THE UPSIDE OF A DOWNTURN

ANNUAL REPORT 2015

السلام العالمية
SALAM INTERNATIONAL

ANNUAL REPORT

2015

His Highness

Sheikh Tamim bin Hamad Al Thani

Emir of the State of Qatar

His Highness

Sheikh Hamad bin Khalifa Al Thani

Father Emir

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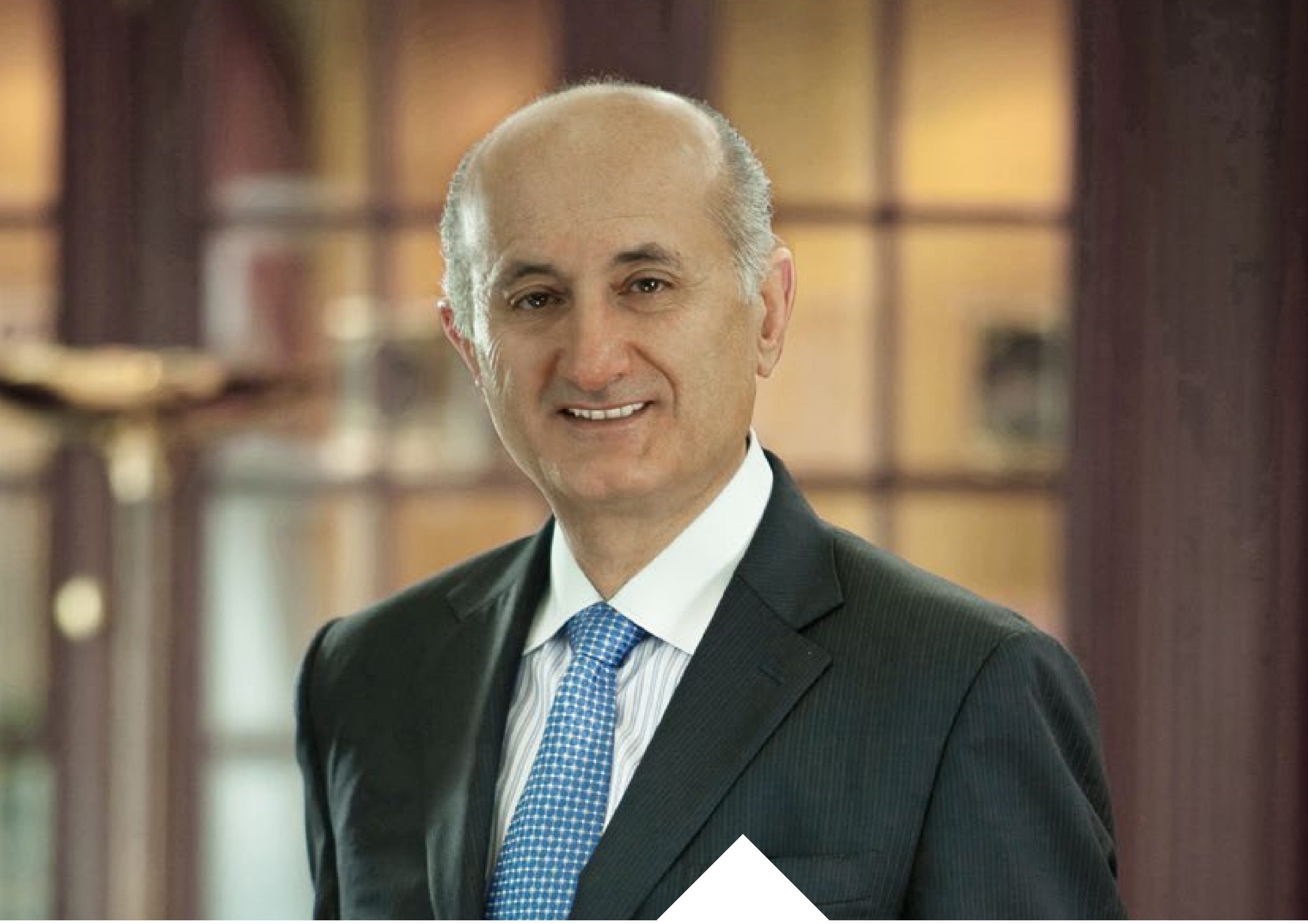


