological up-gradation of skills, Manweir has successfully delivered excellent quality products to its customers through strong processes with API and ISO 9001 QMS certification.

By early 2017, Manweir plans to relocate its complete operations to Ras Laffan Industrial City and shall operate from an area of 46,000 m2 in a purpose built facility in one of the fastest growing industrial cities in the world.

Manweir operates under 7 core departments as follows:

- **Machine Shop:**
  The division has an API approved facility which provides a wide range of services for Premium Threading, OCTG for a variety of oilfield equipment and accessories. Machine shop houses many specialised CNCs and Heavy Equipment that monopolizes the Qatar Market.

- **Welding and Fabrication Shop:**
  This division manufactures and repairs high pressure piping, risers, skids, containers, baskets, stabilizers and other structures for oil field and industrial installations and equipment. Welding processes GTAW (TIG), SMAW, GMAW (MIG/MAG) and Spot welding with welding procedures covering materials like Aluminum, Inconel, Monel, Alloy steel, Stainless steel, Carbon steel and corrosion resistant and hard facing weld overlays according to ASME, API, BSEN standards. Also equipped with Post weld heat treatment and Non-Destructive Testing.

- **Field Services:**
  Provides skilled personnel for onshore and offshore projects specifically for oil and gas industry. Field Services is also specialised in supplying skilled technical personnel for plant maintenance, shutdown requirements in Qatar.

- **Calibration Laboratory:**
  (Metrology) for Calibration, Verification, Certification precision measuring instruments covering both analog and digital requirements.

- **Oilfield Products and Services Division (OPSD):**
  This division engages in supplying the oil industry with equipment, spare parts, tools and services required for exploration, drilling and production of hydrocarbons. This is realised through its association with international companies including; Tranter for Heat Exchangers, TIW for liner hangers, Quick Flange, Zenith Structural, EC Works for Eddy Current inspection; Cyberhawk for UAV inspection; Fish bones for reservoir stimulation services; Macoga for expansion joints; Verwater for tank design.

  Accreditation as an Authorised Service Center for repairing and service Mitsubishi / Toshiba Motors via TMEIC is a notable achievement for OPSD.

- **Electrical Repair Solution Centre:** Specialising in rewinding, repair, overhaul and reclamation of motors generators and transformers. Manweir is the 1st entity in the region certified by Baseefa UK as facility to repair and overhaul explosion proof rotating machines and enclosures. The large Vacuum Pressure Impregnation (VPI) Tank, along with the two Dynamic Balancing Machines of 20 Tonnes and 300 Kg capacities and resistive load bank capabilities offer enhanced services. This facility is also geared for Transformer oil testing and analysis, complete with purification and regeneration system.

- **Mechanical and Instrumentation/ Valves Division:** This division provides a total service in repairs, overhauling and testing of all types of Valves and Instruments, as well as specialising in maintenance, inspection, repair, overhauling and refurbishment of all types of static and rotating equipment. With regards to instrumentation/valves, we provide onsite maintenance services during planned shutdowns with well-equipped portable workshops and OEM trained competent technicians. We also refurbish pumps, turbines, engines, compressors, exchangers and various other oilfield equipment such as Well Head and Christmas Tree equipment, BOPs, Slush Pump Modules, Hoists, Hooks, Swivels etc. with a crane capacity of up to 60 tonnes. This service covers all customer markets requiring mechanical support.

During 2016, for the first time, Manweir's OPSD Division in partnership with Cyberhawk took off on its first ROAV (Remotely Operated Aerial Vehicle) mission with Ras Gas in a project to inspect and survey Flare Stack at RLIC. In addition, Manweir received its first long term contract for repair of Granulation Ducts with QAPCO.

It has been a successful year for Manweir bagging more than 30 long term contracts from clients such as QP, Shell, JX Nippon, Q Chem and other prestigious organisations. We look forward for a fruitful year in 2017 with plans to broaden our service portfolio and our market share in State of Qatar.

Travel Group

Mannai Holidays has recently started developing and promoting the inbound leisure and MICE travel into Qatar. This will add a new business stream to support its growth.

Mannai Travel Division managed to stay ahead of the market with our years of experience, despite challenges faced by the travel industry due to decrease in business travel on account of low oil prices. We have always strived to retain our leadership position as an IATA and an ISO 9001 certified travel service provider. The Travel Group since its inception, as an in-house service provider has grown and today has five divisions; Mannai Air Travel, Space Travel, Cargo, Mannai Holidays, and VFS.

Mannai Air Travel as an IATA agent is one of the most trusted Travel Management Companies in the region, offering services to a range of large corporate clientele in the Oil and Gas industry, Educational sector, Banks and SMEs. Mannai Air Travel has a global reach through its affiliation with BCD Travel, a global Travel Management Company providing strong support to service the multinational companies as well as local and regional corporate business clients.

Space Travel is a General Sales Agent representing Philippine Airlines, Korean Air, Kenya Airways. It is also establishing and growing a distribution network for flydubai, the fastest growing regional low cost carrier which currently operates 9 daily flights in and out of Doha. It has gained a larger market share during past 6 years of operation in Qatar. Philippines Airlines has come online and that has given Space Travel a foothold to grow in the market. Space Travel is actively seeking other representation and they have a very positive outlook for the year ahead.

Space Cargo have now gained more market share for all airlines they represent and in 2017 they will open a dedicated standalone Cargo office to secure a larger market share for Philippines and Fly Dubai. At the same time Space Cargo continues to build a network of agents to support Philippine Airlines and Fly Dubai whom they represent in the market .

Mannai Holidays is a comprehensive Leisure Travel Services provider and has grown over the years to become a mature and respected name among both principals and end users. It offers full range of leisure products and provides all inclusive packages to both individual and group travellers. It is now branching out to represent international holiday products.

Mannai Holidays has recently started developing and promoting the inbound leisure and MICE travel into Qatar. This will add a new business stream to support its growth.

We as a local **VFS** representative are the most recognised and established business process support company for acceptance of visa applications on behalf of several European and Asian missions. During 2016, we have added 2 new countries to our portfolio as VFS service provider and now we serve a total of 7 missions in Qatar.

The goal is to expand the Travel Group within the GCC region and also to grow our back office operation to extend our reach in the regional market and stay competitive.

The online tool is now being used by a number of travel agents to access and book travel related services. This application is also implemented as a travel management system for Corporates as it helps them to manage their travel budget most effectively.

We also plan to provide an online booking and payment platform enabling customers the comfort of buying travel services online.

UNITED ARAB EMIRATES

Home Appliances and Electronics (HAED)

A "Total Home Solution Provider", Mannai Home Appliances and Electronics Division (HAED) continues to improve the quality of life by providing its customers with the world class appliances and electronics under one roof.

HAED Business is focused on retail and wholesale customer as well projects directly linked to the construction of commercial and residential properties in Qatar.

HAED Wholesale section continues to witness a steady growth year on year. Our product availability has been further strengthened through its distribution network, which includes major hypermarkets, supermarkets, power retailers and many medium-sized dealers in Qatar.

HAED Projects is continuously growing and has won many prestigious projects in Qatar and was able to meet its commitment of providing total Home Appliances solution for commercial and residential projects. In 2016, Project Section was able to secure many landmark projects assisted by its global suppliers White Westinghouse, AEG, Ignis, Bompani, Toshiba, TCL, Moulinex, Scotsman and Coleman.

HAED is now a destination for LG B2B Business in Qatar. Mannai Home Appliances and Electronics Division (HAED) has partnered with LG Electronics Gulf FZE, the world leader in advanced information display technology to display and retail the latest range of LG Digital Solutions. With this partnership, LG brings to the Qatari market the world's narrowest Bezel Video Wall display (1.8 mm bezel-to-bezel); the premium 98" Ultra HD 4K premium signage display and the 86" Ultra Stretch Display.

HAED has received achievement award for 'Excellent TV Sales in 2016" from TCL.

Under the motto "We Service, Whatever We Sell", our HAED Service Section has also been instrumental in the overall success of HAED. The turnaround time for servicing of appliances and electronics has been improved with its professional service team, thereby enhancing customer satisfaction.

SEIKO

AEG

TOSHIBA Leading Innovation >>>

White-Westinghouse

Moulinex

Bompani

TCL The Creative Life

IGNIS

Coleman

Qatar Logistics WLL

Early 2017, Qatar Logistics will launch a state-of-art warehouse located in industrial area within Doha city limits. The warehouse is constructed on 20,000+ sqm, includes temperature controlled storage facility and specialised warehouse for storage of chemicals.

Qatar Logistics WLL is a wholly owned subsidiary of Mannai Corporation. Qatar Logistics is an exclusive partner of "Hellmann Worldwide Logistics" one of the top freight forwarding networks globally. Through this partnership Qatar Logistics is able to offer its services in 157 countries supported by over 20,000 logistics personnel employed in over 400++ offices.

In country Qatar Logistics has a solid local presence and is a licensed customer clearance broker. Qatar Logistics is a market leader providing a wide range of value-added services for the import and export of cargo inter-alia warehousing, transportation, shipping and distribution.

Qatar Logistics has successfully partnered with major contractors in Qatar to execute large projects pertaining to infrastructure development in the State of Qatar despite depressed market conditions. The company was also awarded a long term contract in a major water and waste treatment project in the state of Qatar.

Early 2017, Qatar Logistics will launch a state-of-art warehouse located in industrial area within Doha city limits. The warehouse is constructed on 20,000+ sqm, includes temperature controlled storage facility and specialised warehouse for storage of chemicals.

Qatar Logistics will continue to improve operational efficiency to maximize productivity and focus on increasing market share through growing customers' portfolio.

hellmann Worldwide Logistics

qualityaustria SYSTEM CERTIFIED ISO 9001:2008 No.132946/8

قطر لوجستكس ذ.م.م
QATAR LOGISTICS WLL

IQNet

Cofely Besix Mannai Facility Management LLC

The BESIX Group is a Belgian conglomerate of companies involved in construction, engineering, environmental, real estate and concession, and has been active in the Middle East for more than 40 years.

Colfey Besix Mannai Facility Management LLC. is a Joint Venture company between Cofely Besix and Mannai. Cofely Services is a brand of GDF SUEZ ENERGY Services, a European market leader in the maintenance and operations of technical installations (MEP), facility management and energy management. The BESIX Group is a Belgian conglomerate of companies involved in construction, engineering, environmental, real estate and concession and has been active in the Middle East for more than 40 years.

The facilities management division founded in 2006 has been delivering world class services to our clients within the State of Qatar. CBMFM is one of the leading Integrated Facilities Management companies in Qatar and continues to provide wide range of services including technical maintenance, MEP, HVAC, electrical, reception, cleaning and management to a diverse range of customers, from the Oil and Gas sector to Commercial, Residential, Retail and other industrial locations throughout Qatar.

2016 was another challenging year for facility management opportunities in Qatar. Nevertheless, FM market continued to show a modest growth, as less projects were completed than anticipated in previous years.

Despite the competition, CBMFM has won a prestigious maintenance support contract from Qatar Foundation. CBMFM will be responsible for maintaining 27 facilities across Qatar. The facilities include the iconic Qatar National Convention Center (QNCC) and the Qatar Science & Technology Park (QSTP). The initial 5-year contract will require the deployment of a significant number of operational personnel and the scope of services involves all corrective, reactive and planned preventative maintenance for a variety of assets.

Having won such a prestigious contract, CBMFM proved its credentials in the business as well as the ability to deliver world class FM service to large clients.

CBMFM is accredited with OHSAS 18001:2007 and ISO 14001:2004. It demonstrates our concern to the welfare of our employees health safety and environment.

