

**INVESTMENT HOLDING GROUP - Q.P.S.C.
DOHA- QATAR**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REVIEW REPORT
AS AT AND FOR THE SIX MONTH PERIOD
ENDED JUNE 30, 2018**

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE BOARD OF DIRECTORS
INVESTMENT HOLDING GROUP (Q.P.S.C.)
DOHA – QATAR

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Investment Holding Group Q.P.S.C ("The Company") and its subsidiaries (together referred to as "The Group") for the six month period ended June 30, 2018 comprising of interim consolidated financial position as at June 30, 2018 and the related interim consolidated statements of profit or loss, other comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the six-month period then ended and other explanatory notes.

The Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 – Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements of Investment Holding Group (Q.P.S.C) for the six-month period ended June 30, 2018 are not prepared, in all material respects, in accordance with International Accounting Standard No. (34), "Interim Financial Reporting".

Rödl & Partner – Qatar Branch
Certified Public Accountants


Hikmat Mukhaimer, FCCA (UK)
License No. 297
QFMA Registration Auditor's No. 120151



Doha – Qatar
August 6, 2018

INVESTMENT HOLDING GROUP Q.P.S.C.
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

	<i>Notes</i>	June 30, 2018 (Reviewed) QR.	December 31, 2017 (Audited) QR.
ASSETS			
Current Assets			
Bank balances and cash	3	111,902,002	136,855,552
Accounts receivable and other debit balances	4	163,959,063	173,306,340
Gross amounts due from customers on contract work		219,850,711	198,745,047
Due from related parties	5 (a)	31,291,923	32,750,201
Inventories	6	74,176,172	71,651,943
Total current assets		<u>601,179,871</u>	<u>613,309,083</u>
Non-current asset			
Retention receivables		44,894,171	49,528,090
Financial Assets		31,000,000	2,250,000
Investment properties	7	1,262,044	1,564,919
Goodwill	9	711,492,489	711,492,489
Property and equipment	8	18,803,586	19,644,442
Total non-current assets		<u>807,452,290</u>	<u>784,479,940</u>
Total assets		<u><u>1,408,632,161</u></u>	<u><u>1,397,789,023</u></u>

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

INVESTMENT HOLDING GROUP Q.P.S.C.
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT JUNE 30, 2018

	Notes	June 30, 2018 (Reviewed) QR.	December 31, 2017 (Audited) QR.
LIABILITIES AND EQUITY			
Current Liabilities			
Bank overdraft	10 (a)	76,079,939	70,479,292
Borrowings	10 (b)	127,333,507	126,937,318
Due to related party	5 (b)	19,134,980	16,812,364
Gross amounts due to customers on contract work		16,176,534	27,185,439
Dividends payable		3,629,563	3,002,770
Accounts payable and accruals	11	194,259,938	165,207,124
Total current liabilities		436,614,461	409,624,307
Non-current liabilities			
Borrowings	10 (b)	89,048	1,269,387
Retentions payable		1,473,656	1,285,286
Employees' end of service benefits	12	26,791,002	30,138,760
Total non-current liabilities		28,353,706	32,693,433
Total Liabilities		464,968,167	442,317,740
Equity			
Share capital	13	830,000,000	830,000,000
Legal reserve	14	696,902	696,902
Retained earnings		41,575,577	38,997,240
Equity attributable to the shareholders' of The Company		872,272,479	869,694,142
Non-controlling interests	18	71,391,515	85,777,141
Total equity		943,663,994	955,471,283
Total liabilities and equity		1,408,632,161	1,397,789,023

Wafa Isam Soufan
Board Member

Samer Wahbeh
Group CEO

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

INVESTMENT HOLDING GROUP Q.P.S.C.
INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

