

**GULF WAREHOUSING COMPANY Q.S.C.**  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX-MONTH PERIOD ENDED**  
**30 JUNE 2016**

**Gulf Warehousing Company Q.S.C.**

**Condensed consolidated interim financial statements  
For the six-month period ended 30 June 2016**

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

To the Board of Directors of Gulf Warehousing Company Q.S.C.

### **Introduction**

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

### **Scope of review**

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

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at 30 June 2016 is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting".

21 July 2016  
Doha  
State of Qatar

Gopal Balasubramaniam  
KPMG  
Auditor's Registration No.251

**Gulf Warehousing Company Q.S.C.**

**Condensed consolidated statement of financial position  
As at 30 June 2016**

In Qatari Riyals

	Note	30 June 2016 (Reviewed)	31 December 2015 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	1,416,313,679	1,306,367,021
Projects in progress	7	760,534,446	250,725,012
Investment property	8	36,758,071	186,252,270
Intangible assets		<u>125,634,017</u>	<u>128,669,413</u>
		<b><u>2,339,240,213</u></b>	<b><u>1,872,013,716</u></b>
<b>Current assets</b>			
Inventories		8,851,808	8,724,153
Trade and other receivables	9	510,154,898	513,347,064
Cash and cash equivalents	10	<u>438,685,319</u>	<u>586,450,755</u>
		<b><u>957,692,025</u></b>	<b><u>1,108,521,972</u></b>
<b>Total assets</b>		<b><u>3,296,932,238</u></b>	<b><u>2,980,535,688</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	11	586,031,480	475,609,750
Shares subscribed but not yet issued	12	-	429,361,153
Legal reserve		552,506,803	237,804,875
Retained earnings		<u>281,499,541</u>	<u>268,087,040</u>
<b>Equity attributable to the owners of the Company</b>		1,420,037,824	1,410,862,818
Non-controlling interest		<u>(3,681,223)</u>	<u>(3,681,223)</u>
<b>Total equity</b>		<b><u>1,416,356,601</u></b>	<b><u>1,407,181,595</u></b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	14	1,456,168,945	1,231,538,748
Provision for employees' end of service benefits		<u>25,110,917</u>	<u>22,807,254</u>
		<b><u>1,481,279,862</u></b>	<b><u>1,254,346,002</u></b>
<b>Current liabilities</b>			
Trade and other payables		238,938,896	177,371,832
Loans and borrowings	14	<u>160,356,879</u>	<u>141,636,259</u>
		<b><u>399,295,775</u></b>	<b><u>319,008,091</u></b>
<b>Total liabilities</b>		<b><u>1,880,575,637</u></b>	<b><u>1,573,354,093</u></b>
<b>Total equity and liabilities</b>		<b><u>3,296,932,238</u></b>	<b><u>2,980,535,688</u></b>

This condensed consolidated interim financial statements was approved by the Company's Board of Directors on 21 July 2016 and was signed on its behalf by:

**Abdulla Fahad J J Al Thani**  
Chairman

**Fahad Hamad J J Al Thani**  
Vice Chairman

The notes on pages 6 to 15 form an integral part of these condensed consolidated interim financial statements.

**Gulf Warehousing Company Q.S.C.**

**Condensed consolidated statement of profit or loss and other comprehensive income  
For the three and six month periods ended 30 June 2016**