CBMFM is well positioned for new opportunities in 2017 and beyond.

COFELY BESIX MANNAI facility management

MEFMA MIDDLE EAST FACILITY MANAGEMENT ASSOCIATION

Axiom Telecom

Mannai Corporation acquired a 35% shareholding interest in Axiom Limited (Axiom) as a part of its diversification strategy in 2011.

Axiom is the Middle East's leading multi-brand, multi-channel distributor of mobile telecommunications handsets, accessories and telecom services.

Axiom employs over 1,950 employees, a portfolio of 525 retail points and reaches over 6,000 points of sale across the region. The Company has a presence in the United Arab Emirates (UAE), Saudi Arabia (KSA) and Bahrain. Axiom generates revenue from the sale and service of mobile handsets and accessories (referred to as "mobile devices") and telecommunications services via its partnerships with mobile telecommunications operators (referred to as "telecom services"). The Company is a strategic partner of major telecommunication operator such as du (UAE) and Zain (KSA), and sells a full range of products sourced directly from major brands, including Samsung, Apple, BlackBerry, Huawei, Lenovo, Microsoft, HTC, Sony and LG.

Key strengths:

- Middle East handset and telecom services market leader
- Unique partnerships with world's top mobility businesses
- Multi-brand, multi-channel strategy
- Customer loyalty continually bolstered via a comprehensive range of value-added services
- Reputation for innovation, including introducing key products to market ahead of its competitors

Throughout 2017 and beyond, Axiom aims to ramp up its business by:

- Fine-tuning and developing new value added services to pre-empt or to react to customer needs
- Continue revamping key retail outlets with the new design concept, providing a clean and modern look with a much more customer friendly layout
- Launching Switch – a brand new service that allow consumers to personalize their device with options such as gold plating, laser engraving and printing
- Continue to leverage existing distribution channels to bring must have products to market ahead of the curve. Some examples are shown below

Four mobile:

Four was born out of a deep desire to offer mobility to everyone with no restriction on expressing their personalities across all aspects of their lives. Four offers fulfillment and relates to engaging with life (across all four corners of the globe) with energy and self-expression.

Four will continue to provide high quality, affordable phones with excellent features and specifications.

Phone2:

Phone2 is a new initiative that allows customers to get the best value for their old handsets (through our Trade In service), which are then graded as per the device condition and then resold to new customers as a second hand phone (under Phone2 brand). Depending on the device's cosmetic quality, the devices are ranked as either platinum, gold, silver or bronze. All devices are scanned, with data being wiped for security and are 100 percent checked for functionality. Every Phone2 device is sold with a warranty from Axiom and all handsets come with high-quality accessories.

Salik:

Axiom has been a distributor for Salik (toll gate) top up vouchers to customers from all points of presence in UAE. Another great initiative from Axiom which provides further convenience to customers who need to top up the credit on their Salik tag.

MANNAI CORPORATION Q.P.S.C. DOHA - QATAR

CONSOLIDATED FINANCIAL STATEMENTS

AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED DECEMBER 31, 2016

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flydubai

INDEPENDENT AUDITOR'S REPORT

To the Shareholders
Mannai Corporation Q.P.S.C.
Doha – Qatar

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Mannai Corporation Q.P.S.C. ("the Company"), and its subsidiaries (together "the Group") which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2016, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Key Audit Matters

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

Key audit matters	How our audit addressed the key audit matters.
Revenue recognition The Group reported revenue of QR. 4.88 billion from the following principal activities: • Automotive; • Luxury goods; and • Information Technology and related services. We have considered this as a key audit matter due to the estimates and judgements involved in the accuracy, occurrence and completeness of revenue recognized in general and the timing of revenue recognition, particularly for IT related services revenue. Refer to the following notes to the consolidated financial statements: Note 3 – Significant accounting policies Note 4 – Critical judgments and key sources of estimation uncertainty Note 20 – Segment reporting	We tested revenue through a combination of controls testing, data analytics and substantive audit procedures covering, in particular: » Understanding the significant revenue processes and identifying the relevant controls (including IT systems, interfaces and reports); » Assessed the Group's selected accounting policies and checked compliance of revenue recognition therewith; » Testing of manual and automated controls around the significant revenue streams; » Performed data analysis and analytical reviews on significant revenue streams; and » Reviewed IT contracts to understand the terms of engagement and point of recognition as assessed by management. Consistent audit procedures have also been applied by component auditors on significant Group entities based on our instructions.

Key audit matters	How our audit addressed the key audit matters.
Carrying value of intangible assets, including goodwill The Group has the following significant intangible assets, including goodwill, in the consolidated statement of financial position: » Goodwill related to subsidiary, with a carrying value of QR. 530 million and goodwill embedded in the carrying value of an associate, of QR. 741 million; and » other intangible assets, such as trademark, of QR. 670 million that resulted from an acquisition in the prior year. The assessment of impairment indicators, when applicable, and the estimation of the recoverable amounts of these assets involves Management's significant judgements and estimates. Refer to the following notes to the consolidated financial statements for further details: Note 3 – Significant accounting policies Note 4 – Critical judgements and key sources of estimation uncertainty Note 10 – Investment in associate companies Note 11 – Goodwill and other intangible assets	For the assets within scope of IAS 36, Impairment of Assets, we challenged the Group's assessment of: » Determination of cash generating units (CGUs); and » Indicators which would trigger an impairment assessment, where applicable. We focused our testing on impairment assessment models and key assumptions applied by management. Our audit procedures included the following: » Obtained and analyzed the Board of Directors approved business plans for each CGU for the reasonableness of key assumptions; » Assessed whether the methodology used by management to estimate the value in use of applicable cash generating units ("CGU") comply with the requirements of IAS 36 Impairment of Assets; » Checked the mathematical accuracy of Management's workings. » Assessed the methodology used by the Group to estimate Weighted Average Cost of Capital (WACC) and corroborate discount rates used with broader sector related guidelines; » Assessed the reasonableness of assumptions used for long term growth rates based on growth forecast in local GDP and long term inflation expectations; and » Cross checked values with market multiples, where applicable. We performed sensitivity analysis on the key assumptions used by management to understand the impact of changes in key assumptions on headroom availability. Furthermore, we instructed auditors of the Group's significant entities to perform consistent audit procedures on the carrying value of intangible assets, including goodwill. We also assessed the appropriateness of the related disclosures in notes 3, 4, 10 and 11 of the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters (Continued)

Key audit matters	How our audit addressed the key audit matters.
Acquisition, classification and accounting of Gfi Informatique The Group has acquired 51.24% interest in Gfi Informatique, a company listed in France, during the year. The acquisition is in a new territory for the Group and the accounting for this acquisition involves judgement, including the appropriate classification (associate, joint-venture, or subsidiary) and estimates in relation to the identification and valuation of acquired intangible assets including goodwill. The Group has assessed that it has significant influence over Gfi and classified this new investment as an associate with a carrying value of QR. 1,182 million at the year-end. As a result of this acquisition the following intangible assets embedded in the carrying value of the associate, were identified: » Customer contracts and relationships of QR. 211 million; and goodwill of QR. 926 million. » Refer to the following notes to the consolidated financial statements: Note 3 – Significant accounting policies Note 4 – Critical judgements and key sources of estimation uncertainty Note 10 – Investment in associate companies Note 29 – Acquisition of an associate	We reviewed the sale and purchase agreement and the shareholders' agreement, and discussed the substance of the arrangement with management, validating, where appropriate, to supporting evidence. » We audited the acquisition accounting noting in particular the requirements of IFRS 10 ("Consolidated Financial statements"), IFRS 11 ("Joint Arrangements) and IAS 28 (Investment in Associates and Joint Ventures) in assessing the appropriateness of classification. » We involved our expert in reviewing the purchase price allocation performed by management, especially the identification and classification of intangible assets, valuation of identified assets and liabilities and assessing reasonableness of useful lives of identified assets. » We evaluated management's assumptions and methodology supporting the fair values of net assets acquired and intangible assets identified and valued, by reference to, amongst other things, historical trends, customer attrition rates and other assumptions used in similar historical acquisitions. » We also tested the validity and completeness of consideration by reference to supporting evidence. We also assessed the adequacy and presentation of the related disclosures in the note 3, 4, 10 and 28 to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the Director and Group Chief Executive Officer's report, which we obtained prior to the date of this report, and the Chairman's Report, Financial Highlights, Business Review of 2016 and the Corporate Governance Report, which are expected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure is inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

Furthermore, as required by the Qatar Commercial Companies Law, we report the following:

- We are also of the opinion that proper books of account were maintained by the Group, physical inventory verification has been duly carried out and the contents of the directors' report are in agreement with the Group's accompanying consolidated financial statements.

- We have obtained all the information and explanations which we considered necessary for the purpose of our audit.

- To the best of our knowledge and belief and according to the information given to us, no contraventions of the applicable provisions of Qatar Commercial Companies Law and the Company's Bylaws were committed during the year which would materially affect the Group's financial position or its performance.

Doha – Qatar
February 28, 2017

For **Deloitte & Touche**
Qatar Branch

Muhammad Bahemia
Partner
License No. 103

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2016

	Notes	2016	2015
		QR '000	QR '000
ASSETS			
Current assets			
Bank balances and cash	5	**153,440**	150,302
Accounts receivable and prepayments	6	**893,204**	1,008,425
Amounts due from related parties	25(b)	**33,886**	36,448
Inventories	7	**2,358,072**	2,631,197
Total current assets		**3,438,602**	3,826,372
Non-current assets			
Accounts receivable and prepayments	6	**43,979**	35,740
Amounts due from related parties	25(b)	**32,544**	16,646
Available for sale investments	8	**40,034**	43,688
Investment in joint venture companies	9	**15,813**	24,128
Investment in associate companies	10	**2,417,600**	1,187,660
Goodwill and other intangible assets	11	**1,208,207**	1,210,727
Property, plant and equipment	12	**437,716**	411,132
Investment properties	13	**97,416**	103,567
Total non-current assets		**4,293,309**	3,033,288
Total assets		**7,731,911**	6,859,660

The accompanying notes are an integral part of these Consolidated Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2016

	Notes	2016	2015
		QR '000	QR '000
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Bank overdrafts	5	**165,213**	288,519
Interest bearing loans and borrowings	14	**1,377,917**	998,334
Amounts due to related parties	25(b)	**2,426**	1,041
Accounts payable and accruals	15	**1,171,587**	1,535,239
Total current liabilities		**2,717,143**	2,823,133
Non-current liabilities			
Interest bearing loans and borrowings	14	**2,306,310**	1,498,400
Accounts payable and accruals	15	**18,066**	17,393
Employees' end of service benefits	16	**112,235**	112,312
Total non-current liabilities		**2,436,611**	1,628,105
Total liabilities		**5,153,754**	4,451,238
Equity			
Share capital	17	**456,192**	456,192
Legal reserve	18(a)	**1,083,456**	1,083,456
Revaluation reserve		**4,630**	4,630
Foreign currency translation reserve		**(143,743)**	(13,994)
Proposed dividends	19	**182,477**	228,096
Retained earnings		**1,583,312**	1,238,093
Acquisition reserve	18(b)	**(588,058)**	(588,058)
Equity attributable to shareholders of the Company		**2,578,266**	2,408,415
Non-controlling interests		**(109)**	7
Total equity		**2,578,157**	2,408,422
Total liabilities and equity		**7,731,911**	6,859,660

These consolidated financial statements were approved by the Board of Directors and authorised for issue on February 28, 2017.