	<i>Notes</i>	For the six-month period ended 30 June,	
		2018	2017
		(Reviewed)	(Reviewed)
		QR.	QR.
Revenue	15	220,426,621	217,947,823
Direct cost		(154,756,045)	(153,828,679)
Gross profit		65,670,576	64,119,144
Other income		6,535,281	7,859,595
Dividend income from financial assets		3,764,658	5,000,000
General and administrative expenses	16	(65,364,239)	(38,808,927)
Fair value gain from financial assets		28,750,000	--
Interest expenses		(5,822,895)	(4,025,998)
Depreciation of property, plant and equipment		(2,006,325)	(1,724,202)
(Loss)/ gain from disposal of Property and equipments		(15,598)	42,987
Fair value loss from investment property		(302,875)	(302,886)
Profit for the period		31,208,583	32,159,713
Profit for the period attributable to:			
The Shareholders' of The Company		23,328,337	20,995,507
Non-controlling interests		7,880,246	11,164,206
Total Profit for the period		31,208,583	32,159,713
Basic Earnings per share	17	0.28	0.25

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

INVESTMENT HOLDING GROUP Q.P.S.C.
INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

		For the six-month period ended 30 June,	
		2018	2017
<i>Notes</i>		(Reviewed)	(Reviewed)
		QR.	QR.
	Profit for the period	31,208,583	32,159,713
	Other Comprehensive income	--	--
	Total comprehensive income for the period	31,208,583	32,159,713
	Total comprehensive income for the period attributable to:		
	The Shareholders' of the Company	23,328,337	20,995,507
	Non-controlling interests	7,880,246	11,164,206
	Total	31,208,583	32,159,713

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

INVESTMENT HOLDING GROUP Q.P.S.C.
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

	Equity attributable to the shareholders' of the company				Non- controlling interests	Total equity
	Share capital	Legal reserve	Retained earnings	Total		
	QR.	QR.	QR.	QR.		
Balance at January 1, 2017 (Audited)	830,000,000	--	--	830,000,000	62,763,728	892,763,728
Total comprehensive income for the period	--	--	20,995,507	20,995,507	11,164,206	32,159,713
Dividend distribution	--	--	--	--	(6,622,517)	(6,622,517)
Balance at June 30, 2017 (Reviewed)	<u>830,000,000</u>	<u>--</u>	<u>20,995,507</u>	<u>850,995,507</u>	<u>67,305,417</u>	<u>918,300,924</u>
Balance at January 1, 2018 (Audited)	830,000,000	696,902	38,997,240	869,694,142	85,777,141	955,471,283
Total comprehensive income for the period	--	--	23,328,337	23,328,337	7,880,246	31,208,583
Dividend distribution	--	--	(20,750,000)	(20,750,000)	(22,265,872)	(43,015,872)
Balance at June 30, 2018 (Reviewed)	<u>830,000,000</u>	<u>696,902</u>	<u>41,575,577</u>	<u>872,272,479</u>	<u>71,391,515</u>	<u>943,663,994</u>

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

INVESTMENT HOLDING GROUP Q.P.S.C.
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

	For the six-month period ended 30 June,	
	2018	2017
	(Reviewed)	(Reviewed)
<i>Notes</i>	QR.	QR.
OPERATING ACTIVITIES		
Net Profit for the period,	31,208,583	32,159,713
Adjustments for:		
Depreciation of property and equipment	2,932,974	2,864,927
Dividend income from financial assets	--	(5,000,000)
Provision for general expenses	--	(2,000,000)
Fair value loss from investment property	302,875	302,886
Provision for slow moving inventories	9,984,290	725,813
Loss/ (gain) from disposal of Property and equipments	15,598	(42,987)
Fair value gains from financial assets	(28,750,000)	--
Interest expense	5,822,895	4,025,998
Provision for employees' end of service benefits	2,508,014	1,658,813
	24,025,229	34,695,163
Movements in working capital:		
Inventories	(12,508,519)	11,449,983
Due from related parties	1,458,278	(20,771,885)
Gross amount due from customers on contract work	(21,105,664)	(17,632,730)
Accounts receivable and other debit balances	9,347,277	(8,617,062)
Due to related parties	2,322,616	25,275,899
Retentions receivable	4,633,919	13,058,538
Accounts payable and accruals	29,052,814	2,348,866
Gross amounts due to customers on contract work	(11,008,905)	(7,115,905)
Retention payable	188,370	1,343,632
Cash generated from operations	26,405,415	34,034,499
Income tax paid	--	(4,381,651)
Interest expense paid	(5,822,895)	(4,025,998)
Employees' end of service benefits paid	(5,855,772)	(6,083,511)
Net cash generated from operating activities	14,726,748	19,543,339
INVESTING ACTIVITIES		
Purchase of property and equipment	(2,107,716)	(1,224,547)
Proceeds from sale of property and equipment	--	42,988
Net cash used in investing activities	(2,107,716)	(1,181,559)

