

**INVESTMENT HOLDING GROUP W.L.L.
DOHA - QATAR**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S
REVIEW REPORT
FOR THE SIX MONTHS PERIOD ENDED
JUNE 30, 2016**

INVESTMENT HOLDING GROUP W.L.L.

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

For the six months period ended June 30, 2016

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QR. 99-8

RN: 00025/WS/FY2017

INDEPENDENT AUDITOR'S REVIEW REPORT

The Shareholders
Investment Holding Group W.L.L.
Doha - Qatar

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Investment Holding Group W.L.L. (the "Company"), and its subsidiaries and joint operation (together referred as the "Group"), which comprise the interim condensed consolidated statement of financial position as of June 30, 2016 and interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six months period then ended, and selected explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard: IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Basis of Qualified Conclusion

During the construction period of a project performed by the Group's joint operation with one of the Company's subsidiaries (Debbas Enterprise Qatar W.L.L.) (the "Joint Operation"), management has recognized cumulative revenue from unapproved variation orders amounting to QR. 94,392,783 (2015: QR. 87,375,404) under gross amount due from customers in respect of scope changes and prolongations costs. Management is currently in negotiations with the customer for approving those variations. Management is confident at least the amounts recognized in the books are fully recoverable. We were not provided with sufficient documents nor could we perform alternative procedures to satisfy ourselves regarding the recoverability and completeness of the total amount recognized as at June 30, 2016.

Management accounts of this Joint operation were used in the preparation of the accompanying interim condensed consolidated financial statements. We were unable to satisfy ourselves regarding the completeness, existence and accuracy of the assets, liabilities, revenue and results of the Joint Operation (the Group's share) amounting to QR. 110,019,061, QR. 103,877,503, QR. 12,141,466 and QR. 1,869,617 respectively.

INDEPENDENT AUDITOR'S REVIEW REPORT (CONTINUED)

Qualified Conclusion


Based on our review, except for the possible effects of the matters described in the Basis of Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements does not present fairly, in all material respects, the interim condensed consolidated financial position of Investment Holding Group W.L.L. as at June 30, 2016 and of its interim condensed consolidated financial performance and its interim condensed consolidated cash flows for the six months period then ended in accordance with International Accounting Standard No. (34), "Interim Financial Reporting".

Emphasis of Matters

Without qualifying our conclusion, we draw attention to Note 1 to the accompanying financial statements. Effective January 1, 2015, the Company's ownership percentages in certain subsidiaries has changed, as a result of share swap agreement with the non-controlling partners in the same subsidiaries.

**Doha – Qatar
October 4, 2016**

**For Deloitte & Touche
Qatar Branch**

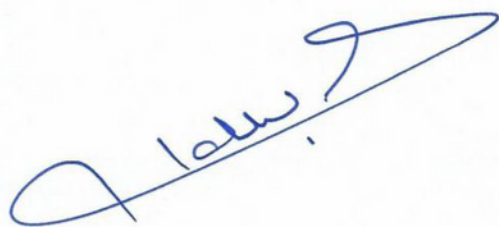


**Walid Slim
Partner
License No. 319**

INVESTMENT HOLDING GROUP W.L.L.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at June 30, 2016

	Notes	June 30, 2016	December 31,
		(Reviewed) QR.	2015
			(Audited) QR.
ASSETS			
Current assets			
Bank balances and cash	3	121,994,966	120,022,176
Accounts receivable and other debit balances	4	201,192,714	182,453,066
Gross amounts due from customers on contract work		138,358,121	153,450,721
Due from related parties	5(a)	64,222,048	52,495,912
Inventories	6	60,587,145	62,943,544
		<u>586,354,994</u>	<u>571,365,419</u>
Assets classified as held for sale	7	296,365,477	321,683,790
Total current assets		<u>882,720,471</u>	<u>893,049,209</u>
Non-current assets			
Retentions receivable		60,325,438	71,629,653
Available-for-sale investments	12	2,250,000	2,250,000
Investment properties	10	2,473,579	2,776,465
Investment in associates	11	93,125	95,981
Property, plant and equipment	9	23,824,514	19,948,885
Total non-current assets		<u>88,966,656</u>	<u>96,700,984</u>
Total assets		<u>971,687,127</u>	<u>989,750,193</u>



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

INVESTMENT HOLDING GROUP W.L.L.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at June 30, 2016

	Notes	June 30, 2016	December 31, 2015
		(Reviewed) QR.	(Audited) QR.
LIABILITIES AND EQUITY			
Current liabilities			
Bank overdraft	15	80,103,367	78,341,182
Borrowings	13	101,580,114	120,769,521
Due to related parties	5 (b)	31,090,163	17,036,624
Gross amounts due to customers on contract work		48,858,469	55,006,020
Accounts payable and accruals	14	175,020,295	188,322,256
Income tax payable		1,469,735	5,333,540
		438,122,143	464,809,143
Liability directly associated with assets classified as held for sale	7	199,331,884	253,180,673
Total current liabilities		637,454,027	717,989,816
Non-current liabilities			
Borrowings	13	8,199,154	4,421,153
Retentions payable		3,973,575	4,296,843
Employees' end of service benefits		27,496,618	26,470,146
Total non-current liabilities		39,669,347	35,188,142
Total liabilities		677,123,374	753,177,958
Equity and reserves			
Share capital	16	10,000,000	10,000,000
Capital reserve	17	18,468,265	18,468,265
Legal reserve	18	5,000,000	5,000,000
Retained earnings		212,828,387	162,264,612
Equity attributable to the owners of the Company		246,296,652	195,732,877
Non – controlling interests		48,267,101	40,839,358
Total equity		294,563,753	236,572,235
Total liabilities and equity		971,687,127	989,750,193