Sheikh Suhaim Bin Abdulla Al-Thani
Vice Chairman

Alekh Grewal
Director and Group Chief Executive Officer

The accompanying notes are an integral part of these Consolidated Financial Statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended December 31, 2016

	Notes	2016	2015
		QR '000	QR '000
Revenue		4,885,644	5,934,633
Direct costs		(3,700,979)	(4,592,758)
Gross profit		1,184,665	1,341,875
Other income	21	222,898	150,530
Share of results of joint ventures and associates - net	9&10	109,312	55,429
General and administrative expenses	22	(412,327)	(432,740)
Selling and distribution expenses	23	(331,091)	(391,489)
Profit before interest, depreciation and amortisation		773,457	723,605
Finance costs		(127,651)	(94,747)
Depreciation and amortisation	11,12&13	(108,346)	(97,182)
Profit from continuing operations before tax		537,460	531,676
Income tax		(2,459)	(3,461)
Net profit for the year		535,001	528,215
Attributable to :			
Shareholders of the Company		535,117	532,781
Non-controlling interests		(116)	(4,566)
		535,001	528,215
Earnings per share:			
Basic and diluted earnings per share attributable to shareholders of the Company (QR)	24	11.73	11.68
Basic and diluted earnings per share from continuing operations attributable to shareholders of the Company (QR)	24	11.73	11.68

The accompanying notes are an integral part of these Consolidated Financial Statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended December 31, 2016

	2016	2015
	QR '000	QR '000
Net profit for the year	**535,001**	528,215
Other comprehensive loss		
Items that may be reclassified subsequently to statement of profit or loss:		
Foreign currency translation reserve		
Foreign currency translation adjustment	**(129,749)**	(4,455)
Total other comprehensive loss for the year	**(129,749)**	(4,455)
Total comprehensive income for the year	**405,252**	523,760
Attributable to:		
Shareholders of the Company	**405,368**	528,326
Non-controlling interests	**(116)**	(4,566)
	405,252	523,760

The accompanying notes are an integral part of these Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2016

	Share capital	Legal reserve	Revaluation reserve	Foreign currency translation reserve
	QR '000	QR '000	QR '000	QR '000
Balance – January 1, 2015	456,192	1,083,456	4,630	(9,539)
Total comprehensive income for the year	--	--	--	(4,455)
Dividends paid (Note 19)	--	--	--	--
Proposed dividend (Note 19)	--	--	--	--
Withdrawal of non-controlling interests	--	--	--	--
Social and sports contribution for 2015	--	--	--	--
Balance – December 31, 2015	456,192	1,083,456	4,630	(13,994)
Total comprehensive income for the year	--	--	--	(129,749)
Dividends paid (Note 19)	--	--	--	--
Proposed dividend (Note 19)	--	--	--	--
Social and sports contribution for 2016	--	--	--	--
Balance – December 31, 2016	**456,192**	**1,083,456**	**4,630**	**(143,743)**

The accompanying notes are an integral part of these Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2016

Proposed dividends	Acquisition reserve	Retained earnings	Equity attributable to shareholders of the Company	Non controlling interests	Total
QR '000	QR '000	QR '000	QR '000	QR '000	QR '000
273,715	(588,058)	940,987	2,161,383	4,795	2,166,178
--	--	532,781	528,326	(4,566)	523,760
(273,715)	--	--	(273,715)	--	(273,715)
228,096	--	(228,096)	--	--	--
--	--	--	--	(222)	(222)
--	--	(7,579)	(7,579)	--	(7,579)
228,096	(588,058)	1,238,093	2,408,415	7	2,408,422
--	--	535,117	405,368	(116)	405,252
(228,096)	--	--	(228,096)	--	(228,096)
182,477	--	(182,477)	--	--	--
--	--	(7,421)	(7,421)	--	(7,421)
182,477	**(588,058)**	**1,583,312**	**2,578,266**	**(109)**	**2,578,157**

The accompanying notes are an integral part of these Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2016

	2016	2015
	QR '000	QR '000
OPERATING ACTIVITIES		
Profit for the year before tax	**537,460**	531,676
Adjustments for:		
Depreciation and amortization	**108,346**	97,182
Impairment of property, plant and equipment	**3,160**	10,888
Impairment loss on accounts receivables, net	**8,621**	1,188
Impairment on available for sale investment, associates and joint ventures, net	**2,384**	1,334
Allowance for doubtful advance	**1,641**	--
Provisions/liabilities no longer required written back	**(7,663)**	--
Reversal of impairment allowances on Joint-venture	**--**	(4,944)
Write back/provision for obsolete and slow moving items, net	**(6,854)**	3,239
Gain on disposals of property, plant and equipment	**(3,407)**	(2,118)
Gain on disposals of investment property	**(28)**	(39,749)
Gain on operating lease premium received on closed shops	**(6,909)**	--
Finance income	**(2,342)**	--
Finance costs	**127,651**	94,747
Unrealised treasury gain	**--**	(17,954)
Share of results from joint ventures and associates	**(109,312)**	(55,429)
Provision for employees' end of service benefits	**20,390**	24,848
Operating profit before working capital changes	**673,138**	644,908
Working capital changes:		
Accounts receivables and prepayments	**92,200**	24,582
Inventories	**278,931**	(49,026)
Amounts due from/to related parties	**(11,743)**	(3,361)
Accounts payable and accruals	**(365,489)**	20,910
Cash from operations	**667,037**	638,013
Finance costs paid	**(119,508)**	(95,380)
Employees' end of service benefits paid	**(20,706)**	(11,853)
Social and sports contribution paid	**(7,579)**	(3,439)
Net cash generated from operating activities	**519,244**	527,341

The accompanying notes are an integral part of these Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2016

	2016	2015
	QR '000	QR '000
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(143,777)	(132,867)
Purchases of investment properties	--	(891)
Addition to intangible assets	(559)	(5,372)
Proceeds from disposal of property, plant and equipment	16,531	16,577
Proceeds from disposal of investment properties	594	46,346
Proceeds/acquisition of available for sale of investment	2,032	(2,075)
Proceeds from disposal of operating lease premium	6,941	--
Acquisition of investment in associate	(1,329,726)	--
Interest received	2,134	--
Acquisition of investment in joint venture company	--	(2,550)
Dividend received from joint ventures and associates	87,827	46,480
Net cash used in investing activities	(1,358,003)	(34,352)
FINANCING ACTIVITIES		
Net movements in interest bearing loans and borrowings	1,187,493	(122,518)
Dividend paid	(227,858)	(273,476)
Net cash generated/ (used in) financing activities	959,635	(395,994)
NET INCREASE IN CASH AND CASH EQUIVALENTS	120,876	96,995
Cash and cash equivalents at the beginning of the year	(145,908)	(242,903)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 5)	(25,032)	(145,908)

The accompanying notes are an integral part of these Consolidated Financial Statements

1. CORPORATE INFORMATION

Mannai Corporation Q.P.S.C. (the "Company") is registered as a Qatari Shareholding Company in the State of Qatar with the Ministry of Economy and Commerce under Commercial Registration Number 12. The registered office of the Company is situated in Doha, State of Qatar. The Company is listed on the Qatar Stock Exchange.

The core activities of the Company and its subsidiaries (together referred to as the "Group") include information and communication technology, automotive and heavy equipment distribution and service, geotechnical, geological, environmental and material testing services, engineering services to the oil & gas sector, logistics and warehousing, office systems, medical equipment, building materials, travel services, home appliances and electronics, trading and representation, facilities maintenance and management services and trading in gold and gold jewellery, diamond jewellery, pearls, watches, silver and precious stones on wholesale and retail basis.

The consolidated financial statements include the financial statements of the Company and its controlled subsidiaries listed below:

			Group's effective shareholding percentage	
Name of subsidiary	**Principal activities**	**Country of incorporation**	**December 31, 2016**	December 31, 2015
Mannai Trading Company W.L.L.	Trading and services	Qatar	**100**	100
Manweir L.L.C.	Engineering	Qatar	**100**	100
Gulf Laboratories Company W.L.L.	Geotechnical services	Qatar	**100**	100
Space Travel W.L.L.	Travel	Qatar	**100**	100
Qatar Logistics W.L.L.	Logistics	Qatar	**100**	100
Technical Services Company W.L.L.	Representations	Qatar	**100**	100
Mansoft Qatar W.L.L.	Information technology	Qatar	**100**	100
Mansoft Solutions and Systems (UAE) L.L.C.	Information technology	UAE	**100**	100
Techsignia Solutions Pvt. Ltd.	Information technology	India	**100**	100
Gulf Geotechnical Services and Material Testing L.L.C.	Geotechnical services	Oman	**100**	100
Global Trading Center FZCO	Auto	UAE	**100**	100
Damas International Limited	Jewellery trading	UAE	**100**	100
GTC Otomotiv Anonim Sirketi	Auto	Turkey	**100**	100
Mannai Network & Solution L.L.C.	Information technology	Oman	**100**	100
Utility Network Co.	Information technology	Saudi	**--**	100
Damas L.L.C.	Jewellery trading	UAE	**100**	100
Damas Jewellery L.L.C.	Jewellery trading	UAE	**100**	100
Damas Jewellery D.M.C.C.	Jewellery trading	UAE	**100**	100
Damas Folli Follie L.L.C.	Jewellery trading	UAE	**51**	51
Ayodhya Jewellers L.L.C.	Jewellery trading	UAE	**100**	100
The Watch Studio L.L.C.	Jewellery trading	UAE	**100**	100

Name of subsidiary	Principal activities	Group's effective shareholding percentage		
		Country of incorporation	December 31, 2016	December 31, 2015
Arshi Jewellery L.L.C.	Jewellery trading	UAE	**75**	75
Damas Jewellery Manufacturing Company	Jewellery trading	UAE	**75**	75
Damas SPV Jewellery L.L.C.	Jewellery trading	UAE	**100**	100
Premium Investments International L.L.C.	Jewellery trading	UAE	**100**	100
Damas SPV Jewellery L.L.C.	Jewellery trading	UAE	**100**	100
Gem Universe L.L.C.	Jewellery trading	Oman	**100**	100
Damas Company W.L.L.	Jewellery trading	Bahrain	**100**	100
Damas Jewellery Kuwait Company W.L.L.	Jewellery trading	Kuwait	**100**	100
Damas Saudi Arabia Company Limited	Jewellery trading	KSA	**98**	98
Damas Accessories L.L.C.	Jewellery trading	KSA	**100**	100
Ayodhya Jewellery L.L.C.	Jewellery trading	KSA	**100**	100
Golden Investments Limited	Investing	UAE	**100**	100
Golden Investments Holdings Limited	Investing	UAE	**100**	100
Golden Investments Services Limited	Investing	UAE	**100**	100
Global Motor Sports S.P.C.	Auto	Qatar	**100**	100
NYX Information Technology	Information technology	Turkey	**100**	--

Mannai Trading Company W.L.L. and Damas International Limited are the material subsidiaries of the Group.

During the year, the Group acquired 51.24% interest in Gfi Informatique ("Gfi"). The investment has been classified as an associate.

Axiom Limited and Gfi are significant associates of the Group.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.1 New and revised IFRSs that are mandatorily effective

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2016, have been adopted in these consolidated financial statements.