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

INVESTMENT HOLDING GROUP Q.P.S.C.
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

		For the six-month period ended 30 June	
		2018	2017
		(Reviewed)	(Reviewed)
<i>Notes</i>		QR.	QR.
FINANCING ACTIVITIES			
	Dividend paid	(42,389,079)	(13,112,583)
	Movement of bank loans and borrowings	(784,150)	9,698,170
	Net cash used in financial activities	(43,173,229)	(3,414,413)
	Net (decrease)/ increase in cash and cash equivalents	(30,554,197)	14,947,367
	Cash and cash equivalents at beginning of the period	66,376,260	51,568,371
	Cash and cash equivalents at the end of the period	35,822,063	66,515,738
		3	3

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

INVESTMENT HOLDING GROUP Q.P.S.C.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

1. GENERAL INFORMATION

Investment Holding Group Q.P.S.C (“The Company” or “Parent”) is registered in the State of Qatar under Commercial Registration No. 39127 which has been amended by converting the legal status of the company from a limited liability company to Qatari public shareholding company effective 11 of May 2017. The Company is engaged in various types of investments inside the State of Qatar in accordance with sound commercial and economic practices. Before this date, the company was registered under the same commercial registration No. 39127 as a limited liability from 11th of May 2008.

The consolidated financial statements comprise the financial statements of The Company and those related to its subsidiaries mentioned below (collectively, The “Group”), as follows:

Subsidiary Name	Legal Form	Percentage of ownership (%)		Type of Interest
		June 2018	December 2017	
Trelco Limited (Note –A)	W.L.L	100	100	Subsidiary
Consolidated Engineering Systems Company (Note –A)	W.L.L	60.4	60.4	Subsidiary
Watermaster (Qatar) Company (Note –A)	W.L.L	63.3	63.3	Subsidiary
Electro Mechanical Engineering Company (Note –A)	W.L.L	68.5	68.5	Subsidiary
Construction Development Contracting & Trading-Company (Note –A)	W.L.L	51	51	Subsidiary
Debbas Enterprises - Qatar (Note –A)	W.L.L	51	51	Subsidiary
Trelco Building Materials Company (Note –A)	W.L.L	85	85	Subsidiary
Consolidated Supplies Company (Note –A)	W.L.L	75.5	75.5	Subsidiary

NOTE (A)

- **Trelco Limited – W.L.L.**, is engaged in various trading activities.
- **Consolidated Engineering Systems Company W.L.L.** is mainly engaged in trading in fire alarms, security systems and related contracting activities.
- **Watermaster (Qatar) Company W.L.L.** is mainly engaged in water treatment contracting activities.
- **Electro Mechanical Engineering Company W.L.L.** is mainly engaged in installation and maintenance of electro mechanical works.
- **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.
- **Consolidated Supplies Company W.L.L.** is mainly engaged in trading of electrical and construction materials.

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

INVESTMENT HOLDING GROUP Q.P.S.C.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

2- BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements for the six months period ended 30 June, 2018 have been prepared in accordance with IAS 34 “Interim Financial Reporting” and have been presented in Qatari Riyals which is The Company’s functional and presentation currency.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2017. In addition, results for the six months ended 30 June 2018 are not necessarily indicative of the results that maybe expected for the financial year ending 31 December 2018.

In preparing these interim condensed consolidated financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2017, except for the changes in significant accounting policies arising from the adoption of new accountig standards that are described under “changes in significant accounting policies”.