These interim condensed consolidated financial statements were authorised and approved for issue by the Partners on October 4, 2016 and signed on their behalf by:

Chairman

Board Member

Group CEO

INVESTMENT HOLDING GROUP W.L.L.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

For the six months period ended Jun 30, 2016

	Notes	For the six months period ended June 30,	
		2016 (Reviewed) QR.	2015 (Reviewed) QR.
Continuing Operations			
Revenue		236,814,493	273,546,413
Direct cost		(149,248,895)	(196,092,611)
Gross profit		87,565,598	77,453,802
Other income		6,395,139	8,256,566
General and administrative expenses		(39,337,942)	(49,561,224)
Interest expenses		(5,958,392)	(2,531,658)
Depreciation of property, plant and equipment	9	(2,933,579)	(2,706,989)
Loss on revaluation of investment properties at fair value		(302,886)	(302,886)
Group's share from (loss) / profit of associates	11	(2,856)	52,349
Net profit before management fees and income tax		45,425,082	30,659,960
Management fees		(1,731,041)	(1,534,791)
Profit before income tax for the period		43,694,041	29,125,169
Income tax expenses		(2,447,224)	(1,672,706)
Profit for the period from continuing operations		41,246,817	27,452,463
Discontinued operations			
Profit for the period from discontinued operations	8	28,281,229	15,501,737
Gain on disposal of a subsidiary	19	--	25,902,426
Total discontinued operations		28,281,229	41,404,163
Profit for the period		69,528,046	68,856,626
Profit for the period attributable to:			
Owners of the Company			
From continuing operations		27,879,074	17,228,430
From discontinued operations		28,281,229	41,404,163
Profit for the period attributable to the Owners of the Company		56,160,303	58,632,593
Non – controlling interests			
From continuing operations		13,367,743	10,224,033
From discontinued operations		--	--
Profit for the period attributable to non-controlling interest		13,367,743	10,224,033
Total		69,528,046	68,856,626

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

INVESTMENT HOLDING GROUP W.L.L.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the six months period ended June 30, 2016

	For the six months period ended June 30,	
	<u>2016</u>	<u>2015</u>
	(Reviewed)	(Reviewed)
	QR.	QR.
Profit for the period	69,528,046	68,856,626
Other comprehensive income from continuing operations		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Unrealized gain arising on revaluation of available-for-sale investments	--	--
Total comprehensive income for the period	69,528,046	68,856,626
Total comprehensive income for the period attributable to:		
Owners of the Company		
From continuing operations	27,879,074	17,228,430
From discontinued operations	28,281,229	41,404,163
Total comprehensive income for the period attributable to the owners of the Company	56,160,303	58,632,593
Non – controlling interests		
From continuing operations	13,367,743	10,224,033
From discontinued operations	--	--
Total comprehensive income for the period attributable to non-controlling interest	13,367,743	10,224,033
Total	69,528,046	68,856,626

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

INVESTMENT HOLDING GROUP W.L.L.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months period ended June 30, 2016

	Share capital	Capital reserve	Legal reserve	Retained earnings	Attributable to equity owners of the Company	Non- controlling interest	Total equity
	QR.	QR.	QR.	QR.	QR.	QR.	QR.
Balance at January 1, 2015 (Audited)	10,000,000	18,468,265	5,000,000	151,073,537	184,541,802	38,987,718	223,529,520
Total comprehensive income for the period	--	--	--	58,632,593	58,632,593	10,224,033	68,856,626
Effect of change in ownership percentages (<i>Note 1, i</i>)	--	--	--	11,318,924	11,318,924	(11,318,924)	--
Dividend distribution	--	--	--	--	--	(17,392,596)	(17,392,596)
Balance at June 30, 2015 (Reviewed)	<u>10,000,000</u>	<u>18,468,265</u>	<u>5,000,000</u>	<u>221,025,054</u>	<u>254,493,319</u>	<u>20,500,231</u>	<u>274,993,550</u>
Balance at January 1, 2016 (Audited)	10,000,000	18,468,265	5,000,000	162,264,612	195,732,877	40,839,358	236,572,235
Total comprehensive income for the period	--	--	--	56,160,303	56,160,303	13,367,743	69,528,046
Dividend distribution	--	--	--	(5,596,528)	(5,596,528)	(5,940,000)	(11,536,528)
Balance at June 30, 2016 (Reviewed)	<u>10,000,000</u>	<u>18,468,265</u>	<u>5,000,000</u>	<u>212,828,387</u>	<u>246,296,652</u>	<u>48,267,101</u>	<u>294,563,753</u>