In Qatari Riyals

	Note	For the three-month period ended		For the six-month period ended	
		30 June 2016 (Reviewed)	30 June 2015 (Reviewed)	30 June 2016 (Reviewed)	30 June 2015 (Reviewed)
Revenue	16	209,938,119	205,514,654	430,147,034	397,910,388
Direct costs		(131,153,620)	(130,794,236)	(275,597,797)	(255,419,811)
Gross profit		78,784,499	74,720,418	154,549,237	142,490,577
Other income		4,049,990	3,932,832	8,673,335	7,870,008
Administrative and other expenses		(21,742,257)	(21,261,403)	(47,941,460)	(42,351,908)
<b>Operating profit</b>		<b>61,092,232</b>	57,391,847	<b>115,281,112</b>	108,008,677
Finance income		2,860,674	3,922	4,578,024	134,790
Finance costs		(9,188,982)	(10,068,814)	(18,541,928)	(20,395,674)
<b>Net finance costs</b>		<b>(6,328,308)</b>	(10,064,892)	<b>(13,963,904)</b>	(20,260,884)
<b>Profit for the period</b>		54,763,924	47,326,955	101,317,208	87,747,793
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>54,763,924</b>	47,326,955	<b>101,317,208</b>	87,747,793
<b>Profit and total comprehensive income attributable to:</b>					
Owners of the Company		54,763,924	47,326,955	101,317,208	87,747,793
<b>Basic and diluted earnings per share</b>	18	<b>0.95</b>	0.91	<b>1.76</b>	1.70

The notes on pages 6 to 15 form an integral part of these condensed consolidated interim financial statements.

## Gulf Warehousing Company Q.S.C.

### Condensed consolidated statement of changes in equity

For the six-month period ended 30 June 2016

In Qatari Riyals

	Share capital	Shares subscribed but not yet issued	Legal reserve (1)	Retained earnings	Equity attributable to the owners of the Company	Non- controlling interests	Total equity
<b>Balance at 1 January 2015 (Audited)</b>	<b>475,609,750</b>	-	<b>237,804,875</b>	<b>158,900,285</b>	<b>872,314,910</b>	<b>(3,681,223)</b>	<b>868,633,687</b>
<i>Total comprehensive income for the period:</i>							
Profit for the period	-	-	-	87,747,793	87,747,793	-	87,747,793
<i>Transaction with owners of the Company:</i>							
Dividends (Note 13)	-	-	-	(71,341,463)	(71,341,463)	-	(71,341,463)
<b>Balance at 30 June 2015 (Reviewed)</b>	<b>475,609,750</b>	-	<b>237,804,875</b>	<b>175,306,615</b>	<b>888,721,240</b>	<b>(3,681,223)</b>	<b>885,040,017</b>
<b>Balance at 1 January 2016 (Audited)</b>	<b>475,609,750</b>	<b>429,361,153</b>	<b>237,804,875</b>	<b>268,087,040</b>	<b>1,410,862,818</b>	<b>(3,681,223)</b>	<b>1,407,181,595</b>
<i>Total comprehensive income for the period:</i>							
Profit for the period	-	-	-	101,317,208	101,317,208	-	101,317,208
<i>Transaction with owners of the Company:</i>							
Dividends (Note 13)	-	-	-	(87,904,707)	(87,904,707)	-	(87,904,707)
<i>Other movements:</i>							
Issue of ordinary shares – Right issue (Note 12)	110,421,730	(425,123,658)	314,701,928	-	-	-	-
Excess rights refunded to shareholders	-	(4,237,495)	-	-	(4,237,495)	-	(4,237,495)
<b>Balance at 30 June 2016 (Reviewed)</b>	<b>586,031,480</b>	-	<b>552,506,803</b>	<b>281,499,541</b>	<b>1,420,037,824</b>	<b>(3,681,223)</b>	<b>1,416,356,601</b>

- (1) In accordance with Qatar Commercial Companies' Law No. 11 of 2015, an amount equal to 10% of the net profit for the year of every company incorporated in the State of Qatar is required to be transferred to a legal reserve account until such time the balance of the legal reserve account of such a company reaches 50% of its paid up share capital. Share premium collected from the issuance of new shares also transferred to legal reserve in accordance with Article 154 of the above stated law. The legal reserve is not available for distribution except in circumstances specified in the above mentioned Law.

The notes on pages 6 to 15 form an integral part of these condensed consolidated interim financial statements.