- IFRS 14 ***Regulatory Deferral Accounts***
- Amendments to IAS 1 ***Presentation of Financial Statements*** relating to Disclosure initiative
- Amendments to IFRS 11 ***Joint arrangements*** relating to accounting for acquisitions of interests in joint operations
- Amendments to IAS 16 ***Property, Plant and Equipment*** and IAS 38 Intangible Assets relating to clarification of acceptable methods of depreciation and amortisation
- Amendments to IAS 16 ***Property, Plant and Equipment*** and IAS 41 Agriculture to bring in bearer plants into the scope of IAS 16
- Amendments to IAS 27 ***Separate Financial Statements*** relating to accounting investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements
- Amendments to IFRS 10 ***Consolidated Financial Statements,*** IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates and Joint Ventures relating to applying the consolidation exception for investment entities
- Annual Improvements to IFRSs 2012 – 2014 Cycle covering amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34

The application of these revised IFRSs had no material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

2.2 New and revised IFRSs in issue but not yet effective

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

New and revised IFRSs	Effective for annual periods beginning on or after
Annual Improvements to IFRS Standards 2014 – 2016 Cycle amending IFRS 1, IFRS 12 and IAS 28	The amendments to IFRS 1 and IAS 28 are effective for annual periods beginning on or after January 1, 2018, the amendment to IFRS 12 for annual periods beginning on or after January 1, 2017
Amendments to IAS 12 ***Income Taxes*** relating to the recognition of deferred tax assets for unrealised losses	January 1, 2017

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IAS 7 ***Statement of Cash Flows*** to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.	January 1, 2017
IFRIC 22 ***Foreign Currency Transactions and Advance Consideration***	January 1, 2018
The interpretation addresses foreign currency transactions or parts of transactions where: • there is consideration that is denominated or priced in a foreign currency; • the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and • the prepayment asset or deferred income liability is non-monetary.	
Amendments to IFRS 2 ***Share Based Payment*** regarding classification and measurement of share based payment transactions.	January 1, 2018
Amendments to IFRS 4 ***Insurance Contracts:*** Relating to the different effective dates of IFRS 9 and the forthcoming new insurance contracts standard.	January 1, 2018
Amendments to IAS 40 ***Investment Property:*** Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The paragraph has been amended to state that the list of examples therein is non-exhaustive.	January 1, 2018
Amendments to IFRS 7 ***Financial Instruments:*** Disclosures relating to disclosures about the initial application of IFRS 9.	When IFRS 9 is first applied
IFRS 7 ***Financial Instruments:*** Disclosures relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9.	When IFRS 9 is first applied

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Continued)

2.2 New and revised IFRSs in issue but not yet effective (Continued)

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 9 *Financial Instruments* (revised versions in 2009, 2010, 2013 and 2014)	January 1, 2018

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement.
The standard contains requirements in the following areas:

- **Classification and measurement:** Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.

- **Impairment:** The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised.

- **Hedge accounting:** Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.

- **Derecognition:** The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

IFRS 15 *Revenue from Contracts with Customers*	January 1, 2018

In May 2014, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IFRS 15 ***Revenue from Contracts with Customers*** to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.	January 1, 2018
IFRS 16 ***Leases***	January 1, 2019
IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	
Amendments to IFRS 10 ***Consolidated Financial Statements*** and IAS 28 ***Investments in Associates and Joint Ventures*** (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.	Effective date deferred indefinitely

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IFRS 9, IFRS 15 and IFRS 16, may have no material impact on the consolidated financial statements of the Group in the period of initial application.

Management anticipates that IFRS 15 and IFRS 9 will be adopted in the Group's consolidated financial statements for the annual period beginning January 1, 2018 and that IFRS 16 will be adopted in the Group's consolidated financial statements for the annual period beginning January 1, 2019. The application of IFRS 15 and IFRS 9 may have significant impact on amounts reported and disclosures made in the Group's consolidated financial statements in respect of revenue from contracts with customers and the Group's financial assets and financial liabilities and the application of IFRS 16 may have significant impact on amounts reported and disclosures made in the Group's consolidated financial statements in respect of its leases.

However, management have not yet performed a detailed analysis of the impact of the application of these Standards and hence have not yet quantified the extent of the impact.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the applicable provisions of Qatar Commercial Company Law.

Basis of preparation

The consolidated financial statements have been prepared under the historical cost basis, except for land and building classified as property, plant and equipment at revalued amount, and derivative financial instruments and available-for-sale financial assets that are measured at fair value, respectively.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

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

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

These consolidated financial statements are presented in Qatari Riyal (QR), which is the Group's functional and presentation currency. All numbers are presented in thousands of Qatari Riyals, except as otherwise stated. The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Group. Control is achieved when the Group:

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

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

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Basis of consolidation (consolidated)

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Business combination

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

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

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in the statement of profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (12 months after the acquisition) to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

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

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised directly in the statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint arrangement is classified as joint venture whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted here after to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

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

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

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates and joint ventures (Continued)

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

Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Such cost includes borrowing costs for long-term construction projects if the recognition criteria are met. Land and capital work-in-progress are not depreciated.

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

Land and buildings are stated at revalued amount and for buildings less accumulated depreciation and impairment losses recognised after the date of the revaluation. Valuations are performed frequently enough to ensure that the fair value of the asset does not differ materially from its carrying amount.

Any revaluation surplus is credited to the assets revaluation reserve included in the equity section of the statement of financial position, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the statement of profit or loss, in which case the increase is recognised in statement of profit or loss. A revaluation deficit is recognised in statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	10-30 years
Plant, machinery and equipment	3-15 years
Office furniture and equipment	3-5 years
Motor vehicles	3-5 years
Assets on hire	3-5 years

Maintenance, repairs and minor improvements are charged to the statement of profit or loss as and when incurred. Major improvements and replacements are capitalised.

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

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

The assets' useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

Investment property

Investment property comprises property held for capital appreciation, rental yields or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is carried at cost less accumulated depreciation and impairment losses, if any.

Land held for undetermined use is classified as investment property and is not depreciated.

When the development of investment property commences, it is transferred to capital work-in-progress until development is complete, at which time it is transferred to the respective category, and depreciated on the straight-line method, at the rate calculated to reduce the cost of the asset to its estimated residual value over its expected useful life, as follows:

Buildings	20 years

Any expenditure that results in the maintenance of property to an acceptable standard or specification is treated as repairs and maintenance and is expensed in the period in which it is incurred.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the period in which the property is derecognised.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expensed in the period in which the expenditures are incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss as the expense category that is consistent with the function of the intangible assets. Intangible assets with finite lives are as follows:

Customer relationship	5-20 years
Order backlog	3 years
Other intangible assets	4 years

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Impairment of tangible and intangible assets

At each reporting period, the Group assesses whether there is an indication that an asset (tangible or intangible excluding goodwill) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of tangible and intangible assets (Continued)

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets (excluding goodwill), an assessment is made at each reporting period whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or Cash Generating Unit's (CGUs) recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

The following assets have specific characteristics for impairment testing:

Goodwill
Goodwill is tested for impairment annually (as at December 31) and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets
Intangible assets with indefinite useful lives are tested for impairment annually, either individually or at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Inventories

Inventories are stated at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items. Costs are those expenses incurred in bringing each product to its present location and condition as follows:

Spare parts andmerchandise -	purchase cost on a weighted average cost basis
Vehicles -	purchase cost on specific identification basis
Work-in-progress -	cost of direct materials, labour and other direct costs
Diamond jewellery, pearl jewellery, watches and precious stones*	purchase cost on specific identification basis
Gold and gold jewellery	purchase cost on a weighted average cost basis
Others	purchase cost on a first-in-first-out (FIFO) basis

*Making charges related to inventory of own and unfixed gold jewellery is included in inventories.

Net realizable value represents the estimated selling price less all cost expected to be incurred to completion or disposal.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Employees' end of service benefits

The Group provides end of service benefits to its employees in accordance with the employment policies of the Group. The provision is calculated on the basis of individual's final salary and the period of service at the reporting date.

With respect to Qatari employees, the Group makes contribution to the Qatari Pension Fund calculated on a percentage of the employees' salaries, in accordance with the Retirement and Pension Law No. 24 of 2002. The Group's obligations are limited to these contributions.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value plus transaction cost.

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Available for sale investments
Available-for-sale financial investments comprise of equity securities. Equity securities classified as available-for-sale are those that are neither classified as held for trading nor designated at fair value through profit or loss.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income and accumulated in the fair value reserve in equity until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the fair value reserve to the statement of profit or loss.

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

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. After initial measurement, loans and receivables (including trade and other receivables, bank balances and others) are subsequently measured at amortised cost using the effective interest rate method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for impairment at each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

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

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

I. significant financial difficulty of the issuer or counterparty; or
II. default or delinquency in interest or principal payments; or
III. it is becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
IV. the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30-180 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.

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

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to the statement of profit or loss.

In respect of available for sale equity securities, impairment losses previously recognised in the statement of profit or loss are not reversed through statement of profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in the statement of profit or loss and other comprehensive income and accumulated under the heading of fair value reserve in the statement of changes in equity.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derecognition of financial assets

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

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

Financial liabilities and equity instruments

Equity instruments

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

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL
Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the statement of profit or loss.

Other financial liabilities
Financial liabilities that are not classified as FVTPL (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to market risk. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Revenue recognition

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

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

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

Rendering of services
Revenue from rendering of services is recognised when the outcome of the transaction can be estimated reliably, by reference to the stage of completion of the transaction at the reporting date.

Investment income
Income from investments other than joint venture is either accounted for on an accrual basis or when right to receive the income is established.

Interest income
Interest received under instalment credit sale agreement and bank deposits is accounted for on a time proportion basis taking into account the principal outstanding and interest rate applicable.

Rental income
Rental income is accounted for when earned.

Leasing

Group as lessee
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Group as lessor
Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.
Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Taxation

Taxes are calculated based on applicable tax laws or regulations in which the Group operates.

Current tax
The current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign exchange difference

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

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Qatari Riyal using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during that year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

4. CRITICAL JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

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

Classification of investments
Management decides on acquisition of an investment whether it should be classified as financial assets carried at fair value through profit and loss (FVTPL), held to maturity investments or available for sale financial assets.

The Group classifies investments as fair value though profit and loss (FVTPL), if they are acquired primarily for the purpose of making a short term profit by the Group or held for trading.

All other investments are classified as available for sale investments.

Investments in joint ventures and associates are assessed and classified based on management's judgement and in accordance with the provisions of IFRSs.

During the year, the Group acquired 51.24% interest in Gfi Informatique, a company listed in France. Management concluded that the Group has significant influence and classified the investment as an associate based on the shareholders' agreement and related documentation.

Impairment of available-for-sale financial assets
The Group follows the guidance of IAS 39 Financial Instruments: Recognition and Measurement to determine whether an available-for-sale financial asset is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook of the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

Management recognises the decline in the fair value of available-for-sale investments in the statement of profit or loss as impairment loss when there is a significant or prolonged decline in the fair value of the security below its cost.

Impairment of tangible and intangible assets
The Group's management evaluates whether there are internal and external indicators of impairment of its tangible and intangible assets. Management has not noted any indicators of impairment during the year.

Impairment of investments in joint ventures and associates
Management regularly reviews its investments in joint ventures and associates for indicators of impairment. In determination of whether indicators of impairment exist in investments in joint ventures and associates, Management evaluates the specific investee's profitability, liquidity, solvency and ability to generate operating cash flows from the date of acquisition and until the foreseeable future. Management is satisfied that no indication exists on its investments in joint ventures and associates.

Classification of properties
In the process of classifying properties, management has made various judgements. Judgement is needed to determine whether a property qualifies as an investment property, property, plant and equipment and/or property held for resale. The Group develops criteria so that it can exercise that judgement consistently in accordance with the definitions of investment property, property, plant and equipment and property held for resale. In making its judgement, management considered the detailed criteria and related guidance for the classification of properties as set out in IAS 16 and IAS 40, in particular, the intended usage of property as determined by the management.