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

INVESTMENT HOLDING GROUP W.L.L.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the six months period ended June 30, 2016

		For the six months period ended June 30,	
	Notes	2016 (Reviewed) QR.	2015 (Reviewed) QR.
OPERATING ACTIVITIES			
Profit for the period		69,528,046	68,856,626
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	9	2,933,579	3,032,802
Income tax expense recognised in profit or loss		2,447,224	1,672,706
Loss on revaluation of investment properties at fair value	10	302,886	302,886
Loss from disposal of property, plant and equipment		53,044	340,723
Group's share from loss / (profit) of associates	11	2,856	(2,035,515)
Interest expense		5,958,392	2,531,658
Gain on disposal of a subsidiary	19	--	(25,902,426)
Provision for doubtful debts charged during the period	4	1,563,618	1,471,167
Provision for employees' end of service benefits		2,537,929	3,975,420
		85,327,574	54,246,047
<i>Movements in working capital:</i>			
Inventories		2,356,399	8,894,262
Due from related parties		(11,726,136)	(25,991,872)
Gross amount due from customers on contract work		15,092,600	63,522,595
Accounts receivable and other debit balances		(20,303,266)	(142,005,998)
Due to related parties		14,053,539	(24,351,562)
Retentions receivable		11,304,215	58,677,501
Accounts payable and accruals		(13,301,961)	(51,578)
Gross amounts due to customers on contract work		(6,147,551)	815,065
Retentions payable		(323,268)	(6,083,389)
Cash generated from / (used in) operations		76,332,145	(12,328,929)
Income tax paid		(6,311,029)	(4,910,742)
Interest expense paid		(5,958,392)	(2,531,658)
Employees' end of service benefits paid		(1,511,457)	(1,119,046)
Net cash generated from / (used in) operating activities		62,551,267	(20,890,375)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	9	(7,266,193)	(5,614,868)
Proceeds from sale of property, plant and equipment		403,941	317,988
Net movement in asset classified as held for sale		(28,530,476)	--
Net cash inflow on disposal of a subsidiary	19	--	106,737,255
Net cash (used in) / generated from investing activities		(35,392,728)	101,440,375

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

INVESTMENT HOLDING GROUP W.L.L.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the six months period ended June 30, 2016

	Notes	For the six months period ended June 30,	
		<u>2016</u>	<u>2015</u>
		(Reviewed)	(Reviewed)
		QR.	QR.
FINANCING ACTIVITIES			
Dividend distribution		(11,536,528)	(17,392,596)
Movement of bank loans and borrowings		<u>(15,411,406)</u>	<u>(34,324,583)</u>
Net cash used in financing activities		<u>(26,947,934)</u>	<u>(51,717,179)</u>
Net increase in cash and cash equivalents		210,605	28,832,821
Cash and cash equivalents at beginning of the period		<u>41,680,994</u>	<u>26,160,778</u>
Cash and cash equivalents at end of the period	15	<u>41,891,599</u>	<u>54,993,599</u>

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

INVESTMENT HOLDING GROUP W.L.L.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended June 30, 2016

1. STATUS AND ACTIVITIES

Investment Holding Group W.L.L. (the “Company” or “Parent”) is registered in the State of Qatar under Commercial Registration No. 39127 as a limited liability company. The Company is engaged in various types of investments inside the State of Qatar in accordance with sound commercial and economic practices.

The Company obtained approval on August 5, 2015 from the official authorities to start the Initial Public Offering Process.

The interim condensed consolidated financial statements include the interim financial statements of the Company and those related to its subsidiaries mentioned below and the Company’s share of its joint operation (collectively, the “Group”), as follows:

	Percentage of ownership (%)		Type of Interest
	June 30, 2016 (Reviewed)	December 31, 2015 (Audited)	
Trelco Limited – Single Shareholder Company	100	100	Subsidiary
Oriental Enterprises S.P.C. (<i>Note ii</i>)	--	--	Subsidiary
Consolidated Engineering Systems Company W.L.L. (<i>Note i</i>)	60.4	60.4	Subsidiary
Watermaster (Qatar) Company W.L.L. (<i>Note i</i>)	63.3	63.3	Subsidiary
Electro Mechanical Engineering Company W.L.L. (<i>Note i</i>)	68.5	68.5	Subsidiary
Construction Development Contracting & Trading Co. W.L.L.	51	51	Subsidiary
Debbas Enterprises - Qatar W.L.L.	51	51	Subsidiary
Trelco Building Materials Co. W.L.L. (<i>Note i</i>)	85	85	Subsidiary
Consolidated Supplies Company W.L.L. (<i>Note i</i>)	75.5	75.5	Subsidiary
El Sewedy Cables Qatar W.L.L. (<i>Note iii</i>)	45	45	Joint Operation