CHAIRMAN'S INTRODUCTION

Dear Shareholders,
(Assalam Alai'kom)

On behalf of the Board of Directors of Salam International Investment Limited (SIIL) and myself, I am delighted to present to you the Eleventh Annual Report of SIIL. This report comprises the Board of Directors Report regarding the company's activities and performance in 2015, its future plans, the 6th Governance Report for 2015 detailing the procedures applied by SIIL in order to comply with the Governance System.

The Annual Report also includes our expectations for the future in light of the fluctuating oil prices and the potential effects on the performance of SIIL and its subsidiaries. The Annual Report includes SIIL's practices regarding Corporate Social Responsibility, in addition to the report by independent Auditors, the combined financial figures for 2015 and relevant clarifications.

We trust that you find this Annual Report to be comprehensive and complete in regards to SIIL's performance and financial results during 2015. We will be glad to receive your comments and suggestions through our Shareholders Affairs Department or via our corporate website.

I would like to seize this opportunity to raise deepest appreciation and gratitude to His Highness Sheikh Tamim bin Hamad Al Thani, the Emir and to H.E. Sheikh Abdullah Bin Nasser Bin Khalifa, the Prime Minister and Minister of Interior, for their perseverant support to promote the development and progress of our beloved country, Qatar.

Finally, I would like to thank the honorable members of the Board of Directors, and thank all our Company staff for their sincere efforts in supporting the progress and prosperity of the Company.

Issa Abdulsalam Abu Issa
Chairman of the Board and CEO

BOARD OF DIRECTOR'S BACKGROUND

Mr. Issa AbdulSalam Abu Issa,
Chairman

- Chairman of the Board of Directors and CEO of Salam International Investments Limited-Qatar,
- Chairman of the Board of Directors of Salam Bounian for Development-Qatar,
- Vice-Chairman of Serene Real Estate Development Co-Lebanon, -Secretary General of Qatari Businessmen Association
- Member of the Board of Trustees for Al Shaqab Equestrian Academy-Qatar.

He is a member of the World Economic Forum-Davos and a member of the Arab Business Council. Board Member in many other esteemed regional companies. Mr. Issa holds a degree in Business Administration from San Diego University – USA and has over 35 years of professional experience.

Mr. Hussam AbdulSalam Abu Issa,
Vice Chairman

- Vice-Chairman of the Board of Directors and COO of Salam International Investment Limited,
- Board Member at Doha Insurance Company,
- Member of the advisory council for College of Administration and Economy at Qatar University.

He is a former member of the Al-Ballagh Cultural Society, a member of the International Dean Council of Harris School of Public Policy at Chicago University, and a member of the GCC Chamber of Commerce. He is also a member of the Islamic Chamber of Commerce and the Advisory Committee for the ICP Bosporus Conference-Turkey. He also serves on the Advisory Board of the Amideast Educational Establishment-Lebanon. He is a member of the international advisory council for PAC in San Francisco, and a member of the Qatari-German Businessmen Council. He holds a Bachelor's Degree in Marketing from the United States, and has over30 years of professional experience.

HE Sheikh Nawaf Bin Nasser Bin Khaled Al-Thani

- Member of the Board of Directors of Salam International Investment Limited, representing Doha Insurance Company.