Revenue recognition
Management has considered the detailed criteria for the recognition of revenue from the sale of goods set out in IAS 18: Revenue, and in particular whether the Group has transferred risks and rewards of ownership of the goods. Based on the acceptance by the customer of the liability for the goods sold and proof of receipt of the goods by the customers, management is satisfied that the significant risks and rewards have been transferred and the recognition of the revenue is appropriate.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Impairment of goodwill, other intangible assets and investment in associate
The Group carries out impairment testing annually in respect of goodwill attributable to its subsidiaries, tradename and its investment in associate where there is an impairment indicator. In carrying out the impairment analysis, the Group makes the following estimates which are critical:

Growth rate
The growth rate is based on board approved business plan for the respective assets/ CGUs. Refer to Notes 10 and 11 for further details.

Discount rate
Management discounts the cash flows using its weighted average cost of capital estimated by adopting the Capital Asset Pricing Model and having reference to Mannai Group WACC rate of 9%.

Management performs sensitivity analysis to assess the impact of changes in key management assumptions on availability of headroom.

Fair value of investment properties
The best evidence of fair value is current prices in an active market for similar properties. In the absence of such information, the Group determined the amount within a range of reasonable fair value estimates. The Group considered recent prices of similar properties in the same location and similar conditions, with adjustments to reflect any changes in the nature, location or economic conditions since the date of the transactions that occurred at those prices. Such estimation is based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results.

The determination of the fair value of revenue-generating properties requires the use of estimates such as future cash flows from assets (such as leasing, tenants' profiles, future revenue streams, capital values of fixtures and fittings, and the overall repair and condition of the property) and discount rates applicable to those assets. These estimates are based on local market conditions existing at the end of the reporting period. Certain specified properties which would not reasonably have a comparable market value due to the specific nature of the property, have been valued at historical replacement cost.

In arriving at the estimates of market values as at December 31, 2016, the valuers have use their market knowledge and professional judgement and have not only relied solely on historic transactional comparable. In these circumstances, there is greater degree of uncertainty than which exists in a more active market in estimating market values of investment property.

Fair value measurements and valuation processes
Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the respective notes.

Tangible and intangible assets useful lives
The Group's management determines the useful lives and related depreciation or amortization charge of the tangible or intangible assets. The depreciation or amortization charge for the year will change significantly if actual life is different from the estimated useful life of the asset.

4. CRITICAL JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Impairment of financial assets
The Group's management periodically reviews items classified as receivables to assess whether a provision for impairment should be recorded in the statement of profit or loss. Management estimates the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgement and uncertainty. Management is confident that the impairment recorded on receivables is adequate.

Impairment of inventories
Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision is applied according to the inventory type and the degree of ageing or obsolescence, based on anticipated selling prices. Management is confident that the impairment recorded on inventories is adequate.

Furthermore, an estimate of the collectible amount of gold unfixed with trade receivables is made when recovery of inventories are no longer probable or the cash margins are not securing these inventories are not sufficient to cover the exposure.

Amortisation of customer relationship and order backlog
The Group's management determines the useful lives and related amortization charge of the intangible assets. The amortization charge for the year will change significantly if any of the estimates are different from the current assumptions used.

5. CASH AND CASH EQUIVALENTS

	2016	2015
	QR '000	QR '000
Bank balances and cash	153,440	150,302
Less: Fixed and margin deposits under lien	(13,259)	(7,691)
	140,181	142,611
Less: Bank overdrafts	(165,213)	(288,519)
Cash and cash equivalents	(25,032)	(145,908)

6. ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2016	2015
	QR '000	QR '000
Trade accounts receivable	682,338	725,748
Less : Allowance for impairment	(30,177)	(22,796)
	652,161	702,952
Advances to suppliers, net	28,422	67,159
Notes receivable	99,048	91,483
Prepayments	55,508	60,463
Deposits	20,372	21,678
Accrued income	34,633	33,128
Others	47,039	67,302
	937,183	1,044,165

Presented in the consolidated statement of financial position as follows:

	2016	2015
	QR '000	QR '000
Current	893,204	1,008,425
Non-current	43,979	35,740
	937,183	1,044,165

The movement in allowance for impairment is as follows:

	2016	2015
	QR '000	QR '000
At January 1,	22,796	145,677
Provision during the year	8,621	4,695
Written off during the year	(1,240)	(124,069)
Write back during the year	--	(3,507)
At December 31,	30,177	22,796

As at December 31, the ageing of unimpaired accounts receivable and notes receivable were as follows:

	2016	2015
	QR '000	QR '000
Aging of neither past due nor impaired		
Up to 180 days	368,854	484,425
Aging of past due but not impaired		
0 – 90 days	195,254	149,693
90 – 180 days	81,023	53,465
180 + days	75,901	84,056
Total	352,178	287,214
Aging of impaired receivables		
Over180 days	30,177	22,796

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables.

7. INVENTORIES

	2016	2015
	QR '000	QR '000
Gold and other jewelleries	1,279,243	1,418,466
Work-in-progress	581,671	619,939
Merchandises, spares and tools	429,726	470,584
Vehicles and heavy equipment	234,737	298,948
Industrial supplies	20,072	23,042
Others	6,740	4,812
	2,552,189	2,835,791
Less: Provision for obsolete and slow moving items	(194,117)	(204,594)
	2,358,072	2,631,197

The Group in the normal course of business borrows gold on an unfixed basis which it converts into gold jewellery or trades as bullion. This jewellery and bullion is further used as stock in trade and is sold to various customers on a fixed or unfixed basis. The Group reduces the exposure to gold price by borrowing gold on an unfixed basis. These are then sold as manufactured jewellery or bullion, at which point, the price will be fixed at the spot rate on the sale date.

The Group provides gold on an unfixed basis to various consignment venturers, debtors, associates and joint ventures without any margin and to certain parties against cash margin.

Movements in the provision for slow moving and obsolete inventories are as follows:

	2016	2015
	QR '000	QR '000
At January 1,	204,594	203,352
Provision during the year	23,177	31,564
Write back during the year	(30,031)	(28,325)
Amount written off	(5,469)	(2,057)
Reclassification	1,048	--
Exchange loss on foreign currency translation	798	60
At December 31,	194,117	204,594

8. AVAILABLE FOR SALE INVESTMENTS

	2016	2015
	QR '000	QR '000
Unquoted investments :		
At January 1,	43,688	42,947
Additions	--	2,075
Disposals	(2,032)	--
Impairment loss	(1,700)	(1,334)
Exchange gain on foreign currency translation	78	--
At December 31,	40,034	43,688

Note (a): At December 31, 2016, available for sale investments include certain investments in unquoted equity shares and unquoted equity funds amounting to QR 13.4 million (2015: QR. 14.9 million) carried at fair value. The fair value of the unquoted equity shares is based on the net asset value of the underlying investments provided by the fund manager/investee companies.

Note (b): At December 31, 2016, certain unquoted equity investments amounting to QR. 26.6 million (2015: QR 28.7 million) were carried at cost less impairment due to non-availability of quoted market prices or other reliable measures of their fair value.

Note (c): At December 31, 2016, an impairment loss of QR. 1.7 million (2015: QR. 1.3 million) was recognised against available for sale investments based on the fair valuation and assessment of performance of those investments

9. INVESTMENT IN JOINT VENTURE COMPANIES

The Group has investments in the following joint venture companies:

Name	Country of incorporation	Ownership interest	
		2016	2015
Cofely Besix Mannai Facility Management L.L.C. (i)	Qatar	**51%**	51%
Gulf Land Survey W.L.L. (ii)	Qatar	**51%**	51%
Saint-Gobain Pam and Mannai L.L.C. (iii)	Qatar	**51%**	51%
Paspaley Pearl Jewellery L.L.C. (iv)	UAE	**51%**	51%
Roberto Coin Middle East L.L.C. (iv)	UAE	**51%**	51%

Principal activities of the Group's joint ventures are as follows:

I. Cofely Besix Mannai Facility Management L.L.C. is engaged in facilities and asset management business.
II. Gulf Land Survey W.L.L is primarily engaged in carrying on aerial, ground and underground survey business.
III. Saint-Gobain Pam and Mannai L.L.C. is engaged in distribution of ductile iron pipes, fittings and valves.
IV. Paspaley Pearl Jewellery L.L.C. and Roberto Coin Middle East L.L.C. are engaged in trading in gold and gold jewellery, diamond jewellery, pearls, watches, silver and precious stones.

Although the Group holds 51% equity in all of the above entities, decisions need unanimous consent of both parties and as such the investments are classified as joint ventures. Movements during the year are as follows:

	2016	2015
	QR '000	QR '000
At January 1,	**24,128**	18,306
Acquired during the year	**--**	2,550
Reversal of impairment on joint venture	**--**	4,944
Share of loss from joint ventures	**(973)**	(1,672)
Impairment of investment in joint venture	**(2,416)**	--
Reclassification	**(4,944)**	--
Effect on foreign currency translation	**18**	--
At December 31,	**15,813**	24,128
Aggregate information of joint ventures that are not individually material:		
The Group's share of loss from continuing operations	**(973)**	(1,672)
The Group's share of total comprehensive loss	**(973)**	(1,672)
Aggregate carrying amount of the Group's interest in these joint ventures	**15,813**	24,128

10. INVESTMENT IN ASSOCIATE COMPANIES

The Group holds investments in the following associate companies:

Name	Country of incorporation	Ownership interest 2016	2015
Gfi Informatique	France	**51.24%**	--
Axiom Limited	UAE	**35%**	35%
Daiso Japan Value Stores L.L.C.	UAE	**51%**	51%
LTC International General Trading Co	Kuwait	**35%**	35%
LTC International Qatar L.L.C.	Qatar	**50%**	50%
Daiso Trading	Bahrain	**35%**	35%
Al Mana Jewellery Co. - Damas W.L.L.	Qatar	**49%**	49%
Al Baraka Jewellery W.L.L.	Bahrain	**33.33%**	33.33%
Tanya Collections Ltd.	Thailand	**49%**	49%
TCO Damas Associates L.L.C.	UAE	**51%**	51%

The movements during the year are as follows:

	2016	2015
	QR '000	QR '000
At January 1,	**1,187,660**	1,177,040
Addition during the year	**1,329,726**	--
Dividends received	**(87,827)**	(46,480)
Share of profit from associates	**110,285**	57,101
Reversal of impairment (net)	**1,732**	--
Reclassification	**4,944**	--
Exchange difference on translation of foreign currency	**(128,920)**	(1)
At December 31,	**2,417,600**	1,187,660

Axiom Limited

Axiom Limited is engaged in import, retail and wholesale of various brands of mobile phones and related accessories and provision of related services.

The Group holds 35% equity in Axiom Telecom Limited which is engaged in import, retail and wholesale of various brands of mobile phones and related accessories and provision of related services, mainly in UAE and KSA markets. Certain amounts within the Axiom Limited's financial statements are based on management accounts.