- **Trelco Limited – Single Shareholder Company**, is engaged in various trading activities.
- **Oriental Enterprises S.P.C.** is mainly engaged in trade in steel, insulation materials, and contracting and construction (*disposed off*). (*Note ii*).
- **Consolidated Engineering Systems Company W.L.L.** is mainly engaged in trading in fire alarms, security systems and related contracting activities. (*Note i*).
- **Watermaster (Qatar) Company W.L.L.** is mainly engaged in water treatment contracting activities. (*Note i*).
- **Electro Mechanical Engineering Company W.L.L.** is mainly engaged in installation and maintenance of electro mechanical works. (*Note i*).
- **Construction Development Contracting & Trading Co. W.L.L.** is mainly engaged in the contracting activities and trading in building materials.
- **Debbas Enterprises - Qatar W.L.L.** is mainly engaged in trading in electrical equipment, switch gear, light and instrument electrical tools, electromechanical equipment installation and maintenance works.
- **Trelco Building Materials Co. W.L.L.** is mainly engaged in trading of wood, steel and building materials. (*Note i*).
- **Consolidated Supplies Company W.L.L.** is mainly engaged in trading of electrical and construction materials. (*Note i*).
- **El Sewedy Cables Qatar W.L.L.** is mainly engaged in trading in electro-mechanical equipment and providing electro-mechanical related services. (*Note iii*) (*Held for sale*).

INVESTMENT HOLDING GROUP W.L.L.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended June 30, 2016

1. STATUS AND ACTIVITIES (CONTINUED)

All the above subsidiaries are located in the state of Qatar and prepared their interim financial statements in accordance with International Financial Reporting Standards (IFRSs) and applicable provisions of Qatar Commercial Companies Law.

Note i:

Effective January 1, 2015, the Company's ownership percentages in certain subsidiaries mentioned above has changed, as a result of share swap agreements with the non-controlling partners in the same subsidiaries. This swap was based on the share swap agreements signed and agreed among the partners after conducting valuation of the entities subject to the shares swap.

Note ii:

In 2014, the Company entered into sale agreement to dispose the Company's share in Oriental Enterprise S.P.C. (the "Subsidiary"). The disposal was completed on June 2, 2015, on which date control on the Subsidiary passed to the acquirer (*Note 7.a and 19*).

Note iii:

During 2015, the partners of the Company agreed to dispose the Company's share in El Sewedy Cables Qatar W.L.L. (the "Joint Operation"). Accordingly, as of the reporting date, the balances of the Joint Operation are included in a disposal group and presented in the interim condensed consolidated statements of financial position under assets classified as held for sale and liabilities directly associated with assets classified as held for sale (*Note 7.b*).

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation:

The accompanying interim condensed consolidated financial statements are prepared in accordance with International Accounting Standard IAS 34 – "Interim Financial Reporting" under the historical cost convention except for certain financial instruments which have been stated at fair value. They do not include all of the information required for full annual financial statements, therefore should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended December 31, 2015. In addition, results for the six months period ended June 30, 2016 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2016.

The management accounts of the joint operation with one of the Company's subsidiaries (Debbas Enterprise Qatar W.L.L.) were used in the preparation of these interim condensed consolidated financial statements.

Significant accounting policies:

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2015 except for the adoption of revised standards effective as of January 1, 2016. However, they do not impact the interim condensed consolidated financial statements of the Group.

INVESTMENT HOLDING GROUP W.L.L.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended June 30, 2016

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies: (continued)

(i) New Standard:

Effective for annual periods beginning on or after 1 January 2016

- IFRS 14 *Regulatory Deferral Accounts.*

(ii) Revised Standards:

Effective for annual periods beginning on or after 1 January 2016

- IFRS 10 & IAS 28 (Revised) *Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture.*
- IFRS 11 (Revised) *Amendments regarding the accounting for acquisitions of an interest in a joint operation.*
- IFRS 12 (Revised) *Amendments regarding the application of the consolidation exception.*
- IAS 1 (Revised) *Amendments resulting from the disclosure initiative.*
- IAS 16 (Revised) *Amendments regarding the clarification of acceptable methods of depreciation and amortization and amendments bringing bearer plants into the scope of IAS 16.*
- IAS 27 (Revised) *Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.*
- IAS 38 (Revised) *Amendments regarding the clarification of acceptable methods of depreciation and amortization.*
- IAS 41 (Revised) *Amendments bringing bearer plants into the scope of IAS 16.*
- Annual Improvements 2012-2014 Cycle *Amendments to issue clarifications and add additional/specific guidance to IFRS 5, IFRS 7, IAS 19 and IAS 34.*

Standards and amendments issued but not yet effective

Certain new and revised standards have been issued are not yet effective for the six-month period ended 30 June 2016 and have not been early adopted in preparing these interim condensed consolidated financial statements. The Group is assessing the potential impact on initial application of IFRS 9, 15 and 16.

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. BANK BALANCES AND CASH

	June 30, 2016	December 31, 2015
	(Reviewed)	(Audited)
	QR.	QR.
Cash on hand	1,092,390	324,183
Cash in bank	113,702,576	107,147,622
Fixed deposits (<i>Note i</i>)	7,000,000	12,082,791
Bank margin	200,000	467,580
	121,994,966	120,022,176

INVESTMENT HOLDING GROUP W.L.L.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six months period ended June 30, 2016

3. BANK BALANCES AND CASH (CONTINUED)

Note i: Fixed deposits are held with a local commercial bank in the State of Qatar. They carry interest at an average rate of 1% (2015: 1%) per annum. These deposits have a maturity for less than 3 months from the date of placement.