**Gulf Warehousing Company Q.S.C.**  
**Condensed consolidated statement of cash flows**  
**For the six-month period ended 30 June 2016**

In Qatari Riyals

		<b>For the six-month period ended</b>	
	<b>Note</b>	<b>30 June 2016 (Reviewed)</b>	<b>30 June 2015 (Reviewed)</b>
<b>Cash flows from operating activities</b>			
Profit for the period		101,317,208	87,747,793
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	17	50,015,247	42,790,578
Amortisation of intangible assets	17	3,035,396	3,035,394
Provision for impairment of trade receivables (net)	17	676,333	500,000
Profit on sale of property, plant and equipment	6	(867,542)	(117,120)
Provision for employees' end of service benefits	17	2,952,783	3,402,361
Finance income		(4,578,024)	(134,790)
Finance costs		18,541,928	20,395,674
		<u>171,093,329</u>	<u>157,619,890</u>
<i>Change in:</i>			
- Inventories		(127,655)	(488,838)
- Trade and other receivables		2,515,833	(87,336,714)
- Trade and other payables		64,292,013	3,670,639
Cash generated from operating activities		<u>237,773,520</u>	<u>73,464,977</u>
Employees' end of service benefits paid		(649,120)	(688,839)
<b>Net cash from operating activities</b>		<b><u>237,124,400</u></b>	<b><u>72,776,138</u></b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	6	(12,779,164)	(31,381,417)
Proceeds from sale of property, plant and equipment	6	3,179,000	533,550
Additions to projects in progress	7	(509,809,434)	(74,989,848)
Finance income received		4,578,024	134,790
<b>Net cash used in investing activities</b>		<b><u>(514,831,574)</u></b>	<b><u>(105,702,925)</u></b>
<b>Cash flows from financing activities</b>			
Proceeds from loans and borrowings	14	304,520,228	68,465,925
Repayment of loans and borrowings	14	(61,169,411)	(43,643,846)
Finance costs paid		(21,266,877)	(20,395,674)
Refund of share application money		(4,237,495)	-
Dividends paid to the Company's shareholders	13	(87,904,707)	(71,341,463)
<b>Net cash from / (used in) financing activities</b>		<b><u>129,941,738</u></b>	<b><u>(66,915,058)</u></b>
<b>Net decrease in cash and cash equivalents</b>		<b>(147,765,436)</b>	<b>(99,841,845)</b>
Cash and cash equivalents at 1 January		<u>586,450,755</u>	<u>160,228,239</u>
<b>Cash and cash equivalents at 30 June</b>	<b>10</b>	<b><u>438,685,319</u></b>	<b><u>60,386,394</u></b>

The notes on pages 6 to 15 form an integral part of these condensed consolidated interim financial statements

**Notes to the condensed consolidated interim financial statements**

## Gulf Warehousing Company Q.S.C.

For the six-month period ended 30 June 2016

### 1. LEGAL STATUS AND PRINCIPAL ACTIVITIES

Gulf Warehousing Company Q.S.C. (the "Company") is incorporated in accordance with the provisions of the Qatar Commercial Companies Law No. 11 of 2015 as a Qatari Shareholding Company, and was registered with the Ministry of Economy and Commerce of the State of Qatar with the Commercial Registration number 27386 dated 21 March 2004. The Company's shares are listed on the Qatar Stock Exchange since 22 March 2004. The Company is domiciled in the State of Qatar, where it also has its principal place of business. Its registered office is at D ring road, building number 92.

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

The principal activities of the Group which have not changed since the previous period are the provision of logistics (warehousing, inland transportation of goods for storage, international moving and relocation, express courier and records management) and freight forwarding (land, sea or air) services.