Below is presented Axiom's summarised financial information:

	2016	2015
	QR '000	QR '000
Current assets	1,242,919	1,414,327
Non-current assets	414,320	318,738
Current liabilities	(1,220,377)	(1,329,944)
Non-current liabilities	(121,998)	(41,877)
Net assets	314,864	361,244
Proportion of Company's interest in associate's net assets	110,202	126,435
Revenue	6,760,877	7,856,722
Loss for the year	(30,884)	(8,176)
Other comprehensive income/(loss) for the year	487	(28,814)
Total comprehensive loss for the year	(30,397)	(36,990)
The Group's share of loss	(10,809)	(2,862)
The Group's share of other comprehensive income/ (loss)	170	(10,085)
The Group's share of total comprehensive loss	(10,639)	(12,947)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Axiom Limited recognised in the consolidated financial statements:

	2016	2015
	QR '000	QR '000
Net assets of the associate	314,864	361,244
Proportion of the Group's ownership interest	35%	35%
Share of net assets before goodwill	110,202	126,435
Goodwill	741,496	741,496
Other intangible assets identified	170,000	170,000
Other adjustments*	68,569	63,145
Carrying amount of the Group's interest	1,090,267	1,101,076

*Other adjustments include minor exchange difference and purchase price allocation adjustment at acquisition date.

In 2012, the Group completed the Purchase Price Allocation ("PPA") of its investment in Axiom Telecom Limited. Based on the purchase price consideration of QR 1,088 million, the goodwill was calculated as follows:

	Total 2016
	QR '000
Total consideration	1,088,000
Less: Group's share of fair value of the net identifiable assets	(346,504)
Goodwill (Included in the carrying amount of investment in Associate)	741,496

10. INVESTMENT IN ASSOCIATE COMPANIES (Continued)

Axiom Limited (Continued)

Allocation of goodwill to cash generating units and impairment assessment

Embedded goodwill, amounting to QR. 741 million which is attributable to the acquisition of Axiom Telecom Limited is tested for impairment as part of impairment testing of Axiom Telecom Limited, UAE as the associate is considered as a single cash generating unit (Axiom CGU). The recoverable amount of this cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on business plan and various scenarios of forecasts approved by the management covering a five-year period, and a discount rate of 9% (2015: 9%) per annum based on CAPM.

The associate's management has prepared Axiom's business plan which is approved by the Group's Board of Directors. Various scenarios have been defined from base case ('business as usual, normal growth') to 'business as usual + initiatives and high growth'. The budgeted growth rate is forecast in a CAGR range of 4.6% to 9.5% amongst the scenarios over the forecast period. The growth rate is based on Board of Directors' strategy and is considered achievable by management considering the nature of the industry, Axiom's positioning and the general growth in the economic activity witnessed in the countries where it operates. Terminal value has been derived by reference to the Gordon Growth Model assuming a steady level of operations beyond the discrete period using a terminal growth rate of 3.5% based on long term growth and inflation forecasts for UAE and KSA.

Any change in key assumptions on which the recoverable amount is based may cause the aggregate carrying amount including goodwill to exceed the aggregate recoverable amount of the cash-generating unit.

Gfi Informatique

Gfi Informatique is a major player in value-added IT services and software in Europe. Although, the Group acquired 51.24% equity in Gfi, the Group does not have the power to govern the financial and operating activities of this investee and thus, does not have control or joint control in this entity. The Group has assessed and concluded that it has significant influence over Gfi and has accordingly classified the investment as an associate.

Below is presented Gfi's financial information:

	2016
	QR '000
Current assets	1,826,501
Non-current assets	1,603,669
Current liabilities	(1,751,224)
Non-current liabilities	(531,317)
Non-controlling interest	(106)
Net assets	1,147,523
Proportion of Group's interest in the associate's net assets	587,991
Revenue	4,106,915
Profit for the year	127,376
Other comprehensive loss for the year	(5,566)
Total comprehensive income for the year	121,810
Dividend received from associate during the period	21,009
The Groups' share of profit for nine months	72,051
The Group's share of other comprehensive loss for nine months	(2,852)
The Group's share of total comprehensive income for nine months	69,199

Reconciliation of the above summarised financial information to the carrying amount of the interest in Gfi Informatique recognised in the consolidated financial statements:

	2016
	QR '000
Net assets of the associate	1,147,5 23
Proportion of the Group's ownership interest	51.24%
Share net assets before goodwill	587,991
Goodwill	863,497
Other intangible assets, after amortisation	165,602
Exchange difference in translation of foreign currency	(129,337)
Other adjustments*	(305,885)
Carrying amount of the Group's interest	1,181,868

*Other adjustments includes transaction costs and purchase price allocation adjustment to the carrying value of the net assets at acquisition date.

Other associates

Although, the Group holds 50% or more equity in Daiso Japan Value Stores L.L.C., LTC International Qatar L.L.C. and TCO Damas Associates L.L.C., the Group does not have the power to govern the financial and operating activities of these investees and thus, does not have control or joint control in these entities. All other associates are engaged in trading of gold and gold jewellery, diamond jewellery, pearls, watches, silver and precious stones.

Aggregate information of associates that are not individually material:

	2016	2015
	QR '000	QR '000
The Group's share of profits from continuing operations	46,242	59,963
The Group's share of total comprehensive income	46,242	59,963
Aggregate carrying amount of the Group's interest in these associates	145,465	86,584

11. GOODWILL AND OTHER INTANGIBLE ASSETS

	Goodwill	Trade name	Distribution rights	Other intangible assets	Total
	QR '000	QR '000	QR '000	QR '000	QR '000
Cost:					
At January 1, 2015	530,342	670,000	24,339	1,010	1,225,691
Additions	--	--	--	5,372	5,372
Transferred from property, plant and equipment (Note 12)	--	--	--	6,028	6,028
Effect of foreign exchange translation	--	--	--	2	2
At December 31, 2015	530,342	670,000	24,339	12,412	1,237,093
Additions	--	--	--	559	559
Disposal during the year	--	--	--	(1,595)	(1,595)
At December 31, 2016	**530,342**	**670,000**	**24,339**	**11,376**	**1,236,057**
Impairment/ amortisation:					
At January 1, 2015	--	--	24,339	195	24,534
Charge for the year	--	--	--	1,832	1832
At December 31, 2015	--	--	24,339	2,027	26,366
Charge for the year	--	--	--	3,142	3,142
Relating to disposal	--	--	--	(1,563)	(1,563)
Effect of foreign exchange translation	--	--	--	(95)	(95)
At December 31, 2016	**--**	**--**	**24,339**	**3,511**	**27,850**
Net carrying amounts:					
At December 31, 2016	**530,342**	**670,000**	**--**	**7,865**	**1,208,207**
at December 31, 2015	530,342	670,000	--	10,385	1,210,727

The useful lives of goodwill and trade name are for indefinite period whilst useful life of distribution rights are for 3 years.

(i) Allocation of goodwill to cash generating units for impairment testing purposes under IAS 36

Goodwill, amounting to QR. 530 million is attributable to 100% acquisition of Damas International Limited, UAE as a single cash generating unit (Damas CGU). The recoverable amount of this cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the Group's Board of Directors covering an eight-year discrete period, and a discount rate of 9% (2015: 9%). The approved business plan defines Management's strategy relating to UAE and KSA, optimising growth attributable to Expo 2020, expected increase in tourists from lifting of travel bans of certain nationalities and normalised growth from FY25 onwards. Management have forecast average EBITDA margin to be in line with observed recent historical trend. Terminal value has been derived by reference to the Gordon Growth Model assuming a steady level of operations beyond the discrete period using a terminal growth rate of 3% (2015: 3%) which is based on UAE's long term CPI and GDP growth rates. Any change in key assumptions on which the recoverable amount is based may cause the aggregate carrying amount of goodwill to exceed the aggregate recoverable amount of the cash-generating unit.

The budgeted growth rate is assumed to be CAGR of 3% (2015: 3%) over the forecast period. The growth rate is considered appropriate by management considering the nature of the industry and the general growth in the economic activity witnessed in the countries where these entities operate. Terminal value has been derived by reference to the Gordon Growth Model assuming a steady level of operations beyond the discrete period.

Terminal period cash flows are assumed to grow at a perpetual growth rate of 3% (2015: 3%) which is based on UAE's long term CPI and GDP growth rates. Any change in key assumptions on which the recoverable amount is based may cause the aggregate carrying amount of goodwill to exceed the aggregate recoverable amount of the cash-generating unit.

(ii) Allocation of trade name to cash generating units for impairment

Trade name was valued using the Relief from Royalty Method (RRM) which assumes that the intangible asset has a fair value based on royalty income attributable to it. Royalty income would represent the cost savings by Group where it is not required to pay royalties to a third party for the license to use the intangible asset. The recoverable amount of this asset is determined based on a value in use calculation which uses royalty projections based on financial budgets approved by the management covering a five-year period and terminal value based on Gordon Growth Model and discounted to present value. Any change in key assumptions on which the recoverable amount is based may cause the aggregate carrying amount of trade name to exceed the aggregate recoverable amount of the asset. The key assumptions used in value in use for the trade name are as follows:

a. Royalty rate– Management applied a royalty rate of 2.75% (2015: 2.75%).
b. Budgeted growth rate - The budgeted growth rate is assumed to be CAGR of 3% (2015: 3%) over the forecast period. The growth rate is considered appropriate by management considering the nature of the industry and the general growth in the economic activity witnessed in the countries where these entities operate.
c. Terminal value has been derived by reference to the Gordon Growth Model assuming a steady level of operations beyond the discrete period. Terminal period cash flows are assumed to grow at a perpetual growth rate of 3% (2015: 3%) which is based on UAE's long term CPI and GDP growth rates.
d. Discount rate of 11% (2015:11%) per annum based on CAPM, inclusive of 2% (2015: 2%) premium to cover the inherent risk.

12. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Plant and machinery	Furniture and equipment
	QR '000	QR '000	QR '000
Cost/revaluation:			
At January 1, 2016	308,299	144,615	272,036
Additions	5,521	3,417	33,408
Disposals/other adjustments	--	(9,949)	(23,847)
Reclassifications	--	--	4,309
At December 31, 2016	313,820	138,083	285,906
Accumulated depreciation:			
At January 1, 2016	112,335	100,770	203,985
Charge for the year	13,641	10,683	35,408
Additions	--	--	1,949
Relating to disposals/other adjustments	--	(9,638)	(20,975)
Relating to reclassifications	(31)	--	(37)
Effect of foreign exchange translation	(226)	134	(201)
At December 31, 2016	125,719	101,949	220,129
Net carrying amount:			
At December 31, 2016	188,101	36,134	65,777

Note:
Capital work-in-progress mainly includes the ongoing cost of relocation of workshop facility and new warehouse projects.