4. ACCOUNTS RECEIVABLE AND OTHER DEBIT BALANCES

	June 30, 2016	December 31, 2015
	(Reviewed)	(Audited)
	QR.	QR.
Trade receivables, net	148,237,182	137,744,553
Retention receivable	30,566,485	19,658,024
Prepaid expenses	1,222,372	3,627,362
Other debit balances	21,166,675	21,423,127
	<u>201,192,714</u>	<u>182,453,066</u>

The average credit period for sale of goods and rendering services is 60 to 90 days. No interest is charged on the overdue accounts receivable. Appropriate allowances for estimated irrecoverable amounts are recognised in the interim condensed consolidated statement of profit or loss when there is objective evidence that the asset is impaired, based on management's historical experience.

	June 30, 2016	December 31, 2015
	(Reviewed)	(Audited)
	QR.	QR.
Trade receivables comprise:		
Trade receivables	153,163,198	141,106,951
Less: Allowance for doubtful debts	(4,926,016)	(3,362,398)
Trade receivables – net	<u>148,237,182</u>	<u>137,744,553</u>

Movement in the allowance for doubtful debts is as follows:

	June 30, 2016	December 31, 2015
	(Reviewed)	(Audited)
	QR.	QR.
Balance at beginning of the period / year	3,362,398	4,621,704
Charge for the period / year	1,563,618	1,277,950
Reversal of provision	--	(2,233,490)
Bad debts written off	--	(303,766)
Balance at end of the period / year	<u>4,926,016</u>	<u>3,362,398</u>

INVESTMENT HOLDING GROUP W.L.L.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended June 30, 2016

5. RELATED PARTIES

Related parties represent associated companies, shareholders, directors and / or key management personnel of the Group and companies controlled, jointly controlled or significantly influenced by those parties. Terms of transactions with related parties are approved by the Group's management.

a) Due from related parties

	June 30, 2016	December 31, 2015
	(Reviewed) QR.	(Audited) QR.
Shareholders	4,177,537	--
Al Hodaifi Group W.L.L. and its subsidiaries	53,031,432	46,326,097
Others	7,013,079	6,169,815
	64,222,048	52,495,912
Less: non-current portion	--	--
Current portion	64,222,048	52,495,912

b) Due to related parties

	June 30, 2016	December 31, 2015
	(Reviewed) QR.	(Audited) QR.
Shareholders	3,977,970	2,508,886
Al Hodaifi Group W.L.L. and its subsidiaries	8,689,106	8,001,796
Others	18,423,087	6,525,942
	31,090,163	17,036,624

6. INVENTORIES

	June 30, 2016	December 31, 2015
	(Reviewed) QR.	(Audited) QR.
Raw material	52,360,142	60,601,091
Goods in transit	8,227,003	2,342,453
	60,587,145	62,943,544

INVESTMENT HOLDING GROUP W.L.L.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended June 30, 2016

7. ASSETS CLASSIFIED AS HELD FOR SALE

	June 30, 2016	December 31, 2015
	(Reviewed) QR.	(Audited) QR.
Assets held for sale		
Investment in a subsidiary (<i>Note 7.a</i>)	--	--
Investment in a joint operation (<i>Note 7.b</i>)	296,365,477	321,683,790
	296,365,477	321,683,790
Liabilities associated with assets held for sale		
Liabilities of a subsidiary (<i>Note 7.a</i>)	--	--
Liabilities of a joint operation (<i>Note 7.b</i>)	199,331,884	253,180,673
	199,331,884	253,180,673

7.a Investment in a subsidiary:

During 2014, the partners of the Company approved the sale of Oriental Enterprise S.P.C. (the "Subsidiary") one of the Company's subsidiaries, to a third party for a consideration of QR. 109.5 million.

The disposal was completed on June 2, 2015, on which date control over Oriental Enterprise S.P.C. operations passed to Qatar General Insurance Company (the "Acquirer") for a gain of QR. 25.9 million, refer to Note 19.

7.b Investment in a joint operation:

During 2015, the partners of the Company agreed to dispose the Company's share in El Sewedy Cables Qatar W.L.L. (the "Joint Operation") for a cash consideration equivalent to the Company's share in the equity of the Joint Operation as of December 31, 2015. The Company anticipates that the disposal will be completed during 2016. The realizable value from the disposal of the Joint Operation is expected to be greater than the Joint Operation's book value. Therefore, no impairment loss was recognised on reclassification of the assets and liabilities as held for sale.