The details of Company's operating subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Nature of business	Group effective shareholding %	
			30 June 2016	31 December 2015
Agility W.L.L.	State of Qatar	Logistics and transportation	100%	100%
GWC Global Cargo & Transport L.L.C.	United Arab Emirates	Warehousing and transportation	100%	100%
GWC Logistic S.P.C.	Kingdom of Bahrain	Operation and management of general warehouse	100%	100%

The Company also has the following non-operational subsidiaries:

Name of subsidiary	Country of incorporation	Nature of business	Group effective shareholding %	
			30 June 2016	31 December 2015
GWC Chemicals W.L.L.	State of Qatar	Chemical trading and transportation	100%	100%
GWC Food Services W.L.L. (Formerly GWC Projects)	State of Qatar	Trading food	100%	100%
Imdad Sourcing & Logistic Group W.L.L.	State of Qatar	Trading food and other consumables	51%	51%
GWC Saudi Arabia – Branches in Riyadh, Dammam & Jeddah	Kingdom of Saudi Arabia	Preparation, development and management of warehouses	100%	100%
Gulf Warehousing Company Limited	Republic of Nigeria	Warehousing and transportation	100%	100%
GWC Marine Services	State of Qatar	Marine services	100%	100%
GWC Express	State of Qatar	Courier services	100%	100%



## **Gulf Warehousing Company Q.S.C.**

**For the six-month period ended 30 June 2016**

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### **2. BASIS OF ACCOUNTING**

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”, and should be read in conjunction with the Company’s last annual consolidated financial statements as at and for the year ended 31 December 2015 (the “last annual consolidated financial statements”). They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

These condensed consolidated interim financial statements were authorised for issue by the Company’s Board of Directors on 21 July 2016.

### **3. USE OF JUDGEMENTS AND ESTIMATES**

In preparing this condensed consolidated interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2015.

#### **Measurement of fair values**

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted market price (unadjusted) in active markets for an identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Management believes that as at the reporting date the fair values of the Group’s financial assets and liabilities approximated their carrying amounts.

### **4. SIGNIFICANT ACCOUNTING POLICIES**

Except as described below, the accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Company’s consolidated financial statements as at and for the year ended 31 December 2015.

## Gulf Warehousing Company Q.S.C.

### Notes to the condensed consolidated interim financial statements

For the six month period ended 30 June 2016

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#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Changes in accounting policies

During the six-month period ended 30 June 2016, the Group adopted the below amendments and improvements to the International Financial Reporting Standards that are effective for annual periods beginning on 1 January 2016:

- Amendments to IAS 1 on Disclosure Initiative
- Amendments to IAS 16 and IAS 38 on clarification of acceptable methods of depreciation and amortization
- Amendments to IAS 16 and IAS 41 on Agriculture: Bearer plants
- Amendments to IAS 27 on equity method in Separate Financial Statements”
- Amendments to IFRS 11 on accounting for acquisitions of interests in Joint Ventures
- Amendments to IFRS 10, IFRS 12 and IAS 28 on investment entities applying the consolidation exception
- IFRS 14 “Regulatory Deferral Accounts”
- Annual improvements to IFRSs 2012-2014 cycle

The adoption of the above amendments and improvements had no significant impact on the Company’s condensed consolidated interim financial statements.

#### 5. SEGMENT INFORMATION

##### Basis of segmentation

The Group has the following three strategic divisions, which are its reportable segments. These divisions offer different services, and are managed by the Company’s management separately for the purpose of making decisions about resource allocation and performance assessment.

The following segment describes the operations of each reportable segment:

<b>Reportable segments</b>	<b>Operations</b>
Logistics Operations	Storage, handling, packing and transportation
Freight Forwarding	Freight services through land, air and sea
Others	Trading and Courier services.

The Company’s Chief Executive Officer reviews the internal management reports of each division at least quarterly.

There are varying levels of integration between Logistics and Freight forwarding segments. Inter-segment pricing is determined on an arm’s length basis.