HE Sheikh Nawaf is a prominent figure in the Qatar business community. He is an active participant in the real estate and economic growth rally witnessed in Qatar today. HE is credited for a great deal of experience sharing and collaboration building. He is an active participant into many esteemed companies most notably his position as Chairman of the Board of Directors of NBK Holding. He is also Chairman of the Board of ALWAAB City, Doha Insurance Company and also chairman of the Board of Directors at Nasser Bin Nawaf Holding Co. HE Sheikh Nawaf is also a member of the Board of Directors at both Arabtec and Samina Capital Fund. He is also a member of the Board of Directors of the Qatari Businessmen Association, President of the Qatari French Businessmen Club and Vice President of the German Arab Friendship Society. HE Sheikh Nawaf has been awarded the French Presidential Medal and bestowed a rank of a Knight, in appreciation of his unique efforts in promoting commercial relationships between Qatar and France.

Mr. Nasser Suleiman Haidar Al Haidar

– Member of the Board of Directors of Salam International Investment Limited, Chairman of the Board of Directors of Al Sulaiman Holding.

He is also a member of Qatar's Advisory Council and member of the Qatari Businessmen Association, Member of the GCC Family Companies Council and member of the Registration and Membership Committee at the Qatari Chamber of Commerce and Industry. Mr. Nasser holds a Bachelor's Degree in Political Science and International Relationships from Aquinas University, Michigan-USA.

Mr. Hani Abd-el-Kader Al Kadi

– Member of the Board of Directors of Salam International Investment Limited representing Arab Jordan Investment Bank, Qatar.

He is the General Manager, CEO and Board Member of the Arab Jordan Investment Bank in Amman-Jordan. He is also an authorized member/Board Member of the Mediterranean Company (Four Seasons Hotel) in Amman-Jordan, and the authorized Member of the Board of Directors of Emerging Markets Payments Holding Company in Mauritius, Chairman of the Executive Committee of the International Bank of Jordan-London. Mr. Hani has held several previous positions including Financial Analyst at Bankers Trust Bank in New York and London and Credit Officer of JP Morgan Bank in New York. He has a Masters degree in Business Management from Harvard University-Boston 1988, and a Bachelor's of Science Degree in Civil Engineering from Imperial College University London 1984.

Mr. Jassim Mohammed AbdulGhani Al Mansouri

– Mr. Jassim is a Member of the Board of Directors of Salam International Investment Limited.

He is also Chairman of the Board and one of the founders of iHorizons for media and information services. He started iHorizons with two other partners back in 1996, and since then they expanded the company via ambitious and arching projects to several activities in Qatar and the GCC region. Mr. Jassim Al Mansouri has experience with government and semi-government entities, and he held several positions such as Executive Director of HR at Qatar Telecom (now Ooreedoo). Currently, he is the Chairman of the Board at the following companies: People Dynamics, Tawater and Habiger Production.

Mr. Jassim Al Mansouri studied in the USA where he earned his B.S. in Computer Science from Michigan University. His main strengths are relationships, communication and networking that he had built over the years, in addition to his market insight and business and management knowledge.

Mr. Ali Haider Suliman Al Haider

– Member of the Board of Directors of Salam International Investment Limited representing Suliman & Brothers Co.

Mr. Haider is Vice Chairman at Salam Bounian-Qatar and Vice Chairman at Suliman Brothers Co. He is a partner at Suliman Al Hajj Haider & Sons, Board Member at Ashour for Cleaning and Marketing, Board Member at Al Haidar Foods Co. and Board Member at International Investment Bank-Bahrain.

Mr. Bassam Abdul Salam Abu Issa

– Member of the Board of Directors of Salam International Investment Limited.

He previously held senior management positions in Salam Group in Oman, Qatar and the United Arab Emirates. He is currently the Executive Director – Corporate Business Development for Salam International Investment Limited. He graduated with a Bachelor of Arts in Industrial Relations from the University of Kent at Canterbury, England and has some 25 years of professional experience.

HE Sheikh Ali Ghanim Ali Abdullah Al Thani

– Member of the Board of Directors of Salam International Investment Limited, representing Ali Bin Ghanem Al Thani Group.