The major classes of assets and liabilities of the Joint Operation (the Group's share) at the end of the reporting period are as follows:

	June 30, 2016	December 31, 2015
	(Reviewed) QR.	(Audited) QR.
Bank balances and cash	4,575,446	21,099,762
Accounts receivable and other debit balances	208,575,778	228,036,001
Due from related parties	11,752,634	9,494,977
Inventories	52,341,162	47,565,162
Investment in associate (<i>Note 11</i>)	16,626,894	12,923,122
Property, plant and equipment	2,493,563	2,564,766
Assets classified as held for sale for the Joint operation	296,365,477	321,683,790

INVESTMENT HOLDING GROUP W.L.L.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six months period ended June 30, 2016

7. ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)

The major classes of assets and liabilities of the Joint Operation (the Group's share) at the end of the reporting period are as follows (continued):

	June 30, 2016	December 31, 2015
	(Reviewed)	(Audited)
	QR.	QR.
Borrowings	64,289,553	150,508,952
Due to related parties	61,694,850	45,659,043
Accounts payable and accruals	71,861,355	54,289,763
Income tax payable	--	1,372,228
Employees' end of service benefits	1,486,126	1,350,687
Liabilities associated with assets held for sale for the Joint operation	199,331,884	253,180,673
Net assets	97,033,593	68,503,117

8. DISCONTINUED OPERATIONS

	For the six months period ended June 30,	
	2016	2015
	(Reviewed)	(Reviewed)
	QR.	QR.
Group's share of profit for the period from discontinued operations of the Joint Operation	28,281,229	15,501,737

8.a.1 Analysis of the Group's share of profit for the year

The results of the discontinued operations of the Joint Operations for the six months period ended June 30, 2016 are classified as discontinued operations and included in the interim condensed consolidated statement of profit or loss as follows (*The comparative profit from discontinued operations have been re-presented to include those operations classified as discontinued in the current year*):

	For the six months period ended June 30,	
	2016	2015
	(Reviewed)	(Reviewed)
	QR.	QR.
Sales	203,910,676	240,716,156
Cost of sales	(173,313,207)	(221,022,899)
Share of profit from investment in associate	3,444,140	1,983,166
General and administrative expenses	(3,815,144)	(4,586,034)
Depreciation	(139,571)	(325,813)
Finance cost	(2,020,380)	(1,306,827)
Other income	214,715	43,988
Group's share of profit for the year from discontinued operations	28,281,229	15,501,737

INVESTMENT HOLDING GROUP W.L.L.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six months period ended June 30, 2016

9. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2016	December 31, 2015
	(Reviewed) QR.	(Audited) QR.
Net book value - opening balance	19,948,885	18,015,306
Additions	7,266,193	11,817,615
Disposals	(456,985)	(899,286)
Reclassified as held for sale	--	(2,564,766)
Write-off	--	(280,873)
Depreciation	(2,933,579)	(6,139,111)
Closing balance	23,824,514	19,948,885

10. INVESTMENT PROPERTIES

	June 30, 2016	December 31, 2015
	(Reviewed) QR.	(Audited) QR.
Opening balance	2,776,465	3,382,238
Changes in fair value	(302,886)	(605,773)
Closing balance	2,473,579	2,776,465

The Company will assess the fair value of investment properties at year end.

11. INVESTMENT IN ASSOCIATES

Investment in associates comprise the following:

Name	% Holding	June 30, 2016	December 31, 2015
		(Reviewed) QR.	(Audited) QR.
Doha Cables Qatar W.L.L. (<i>Note i</i>)	12.5%	--	--
Prolines Company W.L.L.	40%	93,125	95,981
		93,125	95,981

Note i:

The Group has investment in Doha Cables Qatar W.L.L. through its Joint Operation. Effective from January 1, 2015, the Joint Operation was classified as held for sale, the balance as of June 30, 2016 amounting to QR. 16,626,894 (December 31, 2015: QR. 12,923,122) was classified under assets held for sale (*Note 7.b*).

INVESTMENT HOLDING GROUP W.L.L.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six months period ended June 30, 2016

11. INVESTMENT IN ASSOCIATES (CONTINUED)

Movement in the investment in associates is as follows:

	June 30, 2016	December 31, 2015
	(Reviewed)	(Audited)
	QR.	QR.
Opening balance	95,981	8,634,876
Reclassified as held for sale	--	(8,595,333)
Share of (loss) / profit from investment in associate	(2,856)	56,438
Closing balance	93,125	95,981

12. AVAILABLE-FOR-SALE INVESTMENTS

	June 30, 2016	December 31, 2015
	(Reviewed)	(Audited)
	QR.	QR.
Opening balance – fair value	2,250,000	2,250,000
Fair value gain	--	--
Closing balance	2,250,000	2,250,000

Available-for-sale investments are carried at cost, since its fair value cannot be reliably estimated. These investments are unquoted.

13. BORROWINGS

	Current		Non-current	
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
	(Reviewed)	(Audited)	(Reviewed)	(Audited)
	QR.	QR.	QR.	QR.
Import loan	73,069,243	46,950,906	--	--
Demand loan	16,029,690	17,510,807	--	--
Project financing	10,581,583	53,731,758	4,276,399	1,785,000
Term loans	1,899,598	1,856,088	3,922,755	2,554,993
Murabaha loan	--	622,570	--	--
Vehicle loan	--	97,392	--	81,160
	101,580,114	120,769,521	8,199,154	4,421,153

INVESTMENT HOLDING GROUP W.L.L.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**For the six months period ended June 30, 2016

14. ACCOUNTS PAYABLE AND ACCRUALS

	June 30, 2016	December 31, 2015
	(Reviewed)	(Audited)
	QR.	QR.
Trade and notes payable	75,727,158	86,026,737
Advances from customers	46,324,965	38,072,815
Accruals and other credit balances	52,968,172	64,222,704
	<u>175,020,295</u>	<u>188,322,256</u>

Management did not accrue for the six month period ended June 30, 2016 and decided to record the amount at year end based on the annual results of the Companies.