The following table presents revenue and profit information regarding the Group’s operating segments:

	<b>For the six-month period ended 30 June 2016</b>		<b>For the six-month period ended 30 June 2015</b>	
	<b>(Reviewed)</b>		<b>(Reviewed)</b>	
<b>Operating segments</b>	Segment revenue	Segment profit	Segment revenue	Segment profit
Logistic operations	288,239,313	82,197,939	259,186,104	73,327,983
Freight forwarding	141,907,721	8,616,157	138,724,284	8,150,496
Unallocated		10,503,112	-	6,269,314
	<b>430,147,034</b>	<b>101,317,208</b>	<b>397,910,388</b>	<b>87,747,793</b>

**Gulf Warehousing Company Q.S.C.**  
**Notes to the condensed consolidated interim financial statements**  
**For the six month period ended 30 June 2016**

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**5. SEGMENT INFORMATION (CONTINUED)**

The following table presents segment assets of the Group's operating segments:

	<b>At 30 June 2016</b>	At 31 December 2015
<b>Operating segments</b>	<b>(Reviewed)</b>	(Audited)
Logistic operations	2,536,273,599	2,157,693,238
Freight forwarding	164,687,818	163,418,805
Others	8,881,597	8,810,224
Unallocated	587,089,224	650,613,421
	<b>3,296,932,238</b>	<b>2,980,535,688</b>
	<b>8</b>	

**6. PROPERTY, PLANT AND EQUIPMENT**

**Acquisitions**

During the six-month period ended 30 June 2016, the Group acquired assets with a cost of QR 12,779,164 (six-month period ended 30 June 2015: QR 31,381,417). The difference amounting to QR 18,602,253 is mainly because higher number of vehicles and mechanical equipment were bought in the comparative period.

**Transfers from investment property**

On 1 January 2016, land of QR 120,443,145 and buildings of QR 29,051,054 were transferred from investment property (Note 8). These assets were transferred to property, plant and equipment at their carrying amounts, which represented their fair values as at the date of transfer because they were accounted for using the fair value model of investment property. During the six-month period ended 30 June 2016, these assets and right to use land were depreciated by QR 2,989,884 (six-month period 30 June 2015: these assets were not depreciated as they were accounted at fair value).

**Disposals**

During the six-month period ended 30 June 2016, the Group disposed motor vehicles with a cost of QR 20,168,390 for QR 3,179,000 with carrying value of QR 2,311,458 (six-month period ended 30 June 2015: the Group disposed assets with a cost of QR 1,334,163 for QR 533,550 with carrying value of QR 416,430).

**Mortgages**

As at 30 June 2016, buildings with a carrying amount of QR 866,101,305 were mortgaged against term loans (2015: QR 856,374,272) (Note 14).

**7. PROJECTS IN PROGRESS**

**Additions**

During the six-month period ended 30 June 2016, the Group continued with the construction of the Logistics Village Qatar (LVQ) Phase V, the Bu-sulba Project and the Raslaffan projects. The cost of capitalised expenditure on these projects during the period was QR 509,809,434 (six-month period ended 30 June 2015: QR 74,989,848). Upon completion, these assets will be used for providing logistics services and will be reclassified accordingly.

The amount of borrowing costs capitalized during the six-month period ended 30 June 2016 was QR 5,785,193 (30 June 2015: QR 1,883,108). The weighted average rate used to determine the amount of borrowing costs eligible for capitalization during the period was 3.50% per annum (six-month period ended 30 June 2016: 3.50%), which is the effective interest rate of the specific borrowing.

**Gulf Warehousing Company Q.S.C.****Notes to the condensed consolidated interim financial statements****For the six month period ended 30 June 2016**

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**7. PROJECTS IN PROGRESS (CONTINUED)****Capital commitments**

During the six-month period ended 30 June 2016, the Group entered into a contract to construct Projects of QR 494,259,230 (six-month period ended 30 June 2015: QR 223,776,030). The completion of these Projects under construction is expected in 2017.

**Mortgages**

As at 30 June 2016 assets of QR 676,459,591 under Projects in progress were secured against term loans (2015: QR 173,225,591 (Note 14)).

**8. INVESTMENT PROPERTY**

As at 30 June 2016, the Group's investment property reduced from QR 186,252,270 as at 1 January 2016 to QR 36,758,071 as a result of a transfer of QR 149,494,199 to property, plant and equipment (Note 6).