Changes in significant accounting policies

Except as disclosed in these interim condensed consolidated financial statements, the accounting policies applied in these interim condensed consolidated financial statements are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 31 December 2017.

The changes in accounting policies are also expected to be reflected in the Group’s consolidated financial statements as at and for the year ending 31 December 2018.

During the year, the Group has initially adopted IFRS 9 Financial Instruments from 1 January 2018. There are other new standards and interpretations that are effective from 1 January 2018.

The Group has adopted IFRS 9 Financial Instruments issued in July 2014 with a date of initial application of 1 January 2018. The requirements of IFRS 9 represent a significant change from IAS 39 Financial Instruments: Recognition and Measurement. The new standard brings fundamental changes to the accounting for financial assets and to certain aspects of the accounting for financial liabilities.

INVESTMENT HOLDING GROUP Q.P.S.C.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

3. BANK BALANCES AND CASH	June 30, 2018 (Reviewed)	December 31, 2017 (Audited)
	QR.	QR.
Cash on hand	1,003,442	931,880
Cash in bank	100,207,158	127,965,015
Fixed deposits (Note - a)	7,000,000	7,000,000
Bank margin	3,691,402	958,657
Balance	111,902,002	136,855,552
Deduct:		
Bank Overdraft (Note 10 - a)	(76,079,939)	(70,479,292)
Cash and cash equivalent at the end of Period/year	35,822,063	66,376,260

(Note-a): Fixed deposits are held with a local commercial bank in the State of Qatar. These deposits have a maturity for less than 3 months from the date of placement.

4. ACCOUNTS RECEIVABLE AND OTHER DEBIT BALANCES	June 30, 2018 (Reviewed)	December 31, 2017 (Audited)
	QR.	QR.
Trade receivables, net	98,230,647	121,464,473
Retention receivable	36,739,579	27,761,913
Prepaid expenses	1,497,025	1,467,748
Other debit balances	27,491,812	22,612,206
	163,959,063	173,306,340

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, 2018 (Reviewed)	December 31, 2017 (Audited)
	QR.	QR.
Al Hodaifi Group - W.L.L. and its subsidiaries	27,598,712	24,923,631
Others	3,693,211	7,826,570
	31,291,923	32,750,201

INVESTMENT HOLDING GROUP Q.P.S.C.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

5. RELATED PARTIES (CONTINUED)

b) Due to related parties	June 30, 2018 (Reviewed)	December 31, 2017 (Audited)
	QR.	QR.
Existing Shareholders	6,893,467	6,893,467
Al Hodaifi Group W.L.L. and its subsidiaries	3,984,345	3,219,554
Others	8,257,168	6,699,343
	<u>19,134,980</u>	<u>16,812,364</u>

6. INVENTORIES	June 30, 2018 (Reviewed)	December 31, 2017 (Audited)
	QR.	QR.
Trading inventory	72,879,084	62,444,272
Raw material	13,100,242	3,237,006
Goods in transit	--	7,789,529
Total inventory balance	85,979,326	73,470,807
Less:		
Allowance for obsolete and slow moving items	(11,803,154)	(1,818,864)
Net inventory balance	<u>74,176,172</u>	<u>71,651,943</u>

7. INVESTMENT PROPERTIES

	June 30, 2018 (Reviewed)	December 31, 2017 (Audited)
	QR.	QR.
Opening balance at January 1,	1,564,919	2,170,692
Changes in fair value	(302,875)	(605,773)
Closing balance at the end of period/ year	<u>1,262,044</u>	<u>1,564,919</u>

INVESTMENT HOLDING GROUP Q.P.S.C.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

8. PROPERTY AND EQUIPMENT

	June 30, 2018 (Reviewed)	December 31, 2017 (Audited)
	QR.	QR.
Net book value – opening balance at January 1,	65,116,682	63,501,797
Add :		
Additions during period/year	2,107,716	2,894,639
Subtract:		
Disposals during period/year	(208,775)	(1,253,684)
Adjustment	--	(2,197)
Related to write-off	--	(23,873)
Historical cost at the end of period/year	67,015,623	65,116,682
Accumulated Depreciation in the beginning period/year	45,472,240	40,723,580
Add :		
*Depreciation during period/year	2,932,974	6,021,526
Subtract :		
Accumulated depreciation for disposal during period/year	(193,177)	(1,248,993)
related to write-off	--	(23,873)
Accumulated depreciation during period/year	48,212,037	45,472,240
Closing balance at the end of period/year	18,803,586	19,644,442

Depreciation during the period/ year has been allocated between direct costs and General and administrative expenses.