15. CASH AND CASH EQUIVALENTS

	June 30, 2016	December 31, 2015
	(Reviewed)	(Audited)
	QR.	QR.
Bank balances and cash (<i>Note 3</i>)	121,994,966	120,022,176
Bank overdraft	(80,103,367)	(78,341,182)
	<u>41,891,599</u>	<u>41,680,994</u>

Cash and cash equivalents comprise cash, bank balances and deposits with original maturity of less than 90 days, net of bank overdrafts.

INVESTMENT HOLDING GROUP W.L.L.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six months period ended June 30, 2016

16. SHARE CAPITAL

The Company's issued and paid up capital is QR 10,000,000 owned as follows:

Name	Nationality	Percentage of ownership		Amount in QR.	
		June 30, 2016 (Reviewed)	December 31, 2015 (Audited)	June 30, 2016 (Reviewed)	December 31, 2015 (Audited)
Ghanim Sultan Hudaifi Al Kuwari	Qatari	50.4556%	50.4556%	5,045,560	5,045,560
Moza Shaheen Saad Al Rabia Al Kuwari	Qatari	2.1937%	2.1937%	219,370	219,370
Sarah Jassem Mohammad Al Bouinain	Qatari	2.1937%	2.1937%	219,370	219,370
Ohoad Karim Wasel Dagani	Saudi	2.1937%	2.1937%	219,370	219,370
Abdulaziz Ghanim Sultan Hudaifi Al Kuwari	Qatari	1.4625%	1.4625%	146,250	146,250
Adballah Ghanim Sultan Hudaifi Al Kuwari	Qatari	1.4625%	1.4625%	146,250	146,250
Hamad Ghanim Sultan Hudaifi Al Kuwari	Qatari	1.3894%	1.3894%	138,940	138,940
Sultan Ghanim Sultan Hudaifi Al Kuwari	Qatari	1.3894%	1.3894%	138,940	138,940
Abdulrahman Ghanim Sultan Hudaifi Al Kuwari	Qatari	1.3894%	1.3894%	138,940	138,940
Khaled Ghanim Sultan Hudaifi Al Kuwari	Qatari	1.3162%	1.3162%	131,620	131,620
Mohammad Ghanim Sultan Hudaifi Al Kuwari	Qatari	1.2431%	1.2431%	124,310	124,310
Alanoud Ghanim Sultan Hudaifi Al Kuwari	Qatari	0.7312%	0.7312%	73,120	73,120
Hossa Ghanim Sultan Hudaifi Al Kuwari	Qatari	0.7312%	0.7312%	73,120	73,120
Aisha Ghanim Sultan Hudaifi Al Kuwari	Qatari	0.7312%	0.7312%	73,120	73,120
Fatima Ghanim Sultan Hudaifi Al Kuwari	Qatari	0.7312%	0.7312%	73,120	73,120
Latifa Ghanim Sultan Hudaifi Al Kuwari	Qatari	0.7312%	0.7312%	73,120	73,120
Louloua Ghanim Sultan Hudaifi Al Kuwari	Qatari	0.7312%	0.7312%	73,120	73,120
Noura Ghanim Sultan Hudaifi Al Kuwari	Qatari	0.7312%	0.7312%	73,120	73,120
Mariam Ghanim Sultan Hudaifi Al Kuwari	Qatari	0.7312%	0.7312%	73,120	73,120
Ghanim khaleed Ghanim Hudaifi Al Kuwari	Qatari	0.0731%	0.0731%	7,310	7,310
Jabor Khaleed Ghanim Hudaifi Al Kuwari	Qatari	0.0731%	0.0731%	7,310	7,310
Ghanim Abdelrhman Ghanim Hudaifi Al Kuwari	Qatari	0.0731%	0.0731%	7,310	7,310
Ghanim Mohammed Ghanim Hudaifi Al Kuwari	Qatari	0.0731%	0.0731%	7,310	7,310
Ghanim Sultan Ghanim Hudaifi Al Kuwari	Qatari	0.0731%	0.0731%	7,310	7,310
Nasser Hamad Ghanim Hudaifi Al Kuwari	Qatari	0.0731%	0.0731%	7,310	7,310
Rashed Mohammed Ghanim Hudaifi Al Kuwari	Qatari	0.0731%	0.0731%	7,310	7,310
Abduallah Mohammed Ghanim Hudaifi Al Kuwari	Qatari	0.0731%	0.0731%	7,310	7,310
Wael Mosa Ashteyah	Jordan	0.3425%	0.3425%	34,250	34,250
Khaleel Jabra Khaleel Dagbaj	Jordan	0.8220%	0.8220%	82,200	82,200
Wafa Essam Yousef Sofan	Jordan	24.4991%	24.4991%	2,449,910	2,449,910
Water Holding Group	Lebanon	0.8917%	0.8917%	89,170	89,170
Atoom Hussien Al haj	Lebanon	0.3211%	0.3211%	32,110	32,110
Total		100%	100%	10,000,000	10,000,000

Effective January 1, 2015, the ownership structure has been changed, as a result of swap of shares among existing partners. This swap was based on the sale and purchase contract signed and agreed among the partners after conducting valuation of the entities subject to the shares swap.