Sheikh Ali is the Chairman of the Board of Directors at Ali Bin Ghanem Al Thani Holding, Vice Chairman at Ghanem Holding. Sheikh Ali is member of board at Qatar Islamic Bank and Doha Insurance Co. He is former Vice Chairman at both the Gulf Investments Group and United Development Company-Qatar.

Sheikh Ali holds a Master's Degree in business administration from Cambridge University. He has published several articles and papers on economics.
He is a supporting member at the Center for Arab Unity Studies.

Mr. Badr Ali Hussein Al Sada

– Member of the Board of Directors of Salam International Investment Limited,

Vice Chairman and Executive Director at Al Sada Establishment for Trading, Real Estate and Contracting. He is also Vice Chairman at Spector Trading and Contracting, Board Member at Gulf Experience Electro-mechanical, Vice Chairman at La Perla Travels.

Mr.Bader is also involved in the banking sector. He studied at the College of the North Atlantic in the state of Qatar where he received his degree in Business Administration, majoring in Accounting.

Mr. AbdulSalam Issa Abu Issa

– Member of the Board of Directors of Salam International Investment Limited-Qatar, and Deputy Chief Operating Officer.

He is also a member of the Board of Directors at Salam Bounian for Development-Qatar representing SIIL. Mr. AbdulSalam is also partner at Firefly Communications. He has worked in several sectors including oil and gas, banking and roads construction. He is a member of Qatar Entrepreneurs Society.

He holds a master’s degree in International Finance and Economics from the University of Newcastle Upon Tyne, UK.

Dr. Adnan Ali Steitieh,
Secretary to the Board

Executive Director for both Corporate Legal Affairs and Investment and Real Estate at Salam International Investment Limited. He is also the Secretary to the Board of Directors and advisor and Secretary of the Board of Directors of Salam Bounian for Development.

Dr. Steitieh represents Salam International in various Boards of Directors at several companies in Qatar, UAE, Saudi Arabia, Jordan, Palestine and Lebanon. He held several senior managerial positions in different companies and countries.
Dr. Steitieh is an International arbitrator appointed by The Qatari International Center for Arbitration, he is a non-resident professor at Qatar University.
He is also a member of the Syrian - Qatari businessmen council.

Dr. Steitieh holds a Ph.D. in Economics and Business Administration from Leipzig University in Germany and a Bachelor’s Degree in Law from the Arab University of Beirut, Lebanon, in addition to higher certificates in international relations, sustainable development, and public policy with about 35 years of professional experience.

BOARD OF DIRECTOR'S REPORT

Board of Directors' Report to the General Assembly
On the Company's Performance in 2015 and Future Plans

Dear Shareholders,
(AssalamAlai'kom)

On behalf of the Board of Directors of Salam International Investment Limited (SIIL) and myself, I am delighted to welcome you to the General Assembly meeting.

I would like to extend our warmest welcome to the honorable representatives of the Ministry of Economy and Commerce-Companies Control Department. I also welcome M/S KPMG the Company's auditors.

It is my pleasure to extend my thanks to you for attending this meeting. I would like to present the Annual Report on the Company's activities and performance, which highlights our achievements in the fiscal year 2015 as well as our plans for the future.

FIRST - THE COMPANY ACTIVITIES

The company continued in 2015 to implement the investment policies advised to this esteemed General Assembly, targeting the selection of investment opportunities that complement the Company's activities and those of its subsidiaries. We have sought to gain opportunities to grow into new activities and fields, to open extended frontiers to the Company and will diversify our activities' portfolios and geographic distribution.

Similarly, the Company has also continued to apply its conservative fiscal and financial policies and maintain the existing risk management policies. We have managed to lower the costs of financing and benefiting from lower interest rates. We have taken a package of measures that aim to increase the efficiency levels, rationalize costs, foster the operating management and support it with fresh blood. All of these measures shall positively reflect on the achieved profits in the future.

On the other hand, SIIL managed to mitigate the negative effects resulting from the results of some of our subsidiaries that are active in the contracting sector which suffered great pressure over the past few years due to delays in projects and fierce competition in the market.