The Management in the process to change the recognition of Labor camp from property and equipment to investment property at fair value in the coming years.

9. GOODWILL

The share capital of the Company was determined at QR 830 Million to reflect its Company's value as per evaluation and not as per book value of partners' equity as at December 31, 2016, due to legal considerations represented by determining the company's share capital at QR. 830 Million by H.E the Minister of Economy and Commerce and the later approvals by the Ministry of Economy and Commerce and the approvals of Qatar Market Authority and Qatar Stock Exchange on the share capital as well as the Initial Public Offer in which the Prospectus took the same approach. Then the shareholders' approved the same in their Constituent General Assembly. As a result of all these, it became inevitable for the management to recognise during the year internally generated goodwill in the Company's books of accounts amounting to QR 711,492,489.

INVESTMENT HOLDING GROUP Q.P.S.C.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

10. BANK LOANS AND BORROWING

(10 - a) BANK OVER DRAFT	June 30, 2018 (Reviewed) QR.	December 31, 2017 (Audited) QR.
Closing balance for the period / year	<u>76,079,939</u>	<u>70,479,292</u>

(10 - b) BORROWING	Current		Non-current	
	June 30, 2018 (Reviewed) QR.	December 31, 2017 (Audited) QR.	June 30, 2018 (Reviewed) QR.	December 31, 2017 (Audited) QR.
Project financing (1)	12,112,640	14,128,496	--	--
Import loan (2)	55,406,397	55,903,920	--	--
Demand loan (3)	18,138,826	17,725,158	--	--
Term loans (4)	10,300,298	10,148,716	89,048	1,269,387
Murabaha loan	31,210,227	28,922,695	--	--
Vehicle loan	165,119	108,333	--	--
	<u>127,333,507</u>	<u>126,937,318</u>	<u>89,048</u>	<u>1,269,387</u>

(1) Project financing

The Group entered into loans that are utilized to finance its existing projects. These loans are settled within 4 to 10 months from the progress payments paid by the client and bear an interest rate ranging from 5.5 % to 6.5 % (2017: 5% to 6%). The non-current portion refers to the project cash loans to finance the project cash expenses which are maturing on varying dates 3 months after the project completion dates with interest rate of 6%. These loans are secured by corporate guarantees and personal guarantees by subsidiaries partners' of the Group.

(2) Import loan

Import loans represent loans obtained from a local bank for the purchase of materials for the project and issuing letters of credit for sub-contractors. These loans bear an average interest rate of 5.5 % to 6.75% (2017: 5% to 6.75%) annually and have maturities ranging from 180 to 270 days. These loans are secured by corporate guarantees and personal guarantees by subsidiaries partners' of the Group.

(3) Demand loan

Demand loans represent loans obtained from a local bank to finance working capital requirements. These loans bear an average interest rate of 5.5 % to 6.75% per annum (2017: 5% to 6.75%). These loans are secured by corporate guarantees and personal guarantees by subsidiaries partners' of the Group.

(4) Term loan

The Group entered into agreements with the local banks for the construction of labor camp and warehouse. These loans are secured by corporate guarantees and personal guarantees by subsidiaries partners' of the Group. Term loans have different maturity dates and bears interest rate of 5.5 % to 6.75% annually (2017: 5% to 6.75%).