INVESTMENT HOLDING GROUP W.L.L.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six months period ended June 30, 2016

17. CAPITAL RESERVE

Effective January 1, 2008, the partners contributed their shareholding interests, in the following Group's subsidiaries at book value as of that date:

	Ownership of interest transferred to the Group
Al Hodaifi Group W.L.L.	100.00%
Industrial Development & Trading Co. S.P.C.	100.00%
Al Sidra Agricultural Co. S.P.C.	100.00%
Gulf Services Consultants Co. S.P.C.	100.00%
Trelco Limited Company S.P.C.	100.00%
Al Hodaifi Rocks W.L.L.	51.00%
Debbas Enterprises - Qatar W.L.L.	51.00%
Building Development Technology W.L.L.	51.00%
Construction Development Contracting & Trading Co. W.L.L.	51.00%
Trelco International Company W.L.L.	51.00%
Consolidated Supplies Company W.L.L.	51.00%
Electro Mechanical Engineering Company W.L.L.	51.00%
Water Master (Qatar) Company W.L.L.	51.00%
Tehini Qatar W.L.L.	51.00%
Consolidated Engineering Systems Company W.L.L.	40.80%
Gazzaoui - Qatar Company W.L.L.	36.00%
Prolines Company W.L.L.	55.40%
Capital Technology Company W.L.L.	26.00%

The total value of the contributed net assets, as of January 1, 2008, further to the allocation on the consolidated statement of financial position as capital reserve are as follows:

Net assets acquired	Book Value
	QR.
Current assets:	
Cash and cash equivalents	21,696,934
Trade and other receivables	122,630,681
Inventories	68,009,822
Amount due from group companies	6,932,770
Trading investments	1,369,300
Deferred charges	2,879,580
Work in progress	2,122,185
Total current assets	225,641,272
Non-current assets:	
Property and equipment	20,491,537
Total assets	246,132,809

INVESTMENT HOLDING GROUP W.L.L.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended June 30, 2016

17. CAPITAL RESERVE (CONTINUED)

Net assets acquired (continued)	<u>Book Value</u> QR.
Current liabilities	
Trade and other payables	147,131,963
Income tax payable	1,389,972
Loans and Borrowings	<u>55,040,333</u>
Total current liabilities	203,562,268
Non-current liabilities	
Employees' end of service benefits	<u>1,746,578</u>
Total liabilities	<u>205,308,846</u>
Net assets contributed	<u><u>40,823,963</u></u>
Reflected in the consolidated statement of financial position at the date of transfer, as follows:	
Partners' current account	9,410,997
Non-controlling interests	12,944,701
Capital reserve	<u>18,468,265</u>
Net assets contributed	<u><u>40,823,963</u></u>

18. LEGAL RESERVE

Legal reserve is computed in accordance with the provisions of the Qatar Commercial Companies' Law and the Company's Articles of Association at 10% of the annual net profit. Transfers to the reserve are made until it equals at least 50% of the paid up capital. The reserve is not available for distribution except in circumstances specified in the Qatar Commercial Companies' Law.

19. GAIN ON DISPOSAL OF A SUBSIDIARY

The Group disposed its shares in a subsidiary whose ownership structure was as follows:

	<u>June 30,</u> <u>2016</u> (Reviewed)	December 31, 2015 (Audited)
Oriental Enterprise S.P.C.	--	100%

The disposal of this subsidiary was completed on June 2, 2015. This subsidiary was classified as of December 31, 2014 as asset held for sale (*Refer to Note 7.a*).

INVESTMENT HOLDING GROUP W.L.L.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended June 30, 2016

19. GAIN ON DISPOSAL OF A SUBSIDIARY (CONTINUED)*19.1 Gain on disposal of subsidiary*

	For the six months period ended June 30,	
	2016	2015
	(Reviewed)	(Reviewed)
	QR.	QR.
Consideration received for disposed subsidiary	--	109,500,000
Less: Net asset of disposed subsidiary	--	(83,597,574)
Gain on disposal of subsidiary	--	25,902,426

19.2 Net cash inflow on disposal of subsidiary

	For the six months period ended June 30,	
	2016	2015
	(Reviewed)	(Reviewed)
	QR.	QR.
Consideration received for disposed subsidiaries	--	109,500,000
Less: Cash and cash equivalent balances of the disposed subsidiary	--	(2,762,745)
	--	106,737,255

20. APPROVAL OF FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved by partners and authorized for issuance on October 4, 2016.