On 1 January 2016 the Group occupied significant additional portions of land at Project "MIC", Project "Street 2" and Project "Street 43" that were previously substantially leased to third parties under finance lease agreements. The owner-occupation of these Projects increased to a level construed by the management of the Company as significant based on its interpretation of the provisions of the International Accounting Standard 40, which necessitated the reclassification of the whole carrying value of land and buildings of these Projects from investment property to property, plant and equipment (Note 6).

**9. TRADE AND OTHER RECEIVABLES**

	<b>31 June 2016 (Reviewed)</b>	31 December 2015 (Audited)
Trade receivables	281,324,333	227,241,602
Less: Provision for impairment of trade receivables	<u>(21,556,970)</u>	<u>(20,880,637)</u>
Trade receivables, net	259,767,363	206,360,965
Advances to suppliers	137,789,239	195,355,614
Accrued revenue	19,476,767	39,977,064
Prepayments	81,387,421	62,771,108
Other receivables	<u>11,734,108</u>	<u>8,882,313</u>
	<b><u>510,154,898</u></b>	<b><u>513,347,064</u></b>

**10. CASH AND CASH EQUIVALENTS**

	<b>30 June 2016 (Reviewed)</b>	31 December 2015 (Audited)
Cash in hand	1,320,346	1,153,207
Bank balance - current account	26,587,295	113,053,016
Bank balance - deposit account (1)	400,000,000	35,000,000
Bank balance – restricted deposit accounts (2)	<u>10,777,678</u>	<u>437,244,532</u>
	<b><u>438,685,319</u></b>	<b><u>586,450,755</u></b>

## Gulf Warehousing Company Q.S.C.

### Notes to the condensed consolidated interim financial statements

For the six month period ended 30 June 2016

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#### 10. CASH AND CASH EQUIVALENTS (CONTINUED)

- (1) Deposits with an original maturity of less than 90 days are made for varying periods depending on the immediate cash requirements of the Group at commercial market rates. The substantial increase during the six-month period ended 30 June 2016 relates mainly to the transfer from restricted deposit accounts (see sub-note 2 below).
- (2) The restricted deposit accounts represent largely the funds received from the rights issue (Note 12). These funds were restricted until the approval by the Qatar regulatory authorities of the Company's new shares resulting from the rights issue which was received on 27 January 2016.

#### 11. SHARE CAPITAL

	<b>30 June 2016 (Reviewed)</b>	31 December 2015 (Audited)
In issue as at 1 January	475,609,750	475,609,750
Issue of ordinary shares – Rights issue (Note 12)	<u>110,421,730</u>	<u>-</u>
In issue as at 31 December – fully paid	<b><u>586,031,480</u></b>	<b><u>475,609,750</u></b>
Authorised – par value QR 10	<b><u>58,603,148</u></b>	<b><u>47,560,975</u></b>

All shares are fully paid and bear equal rights.

#### 12. RIGHTS ISSUE

At the Company's Extra Ordinary General Meeting held on 13 September 2015 the shareholders resolved to increase the Company's share capital via a rights issue by offering new shares for subscription at the ratio of one share for every four shares held by eligible shareholders.

The Company's eligible shareholders were those listed on the shareholders' register held by the Qatar Stock Exchange at the end of the working day of 12 October 2015. These shareholders were entitled to new shares at the price of QR 38.5 (QR 10 Nominal Value + QR 28.5 Premium) per share. The subscription period was between 8 November 2015 and 25 November 2015.

The new shares were approved by the regulatory authorities of the State of Qatar on 27 January 2016. Consequently, the new have been shown as part of share capital in these condensed consolidated interim financial statements (Note 11).

#### 13. DIVIDENDS

A dividend of QR 87,904,707 (QR 1.5 per share) was proposed by the Board of Directors in respect of the Group profit for the year ended 31 December 2015, which was approved by the Company's shareholders at the Company's Annual General Meeting held on 14 February 2016.