INVESTMENT HOLDING GROUP Q.P.S.C.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

11. ACCOUNTS PAYABLE AND ACCRUALS	June 30, 2018 (Reviewed)	December 31, 2017 (Audited)
	QR.	QR.
Trade and notes payable	57,639,819	80,186,420
Advances from customers	41,278,181	19,248,179
Social and sport activity fund	--	1,017,799
Accruals and other credit balances	95,341,938	64,754,726
Closing balance	194,259,938	165,207,124

12. PROVISION FOR EMPLOYEES' END OF SERVICE BENEFIT	June 30, 2018 (Reviewed)	December 31, 2017 (Audited)
	QR.	QR.
Balance at January 1,	30,138,553	29,614,741
Provided during the period/year	2,508,221	4,948,934
Paid during the period/year	(5,855,772)	(4,424,915)
Closing balance	26,791,002	30,138,760

13. SHARE CAPITAL	June 30, 2018		December 31, 2017	
	No of shares	Amount	No of shares	Amount
		QR.		QR.
Issued capital	83,000,000	830,000,000	83,000,000	830,000,000

14. 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 net profit for the year. 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.

15. REVENUE

	June 30,	
	2018 (Reviewed)	2017 (Reviewed)
	QR.	QR.
Trading revenue	88,011,525	77,360,213
Contracting revenue	132,415,096	140,587,610
	220,426,621	217,947,823

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16. GENERAL AND ADMINISTRATIVE EXPENSES

	June 30,	
	2018	2017
	(Reviewed)	(Reviewed)
	QR.	QR.
Salaries and fringe benefits	21,606,078	18,820,451
Rent	4,933,832	7,040,719
Professional and legal fees	1,036,791	327,710
Provision of inventory	9,984,290	--
Provision of doubtful debts	4,479,398	4,362,007
Traveling expenses	222,864	1,431,019
Repairs and maintenance	676,805	802,948
Postage and communication	452,522	237,626
Electricity and water	142,454	242,254
Other provisions	17,484,525	--
Immigration and visa charges	49,791	140,849
Miscellaneous	4,294,889	5,403,344
	65,364,239	38,808,927

17. BASIC EARNINGS PER SHARE

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

	June 30,	
	2018	2017
	(Reviewed)	(Reviewed)
	QR.	QR.
Basic earnings per share	0.28	0.25

The earnings and weighted average number of ordinary shares outstanding used in the calculation of basic earnings per share are as follows:

	June 30,	
	2018	2017
	(Reviewed)	(Reviewed)
	QR.	QR.
Profit for the period attributable to - The shareholders' of the company	23,328,337	20,995,507
Weighted average number of ordinary shares - outstanding during the period (in shares)	83,000,000	83,000,000

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18. NON-CONTROLLING INTERESTS

Name of subsidiary	Place of incorporation	Proportion of ownership interests and voting rights held by non-controlling interests	Profit allocated to non-controlling interests	Dividend distribution	Accumulated non-controlling interest
			QR.	QR.	QR.
<i>June 30, 2018</i>					
Consolidated Engineering Systems Company - W.L.L.	Qatar	39.60%	10,826,676	(5,600,000)	59,135,951
Water master (Qatar) Company - W.L.L.	Qatar	36.70%	2,689,867	(2,727,806)	10,604,713
Electro Mechanical Engineering Company - W.L.L.	Qatar	31.50%	(73,367)	--	1,844,791
Construction Development Contracting & Trading - W.L.L.	Qatar	49.00%	(942,313)	(1,960,000)	8,261,800
Debbas Enterprises - Qatar - W.L.L.	Qatar	49.00%	(2,361,297)	--	1,208,682
Trelco Building Materials Company - W.L.L.	Qatar	15.00%	(441,711)	--	(522,004)
Consolidated Supplies Company - W.L.L.	Qatar	24.50%	(1,817,609)	(11,978,066)	(9,142,418)
			7,880,246	(22,265,872)	71,391,515
<i>December 31, 2017</i>					
Consolidated Engineering Systems Company - W.L.L.	Qatar	39.60%	21,403,420	(6,622,517)	53,909,275
Water master (Qatar) Company - W.L.L.	Qatar	36.70%	4,600,814	--	10,642,652
Electro Mechanical Engineering Company - W.L.L.	Qatar	31.50%	(769,254)	--	1,918,158
Construction Development Contracting & Trading - W.L.L.	Qatar	49.00%	4,327,688	--	11,164,113
Debbas Enterprises - Qatar - W.L.L.	Qatar	49.00%	446,971	--	3,569,979
Trelco Building Materials - W.L.L.	Qatar	15.00%	93,998	--	(80,293)
Consolidated Supplies Company - W.L.L.	Qatar	24.50%	(467,471)	--	4,653,257
			29,636,166	(6,622,517)	85,777,141