	Land and building	Plant and machinery	Furniture and equipment
	QR '000	QR '000	QR '000
Cost/revaluation:			
At January 1, 2015	292,014	132,464	237,588
Additions	16,300	12,960	44,807
Disposals/other adjustments	(15)	(809)	(27,262)
Reclassifications	--	--	16,903
At December 31, 2015	308,299	144,615	272,036
Accumulated depreciation:			
At January 1, 2015	99,533	88,851	192,719
Charge for the year	12,818	12,271	28,067
Relating to disposals/other adjustments	(15)	(597)	(17,229)
Effect of foreign exchange translation	(1)	245	428
At December 31, 2015	112,335	100,770	203,985
Net carrying amount:			
At December 31, 2015	195,964	43,845	68,051

Motor vehicles	Assets on hire	Capital work-in-progress	Total
QR '000	QR '000	QR '000	QR '000
65,109	109,268	9,534	908,861
9,711	37,051	54,669	143,777
(10,685)	(26,686)	--	(71,167)
33	--	(4,342)	--
64,168	119,633	59,861	981,471
39,570	41,074	(5)	497,729
10,416	28,919	--	99,067
--	--	--	1,949
(7,399)	(16,872)	--	(54,884)
50	18	--	--
224	--	(37)	(106)
42,861	53,139	(42)	543,755
21,307	66,494	59,903	437,716

Motor vehicles	Assets on hire	Capital work-in-progress	Total
QR '000	QR '000	QR '000	QR '000
58,896	99,242	23,872	844,076
15,104	34,296	9,400	132,867
(8,891)	(24,270)	(807)	(62,054)
--	--	(22,931)	(6,028)
65,109	109,268	9,534	908,861
34,619	28,795	(22)	444,495
10,229	25,402	--	88,787
(5,743)	(13,123)	--	(36,707)
465	--	17	1,154
39,570	41,074	(5)	497,729
25,539	68,194	9,539	411,132

13. INVESTMENT PROPERTIES

	2016	2015
	QR '000	QR '000
Cost:		
Opening balance as at January 1,	224,680	255,703
Additions	--	891
Disposal/impairment	(780)	(31,914)
Exchange gain on translation of foreign currency	1,189	--
Closing balance as at December 31,	225,089	224,680
Accumulated Depreciation/impairment:		
Opening balance as at January 1,	121,113	139,867
Charge for the year	6,137	6,563
Disposal/impairment	(214)	(25,317)
Exchange gain on translation of foreign currency	637	--
Closing balance as at December 31,	127,673	121,113
Carrying amount as at December 31,	97,416	103,567

At December 31, 2016, the fair value of these investment properties amounted to QR. 117.24 million (December 31, 2015: QR. 141.01 million) based on the valuation performed internally by management. The valuation of these investment properties are based on an individual assessment, for each property type, of both, their future earnings and their required yield based on management's strategy.

14. INTEREST BEARING LOANS AND BORROWINGS

	2016	2015
	QR '000	QR '000
Working capital facilities and others (a)	1,088,581	776,350
Term loans (b)	2,423,798	1,650,036
Term loans (c)	171,848	70,348
	3,684,227	2,496,734

Presented in the consolidated statement of financial position as follows:

	2016	2015
	QR '000	QR '000
Current	1,377,917	998,334
Non-current	2,306,310	1,498,400
	3,684,227	2,496,734

Notes:

(a) During the year, the Group obtained short term loans from commercial banks mainly to finance working capital requirements. These loans carry interest at commercial rates and have a varying maturity between 6 to 24 months.

(b) This represents term loan facilities obtained from commercial banks. These loans carry interest at commercial rates and are to be repaid at quarterly basis. Some of the above interest bearing loans and borrowings are secured by:
- Fixed deposits amounting to QR 13.3 million (2015: QR. 7.7 million) (Note 5),
- Negative pledge on all the assets owned by the Group.

(c) In addition to the above loans, the Group has outstanding gold loans as at December 31, 2016 received from bullion banks on an unfixed basis aggregating to 5,193 Kgs (2015: 5,448 Kgs). These gold loans are covered by way of stand-by-letters of credit issued in favour of these bullion banks which are presented as part of the Group's contingencies and commitments disclosure note 26 (a).

15. ACCOUNTS PAYABLE AND ACCRUALS

	2016	2015
	QR '000	QR '000
Trade accounts payable	332,773	430,793
Dividend Payable	982	744
Advances from customers	431,948	581,346
Accrued expenses and others	416,529	532,170
Social and sports contribution	7,421	7,579
	1,189,653	1,552,632
Current portion	1,171,587	1,535,239
Non-current portion	18,066	17,393
	1,189,653	1,552,632

16. EMPLOYEES' END OF SERVICE BENEFITS

Movement in the provision recognised in the consolidated statement of financial position are as follows:

	2016	2015
	QR '000	QR '000
At January 1,	112,312	99,258
Provided during the year	20,390	24,848
End of service benefits paid	(20,706)	(11,853)
Transfer from related party	39	150
Exchange gain on translation of foreign currency	200	(91)
At December 31,	112,235	112,312

17. SHARE CAPITAL

	2016	2015
	QR '000	QR '000
Authorised, issued and fully paid-up shares		
[45,619,200 shares of nominal value 10 QR each]	456,192	456,192

18. RESERVES

a. Legal reserve

As required by Qatar Commercial Companies' Law, 10% of the profit for the year is required to be transferred to a legal reserve, until such reserve equals 50% of the issued share capital. The Group has resolved to cease such annual transfers as the legal reserve has reached the minimum required level. The reserve is not generally available for distribution except in the circumstances stipulated in the above law.

b. Acquisition reserve

In case of acquisitions or disposal of subsidiaries without change in control, the difference between the decrease/increase in the non-controlling interests and the consideration paid or received is recognised as 'acquisition reserve' directly in equity attributed to the owners of the Company.

19. DIVIDENDS PAID AND PROPOSED

The Board of Directors has proposed a cash dividend of QR. 4 per share aggregating to QR. 182.47 million for the year 2016, which is subject to the approval of the shareholders at the Annual General Assembly (2015: QR. 5 per share totalling to QR. 228.09 million).

During the year, the dividend paid amounted to QR. 228.09 million (2015: QR. 273.72 million).

20. SEGMENT INFORMATION

The Group classified the reporting segment based on its product and services as follows:

- Information technology
- Auto group
- Energy and industrial markets
- Geotechnical services
- Logistics
- Travel
- Engineering
- Jewellery trading
- Telecom retail
- Others

Management monitors the operating results of the operating segments to make decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Segment assets and liabilities comprise operating assets and liabilities which are directly handled by the operating segment and income or expenses that are attributed in line with the assets and liabilities allocated. The following table summarises the performance of the operating segments:

20. SEGMENT INFORMATION (Continued)

(a) By operating segments

	Information technology	Auto Group	E&I markets	Geotechnical services	Logistics
December 31, 2016	**QR'000**	**QR'000**	**QR'000**	**QR'000**	**QR'000**
Revenue	**1,498,770**	**1,070,921**	**336,602**	**82,445**	**34,910**
Gross profit	**278,712**	**220,768**	**69,077**	**32,592**	**12,655**
Net profit	**211,150**	**81,085**	**42,214**	**11,526**	**7,176**
Finance costs	**(43,832)**	**(14,493)**	**(2,264)**	**(1,370)**	**(33)**
Depreciation and amortisation	**(5,544)**	**(35,727)**	**(803)**	**(5,215)**	**(326)**
Segment assets	**2,413,471**	**617,059**	**106,248**	**48,761**	**20,850**
Segment liabilities	**757,259**	**169,142**	**50,084**	**20,683**	**9,457**
Other information					
Share of results from joint venture and associate companies	**63,871**	**--**	**--**	**--**	**--**
Investments in joint venture and associates companies	**1,181,868**	**--**	**--**	**--**	**--**

	Information technology	Auto Group	E&I markets	Geotechnical services	Logistics
December 31, 2015					
Revenue	1,663,629	1,351,214	500,790	96,609	49,331
Gross profit	274,132	234,908	105,289	40,898	12,008
Net profit	170,921	88,136	74,378	18,226	6,393
Finance costs	(15,104)	(13,860)	(3,044)	(1,543)	(91)
Depreciation and amortisation	(5,095)	(31,409)	(784)	(6,973)	(361)
Segment assets	1,303,495	718,206	160,448	55,216	13,765
Segment liabilities	934,906	356,100	56,401	28,671	4,548
Other information					
Share of results from joint venture and associate companies	--	--	--	--	--
Investments in joint venture and associates companies	--	--	--	--	--

Travel	Engineering	Jewellery Trading	Telecom retail	Others	Total
QR'000	QR'000	QR'000	QR'000	QR'000	QR'000
35,533	65,360	1,701,591	--	59,512	4,885,644
31,858	3,273	498,887	--	36,843	1,184,665
6,724	278	145,693	(23,148)	52,303	535,001
(1,123)	(2,220)	(73,696)	(12,339)	23,719	(127,651)
(531)	(4,453)	(42,665)	--	(13,082)	(108,346)
45,101	82,037	1,747,060	1,090,267	1,561,057	7,731,911
27,287	77,165	591,788	--	3,450,889	5,153,754
--	--	57,444	(10,809)	(1,194)	109,312
--	--	146,395	1,090,267	14,883	2,433,413

Travel	Engineering	Jewellery Trading	Telecom retail	Others	Total
43,116	90,573	2,096,863	--	42,508	5,934,633
37,959	9,590	607,568	--	19,523	1,341,875
14,685	(108)	191,197	(15,201)	(20,412)	528,215
(1,400)	(2,789)	(76,173)	(12,339)	31,596	(94,747)
(377)	(5,502)	(33,332)	--	(13,349)	(97,182)
64,584	84,180	2,355,723	1,101,076	1,002,967	6,859,660
23,444	79,586	970,758	--	1,996,824	4,451,238
--	--	60,133	(2,861)	(1,843)	55,429
--	--	94,636	1,101,076	16,076	1,211,788

20. SEGMENT INFORMATION (Continued)

(b) By geography

	Qatar	Other GCC countries	Europe	Others	Total
December 31, 2016	**QR'000**	**QR'000**	**QR'000**	**QR'000**	**QR'000**
Revenue	**3,032,578**	**1,710,956**	**--**	**142,110**	**4,885,644**
Gross profit	**678,846**	**497,833**	**--**	**7,986**	**1,184,665**
Net profit	**296,848**	**175,486**	**63,871**	**(1,204)**	**535,001**
Finance costs	**(96,662)**	**(30,836)**	**--**	**(153)**	**(127,651)**
Depreciation and Amortisation	**(63,922)**	**(42,838)**	**--**	**(1,586)**	**(108,346)**
Segment assets	**3,630,175**	**2,843,945**	**1,181,868**	**75,923**	**7,731,911**
Segment liabilities	**4,533,969**	**601,714**	**--**	**18,071**	**5,153,754**
Other information					
Share of results from joint venture and associate companies	**(1,194)**	**46,635**	**63,871**	**--**	**109,312**
Investment in joint venture and associate companies	**14,883**	**1,236,662**	**1,181,868**	**--**	**2,433,413**

	Qatar	Other GCC countries	Others	Total
December 31, 2015	QR'000	QR'000	QR'000	QR'000
Revenue	3,706,708	2,114,205	113,720	5,934,633
Gross profit	722,318	609,676	9,881	1,341,875
Net profit	303,137	229,786	(4,708)	528,215
Finance costs	(61,391)	(33,312)	(44)	(94,747)
Depreciation and Amortisation	(61,556)	(34,248)	(1,378)	(97,182)
Segment assets	3,319,346	3,475,403	64,911	6,859,660
Segment liabilities	3,445,386	989,653	16,199	4,451,238
Other information				
Share of results from joint venture and associate companies	(1,843)	57,272	--	55,429
Investment in joint venture and associate companies	16,076	1,195,712	--	1,211,788

21. OTHER INCOME

	2016	2015
	QR '000	QR '000
Reversal of impairment/ recoveries of receivables	80,381	59,363
Gain on disposal of investment property	--	39,749
Treasury gain	--	17,954
Gain on disposal of property, plant and equipment	3,407	2,118
Foreign exchange gain	70,865	--
Miscellaneous income	68,245	31,346
	222,898	150,530

22. GENERAL AND ADMINISTRATIVE EXPENSES

	2016	2015
	QR '000	QR '000
Staff costs	215,268	213,797
Legal and professional fees	30,883	35,446
Rent	25,464	26,087
Director's remuneration	25,353	25,246
Repairs and maintenance	22,351	25,136
Travelling	16,602	18,829
Communication	13,395	16,054
Utility charges	7,763	7,820
Insurance	6,221	6,430
Bank charges	5,947	5,700
Printing and stationery	3,737	5,057
Allowance for inventories, net	1,291	4,156
Other administrative expenses and allowances	38,052	42,982
	412,327	432,740

23. SELLING AND DISTRIBUTION EXPENSES

	2016	2015
	QR '000	QR '000
Staff costs	140,448	176,941
Rent	109,281	104,595
Advertisement and other promotion expenses	81,362	109,953
	331,091	391,489

24. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year.