A dividend of QR 71,341,463 (QR 1.5 per share) was proposed by the Board of Directors in respect of the Group profit for the year ended 31 December 2014, which was approved by the Company's shareholders at the Company's Annual General Meeting held on 16 February 2015.

**Gulf Warehousing Company Q.S.C.**  
**Notes to the condensed consolidated interim financial statements**  
**For the six month period ended 30 June 2016**

**14. LOANS AND BORROWINGS**

	Currency	Year of maturity	Face value	Carrying amount
<b>Balance at 1 January 2016</b>				<b>1,373,175,007</b>
<b>New issues</b>				
LVQ term loans	QAR	2020-2025	86,663,340	86,663,340
Bu-sulba term loans	QAR	2025	214,790,590	214,790,590
Other project loans	QAR	2025	3,066,298	3,066,298
				<u>304,520,228</u>
<b>Repayments</b>				
LVQ term loans	QAR	-	(36,973,134)	(36,973,134)
Other project loans	QAR	-	(279,489)	(279,489)
Other term loans	QAR	-	(23,916,788)	(23,916,788)
				<u>(61,169,411)</u>
<b>Balance at 30 June 2016</b>				<b>1,616,525,824</b>

As at 30 June 2016 the above loans are mortgaged against buildings with a carrying value of QR 866,101,305 (Note 6) and Projects in progress of QR 676,459,591 (Note 7).

**15. RELATED PARTIES**

**Related party transactions**

Transactions with related parties included in the condensed consolidated income statement are as follows:

		For the six month period ended	
		30 June 2016	30 June 2015
<b>Name of related party</b>	<b>Nature of transactions</b>	<b>(Reviewed)</b>	<b>(Reviewed)</b>
Agility network	Revenue	<u>5,537,017</u>	<u>3,017,192</u>
Agility network	Purchase of services	<u>11,887,443</u>	<u>20,592,047</u>

**Related party balances**

Balances with related parties included in the condensed consolidated statement of financial position under trade and other receivables and trade payables and accruals are as follows:

	30 June 2016	31 December 2015
	<b>(Reviewed)</b>	<b>(Audited)</b>
Receivable from Agility network	<u>3,403,257</u>	<u>886,885</u>
Payable to Agility network	<u>3,045,847</u>	<u>4,357,415</u>

**Gulf Warehousing Company Q.S.C.**

**Notes to the condensed consolidated interim financial statements**

**For the six month period ended 30 June 2016**

**15. RELATED PARTIES (CONTINUED)**

**Compensation of key management personnel**

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

	<b>For the six-month period ended</b>	
	<b>30 June 2016</b>	30 June 2015
	<b>(Reviewed)</b>	(Reviewed)
Short-term benefits	<b>1,020,000</b>	720,000
Employees' end of service benefits	<b>41,885</b>	29,158

**16. REVENUE**

	<b>For the three-month period ended</b>		<b>For the six-month period ended</b>	
	<b>30 June 2016</b>	30 June 2015	<b>30 June 2016</b>	30 June 2015
	<b>(Reviewed)</b>	(Reviewed)	<b>(Reviewed)</b>	(Reviewed)
Logistic operations	141,291,982	133,621,859	288,239,313	259,186,104
Freight forwarding	68,646,137	71,892,795	141,907,721	138,724,284
	<b>209,938,119</b>	205,514,654	<b>430,147,034</b>	397,910,388