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19. SEGMENT INFORMATION

Information reported to the Board of Directors for the purpose of resource allocation and assessment of segment performance focuses on the types of services being provided. The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require separate business strategies. For each of the strategic business units, the Group reviews internal management reports on a regular basis. The following summary describes the operations in each of the Group's reportable segments:

1. Contracting: This includes construction activities.
2. Specialized contracting: This includes Mechanical, Electrical and Plumbing in addition to Security Systems.
3. Trading: This includes trading in food, Chemical, Electrical, security and Safety systems and Building Materials.
4. Water treatment & related maintenance: This includes contracting for wellness and pools, water features and water treatment and after sale maintenance and services.
5. Others: This pertains to the balances coming from the company.

The Trading and Specialized Trading Segments include different subsidiaries operating within the State of Qatar which are also considered as operating segments by the Group. For the purpose of the financial statements presentation purposes, these individual operating segments are aggregated into a single operating segment taking into account the following criteria:

- The nature of the services/products offered are similar
- The methods used to distribute their goods/ provide their services are similar

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit, as included in the internal management reports that are reviewed by the Management. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Geographical segments

The Group has not diversified its activities outside of the State of Qatar; therefore, majority of the Group assets are located in Qatar. Accordingly, there are no distinctly identifiable geographical segments in The Group for the period ended 30 June 2018.

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19. SEGMENT INFORMATION (CONTINUED)

June 30, 2018	Contracting	Specialized Contracting	Trading	Water treatment & related maintenance	Others	Total
	QR.	QR.	QR.	QR.	QR.	QR.
External revenue	37,074,389	110,735,472	17,798,264	54,818,496	--	220,426,621
Interest expense	--	3,859,142	1,358,372	605,381	--	5,822,895
Depreciation	250,880	284,616	415,604	848,203	207,022	2,006,325
(Loss)/ Profit for the period	(1,923,087)	22,288,207	42,947,238	7,329,339	17,563,528	88,205,225
Reportable Segment Assets	63,211,323	381,781,445	124,204,247	112,863,465	862,327,605	1,544,388,085
Reportable Segment Liabilities	51,447,135	250,077,883	63,564,976	83,907,523	22,669,388	471,666,905
June 30, 2017	Contracting	Specialized Contracting	Trading	Water treatment & related maintenance	Others	Total
	QR.	QR.	QR.	QR.	QR.	QR.
External revenue	28,183,308	126,542,090	23,453,988	39,768,437	-	217,947,823
Interest expense	--	2,577,128	970,561	478,309	-	4,025,998
Depreciation	56,239	322,329	400,579	822,556	122,499	1,724,202
Profit for the period	633,931	24,484,184	33,066,861	3,752,952	16,711,855	78,649,783
Reportable Segment Assets	58,736,799	417,898,339	109,741,732	67,785,503	882,108,743	1,536,271,116
Reportable Segment Liabilities	50,603,796	292,816,326	55,620,399	46,791,708	28,503,421	474,335,650

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20. COMPARATIVE FIGURES

Certain figures have been reclassified in the consolidated statement in financial position as of prior year to conform with the presentation in the current period's condensed consolidated financial statements. Such reclassifications didn't have any effect on the net profit, net assets or equity of the comparative period.

21. APPROVAL OF FINANCIAL STATEMENTS

These consolidated financial statements were approved by Management and authorized for issuance on August 6, 2018.