	2016	2015
Profit for the year attributable to the shareholders of the Company (QR '000)	**535,117**	532,781
Weighted average number of shares outstanding during the year (in thousands of shares)	**45,619**	45,619
Basic and diluted earnings per share (QR) (attributable to the shareholders of the Company)	**11.73**	11.68
Basic and diluted earnings per share (QR) from continuing operations (attributable to the shareholders of the Company)	**11.73**	11.68

25. RELATED PARTY DISCLOSURES

Related parties represent associated companies, major shareholders, directors and key management personnel of the Group and entities in which they are principal owners. Pricing policies and terms of these transactions are approved by the Group's management.

(a) Related party transactions

Transactions with related parties included in the consolidated statement of profit or loss are as follows:

	2016	2015
	QR '000	QR '000
Sales	**113,748**	124,584
Purchases	**9,037**	16,941

(b) Related party balances

Transactions with related parties included in the consolidated statement of profit or loss are as follows:

	2016	2015
	QR '000	QR '000
Due from related parties		
Receivable from joint venture companies and associates	33,886	36,448
Long term loans to joint venture companies and associates, net	32,544	16,646
	66,430	53,094
Presented in the financials as follows :		
Current	33,886	36,448
Non-current	32,544	16,646
	66,430	53,094
Due to related parties		
Payable to joint venture companies and associates	2,426	1,041
	2,426	1,041

Long term loans to related parties (associates and joint ventures) represent loans which are interest free, unsecured and have no fixed terms of repayment. These loans are in the nature of working capital advances and are not expected to be recalled within a period of twelve months from the reporting date.

Outstanding balances at December 31, 2016 arose in the normal course of business.

Majority of the related party transactions are carried out in United Arab Emirates Dirhams (AED) and reported in Qatari Riyal.

(c) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made at terms equivalent to those that prevail in arms-length transactions. Outstanding balances at the reporting date are unsecured, interest free and the settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables

(d) Compensation of key management personnel

The remuneration of key management personnel during the year is as follows:

	2016	2015
	QR '000	QR '000
Short term benefits	12,958	12,556
Post-employment benefits	1,183	783
	14,141	13,339
Directors' remuneration	25,353	25,246

26. CONTINGENCIES AND COMMITMENTS

(a) Contingent liabilities

Under the bank facilities agreement, cross guarantees exist between certain Group companies which could be enforced by the financiers, if the borrowers were to be in default of the finance agreement. Each member of the Group is therefore irrevocably, unconditionally and jointly and severally liable as principal obligor. The amount of Group facilities outstanding is as follows:

	2016	2015
	QR '000	QR '000
Letters of guarantees	478,162	499,724
Letters of credit	49,147	71,604
Stand-by letters of credit	731,916	800,781
	1,259,225	1,372,109

The stand-by letters of credit are provided by commercial banks in favour of the suppliers of gold who have loaned gold on an unfixed basis to the Group (refer note 14 (c)).

(b) Commitments

Capital commitments

	2016	2015
	QR '000	QR '000
Capital work in progress – contracted but not provided for	181,197	61,215

Operating lease commitments under non-cancellable lease arrangements:

	2016	2015
	QR '000	QR '000
Less than one year	137,371	142,721
1 to 5 years	99,996	130,223
Above five year	3,996	--
	241,363	272,944

Other commitment

	2016	2015
	QR '000	QR '000
Forward contract in Euro	--	1,129,632
Fair value of the Euro forward contract	--	17,954

(c) Contingent liabilities and commitments related to joint ventures and associates

	2016	2015
	QR '000	QR '000
Contingent liabilities		
- Guarantees	79,270	73,154
- Letters of credit	39,694	79,930
	118,964	153,084
Operating lease commitments		
- Less than one year	42,951	14,539
- 1 to 5 years	80,401	8,703
- Above 5 years	18,012	--
	141,364	23,242

27. FINANCIAL INSTRUMENTS

Financial instruments represent any contractual agreement that creates a financial asset, financial liability or an equity instrument. The Group's principal financial liabilities comprise interest bearing loans and borrowings, bank overdrafts, accounts payable, amounts due to related parties and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets comprise bank balances and cash, accounts and retention receivable, available for sale financial investments, amounts due from related parties and certain other receivables that arise directly from its operation.

Fair value measurements

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

Financial assets/financial liabilities	Fair value as at December 31,		Fair value Hierarchy
	2016	2015	
	QR '000	QR '000	
Available-for-sale investments	13,367	14,988	Level 3

There is no in or out movement from Level 3 fair value measurements. The investments classified under Level 3 category have been fair-valued based on information available for each investment.

AFS investments amounting to QR. 26.6 million (2015: QR. 28.7 million) are carried at cost less impairment, since their fair value cannot be reliably estimated.

All other financial assets and liabilities are carried at amortized cost. The fair values of the financial assets and liabilities are not materially different from their carrying values in the consolidated statement of financial position, as these assets and liabilities are either of short term maturities or are re-priced frequently based on market movement in interest rates.

27. FINANCIAL INSTRUMENTS (Continued)

Fair value sensitivity analysis

The following table shows the sensitivity of fair values to 10% increase or decrease as at December 31:

	2016	2015
Basis points	**+/-1,000**	+/-1,000
Effect on equity (QR '000)	**+/-1,337**	+/-1,499

28. FINANCIAL RISK MANAGEMENT

The Group is exposed to credit risk, liquidity risk and market risks such as currency risk, price risk and interest rate risk. The Group monitors and manages the risks relating to its operations through internal risk reports. The major risks are discussed below.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank balances (call deposits), bank overdraft and interest bearing loans and borrowings, which bear floating interest rate.

The following summary sets out the Group's exposure to interest rate risk as of December 31:

	2016	2015
	QR '000	QR '000
Bank deposits and call accounts	**32,754**	41,616
Bank overdraft	**(165,213)**	(288,519)
Interest bearing loans and borrowings	**(3,684,227)**	(2,496,734)
	(3,816,686)	(2,743,637)

The Group is exposed to interest rate risk as it maintains and borrows funds at floating interest rates. The following table demonstrates the sensitivity of the Group's profit to reasonably possible changes in interest rates, with all other variables held constant. The sensitivity of the profit is the effect of the assumed changes in interest rate on the Group's profit for one year, based on the floating rate financial assets and financial liabilities held at December 31:

	2016	2015
Basis points	**+/-25**	+/-25
Effect on profit for the year (QR '000)	**+/-9,542**	-/+6,859

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. Credit risk on bank balances is limited as they are placed with banks having good credit rating. The Group's exposure to counterparties is continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by management. The credit terms for accounts receivable are 30 to 180 days.

With respect to credit risk arising from the financial assets of the Group, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments as follows:

	2016	2015
	QR '000	QR '000
Bank balances (excluding cash on hand)	**137,133**	144,582
Accounts receivable and others	**818,620**	883,415
Amounts due from related parties	**66,430**	53,094
	1,022,183	1,081,091

Foreign currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The foreign currency exposure is minimal since the Group deals mostly in Qatari Riyal and US Dollars. Balances in other GCC currencies, with the exception of Kuwaiti Dinar, do not expose the Group to significant currency risk since they are pegged to the US Dollar. The following table details the Group's sensitivity to an increase or decrease in Qatari Riyal against the relevant foreign currencies.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and the impact of a change in the exchange rates are as follows:

Net Exposure (Liability)	**2016**	2015
	QR '000	QR '000
EURO	**16,345**	12,133
GBP	**1,640**	5,467
Other currencies	**4,521**	5,667
	22,506	23,267

	Increase/ decrease in Euro, GBP and other rates to the QR	**Effect on profit before tax QR '000**
2016	**+/- 3%**	**+/- 675**
2015	+/- 3%	-/+ 698

28. FINANCIAL RISK MANAGEMENT (Continued)

Liquidity risk

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

The Group limits its liquidity risk by ensuring bank facilities are available. The Group's terms of sale require amounts to be paid within 30-180 days of the date of sale.

The table below summarises the maturities of the Group's undiscounted financial liabilities at December 31, based on contractual payment dates and current market interest rates.

	Less than 1 year	1 to 5 years	Total
At December 31, 2016	**QR '000**	**QR '000**	**QR '000**
Accounts payable and accruals	**739,639**	**18,066**	**757,705**
Amounts due to related parties	**2,426**	**--**	**2,426**
Interest bearing loans and borrowings at gross	**1,485,694**	**2,414,479**	**3,900,173**
Bank overdrafts	**165,213**	**--**	**165,213**
Total	**2,392,972**	**2,432,545**	**4,825,517**

	Less than 1 year	1 to 5 years	Total
At December 31, 2015	QR '000	QR '000	QR '000
Account payable and accruals	953,893	17,393	971,286
Amounts due to related parties	1,041	--	1,041
Interest bearing loans and borrowings at gross	1,056,114	1,527,471	2,583,585
Bank overdrafts	288,519	--	288,519
Total	2,299,567	1,544,864	3,844,431

Capital management

The Group manages its capital structure to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of debt and equity balances. The Group's overall strategy remains unchanged from 2015. The Group monitors its capital using a gearing ratio which is net debt divided by total equity. The Group includes within the net debt, interest bearing loans and borrowings (included in Note 14) and bank overdraft less bank balances and cash.

Gearing ratio
The gearing ratio at December 31, is as follows:

	2016	2015
	QR '000	QR '000
Debt	3,849,440	2,785,253
Bank balances and cash	(153,440)	(150,302)
Net debt	3,696,000	2,634,951
Total equity	2,578,157	2,408,422
Add: acquisition reserve	588,058	588,058
	3,166,215	2,996,480
Gearing ratio	1.17:1	0.88:1

29. ACQUISITION OF AN ASSOCIATE

The Group acquired 25% interest in Gfi Informatique ("Gfi") in April 2016, and an additional 26.24% interest in June 2016 thereby aggregating the total interest in Gfi to 51.24%. The total consideration for the acquisition was QR. 1,238 million. Goodwill recognized (embedded in the investment carrying value) as a result of the acquisition amounted to QR 926 million. After assessing this acquisition and related shareholder's agreement, management has decided to classify its investment in Gfi as an associate.

Goodwill arising on the acquisition of Gfi:

	March 31, 2016
	QR '000
Consideration transferred	1,237,811
Adjusted net asset value	(74,285)
Additional intangible assets identified	(186,382)
Foreign exchange difference	(51,038)
Goodwill arising on acquisition	926,106

The initial accounting of the business acquisition of Gfi Informatique was carried out as of March 31, 2016 using fair values of identifiable assets, liabilities and contingent liabilities. Based on the final assessment of purchase price allocation performed and fair value adjustments on acquisition have been reflected to the acquisition balance sheet date.

29. ACQUISITION OF AN ASSOCIATE (Continued)

Analysis of assets and liabilities acquired:

	March 31, 2016
	QR'000
Assets	
Property, plant and equipment	56,114
Existing intangible assets	217,770
Other current and non-current assets	1,857,710
Cash and cash equivalent	53,759
Liabilities	
Borrowings	(300,630)
Other current and non-current liabilities	(1,511,870)
Financial liabilities and current provisions	(227,878)
Adjusted net asset value	144,975
The Group's share of 51.24%	74,285

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