**17. EXPENSES BY NATURE**

	<b>For the three-month period ended</b>		<b>For the six-month period ended</b>	
	<b>30 June 2016</b>	30 June 2015	<b>30 June 2016</b>	30 June 2015
	<b>(Reviewed)</b>	(Reviewed)	<b>(Reviewed)</b>	(Reviewed)
Logistic costs	9,330,351	11,953,466	24,716,001	21,321,422
Freight forwarding charges	46,540,441	48,820,418	98,828,460	95,750,748
Staff cost (1)	43,049,433	41,319,937	88,022,625	84,174,259
Depreciation of property, plant and equipment	24,888,954	21,691,439	50,015,247	42,790,576
Board of Directors' remuneration (2)	1,800,000	-	3,600,000	-
Manpower subcontract charges	1,343,714	1,080,492	3,664,362	1,719,427
Amortization of intangible assets	1,517,698	1,517,698	3,035,396	3,035,396
Provision for impairment on trade receivables	300,000	200,000	676,333	500,000
Repairs and maintenance	8,535,097	7,999,537	17,230,448	15,253,629
Legal and professional fees	505,717	813,515	1,311,911	1,523,361
Rent	862,275	694,261	1,716,825	1,178,322
Fuel	2,721,896	5,314,530	5,688,506	10,034,220
Water and electricity	4,553,895	2,644,521	9,306,288	4,701,065
Insurance	1,151,324	1,105,984	2,254,589	2,153,004
Communication and postage	289,881	539,835	787,173	1,106,008
Advertisement	188,315	237,340	381,148	469,541
Travelling expenses	285,393	341,601	756,758	526,923
License and registration fees	785,289	465,066	2,221,624	901,046
Other expenses	4,246,204	5,315,999	9,325,563	10,632,772
	<b>152,895,877</b>	152,055,639	<b>323,539,257</b>	297,771,719

**Gulf Warehousing Company Q.S.C.****Notes to the condensed consolidated interim financial statements****For the six month period ended 30 June 2016****17. EXPENSES BY NATURE (CONTINUED)**

- (1) Staff cost includes a provision of QR 2,952,783 (2015: QR 3,402,361) in respect of employees' end of service benefits.
- (2) Management has provided for the first time in its interim condensed consolidated financial statements for the Board of Directors' remuneration, which is proposed and approved at the Annual General Meeting following the financial year end, based on precedence of such payments made.

**18. EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the net profit for the period attributable to shareholders of the parent by the weighted average number of shares outstanding during the period.

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

	For the three-month period ended		For the six-month period ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Net profit for the period attributable to owners of the Company	54,763,924	47,326,955	101,317,208	87,747,793
Weighted average number of shares	57,618,756	51,750,265	57,618,756	51,750,265
<b>Basic and diluted earnings per share</b>	<b>0.95</b>	0.91	<b>1.76</b>	1.70

**(1) Weighted average number of shares**

	30 June 2016	30 June 2015
	(Reviewed)	(Reviewed)
Qualifying shares on 1 January	47,560,975	47,560,975
Bonus element on right issue	4,189,290	4,189,290
Issue of ordinary shares- right issue	5,868,491	-
	<b>57,618,756</b>	<b>51,750,265</b>

**19. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a measurement date. The Group has not disclosed the fair values of its trade receivables, bank balances (including loans and borrowings), and trade payables, because their carrying amounts are a reasonable approximation of their fair values.

**20. CONTINGENCIES**

	30 June 2016	31 December 2015
	(Reviewed)	(Audited)
Letters of guarantee (1)	13,392,991	23,812,992
Performance bonds (2)	148,024,765	136,753,562
	<b>161,417,756</b>	<b>160,566,554</b>



**Gulf Warehousing Company Q.S.C.**

**Notes to the condensed consolidated interim financial statements**

**For the six month period ended 30 June 2016**

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**20. CONTINGENCIES (CONTINUED)**

- (1) Letters of guarantee are issued by the Company to its vendors and General Directorate of Customs in case there is a delay in payments by the Company.
- (2) Performance bonds are provided to customers of the Company for execution of projects as per the terms and conditions of contracts. These remain valid for a period of 30 days following the completion of the project.

**21. COMPARATIVE FIGURES**

The comparative figures for the previous period have been reclassified, where necessary, in order to conform to the current year's presentation. Such reclassifications do not affect the previously reported net profits, net assets or equity.

**22. SUBSEQUENT EVENTS**

There were no subsequent events after the reporting date, which have a bearing on the understanding on these condensed consolidated interim financial statements.

**Independent auditors report on review of condensed consolidated interim financial statements on page 1.**