SECOND - THE COMPANY FUTURE PLANS

Although the Company SIIL will continue implementing the future plans as previously announced, it will however closely monitor the economic developments in order to avoid the potential adverse economic effects resulting from fluctuations in the price of oil. Surely you are all aware of the economic changes being experienced worldwide, including the floating estimates that the global economy could enter a state of stagnation, hinting that the upcoming years could be difficult and hard to withstand. Hence, the performance of SIIL and subsidiaries could be affected by such adverse developments, including the possibility of an increase in the cost of financing.

However, and despite of the above SIIL intends to maintain its technical and specialized staff being one of the most intangible assets of the Company. And at the same time the hiring practices will be rationed in order to achieve the highest levels of productivity, quality and distinction.

In implementing its future plans SIIL works and activities in 2016 and the following years will be based upon the following basic footings:

- Expansion within consumer services and retail, which have appreciable growth opportunities and swift cash flows.
- Maturity of The Gate Mall, the flagship of Salam Bounian projects. Rentals rates have generally declined, which could possibly adversely affect the expected revenues.
- Rationalization and integration of the contracting activities in order to mitigate their seasonal nature. This included shrinking some unworthy activities, particularly in building and construction.
- Merging and unification of similar or complimenting activities between subsidiaries in order to reduce fixed and operational costs, hence increasing the profitability of said activities.
- Progress in implementing the resource planning program, which will enable the higher management to obtain the required data and information and to manage and control the same, and verify the integrity and performance of business units. The system shall provide a comprehensive view of the business units as far as financial aspects, suppliers and clients, internal operations, human resources and performance efficiency.

In consonance with the legacy of SIIL relevant to institutionalized performance, the company SIIL will continue to implement its plans aimed at managing corporate governance and institutionalized discipline.

SIIL has always been recognized with being socially and economically interactive. We will continue our social responsibility programs in 2016 including donations to charities and expenditure on social activities. This will be in addition to deducting 2.5% of 2015 profits to be spent on promoting sports, social, cultural and charitable events, in accordance with Law No. 13/2008.

THIRD - COMPANY FINANCIAL RESULTS

The consolidated final accounts for the fiscal year ending on 31/12/2015 have shown net profits around QR 123.9 million. Deducting the negative minority rights, then the rights of Salam International Investment Limited shareholders shall be QR 113.2 million. These are considered net profits, after calculating provisions against deterioration in value of some Company investments in 2015, and incentives and bonuses for Company directors, in addition to losses incurred in some of the subsidiaries, hence, the earning per share stands at 99 Dirhams.

Based upon the results as detailed above, and by adding some of the provisional profits, the Board of Directors recommends to the esteemed General Assembly to approve cash dividend for 2015 at 10% on the Company's capital, for Company shareholders on the date of this esteemed General Assembly.

I seize this opportunity to raise on behalf of all of you, and behalf of the Board of Directors and myself, deepest appreciation to His Highness Sheikh Tamim bin Hamad Al Thani, the Emir and to H.E. Sheikh Abdullah Bin Nasser Bin Khalifa, the Prime Minister and Minister of Interior, for their perseverant support to promote the development and progress in our beloved country, Qatar.

I would like also to extend deep thanks to H.E. the Minister of Economy and Commerce, and to all staff at the Companies Control Department for their unwearied efforts to support and encourage the private sector, develop its institutions and promote economic growth.

Finally, I would like to thank the honorable members of the Board of Directors, and thank all our Company staff for their sincere efforts in supporting the progress and prosperity of the Company.

Issa Abdulsalam Abu Issa
Chairman of the Board

CORPORATE GOVERNANCE

6TH CORPORATE GOVERNANCE REPORT 2015

SIIL-Salam International Investment Limited
Issued by SIIL Board of Directors on
14/02/2016

PREAMBLE

Pursuant to the Listed Companies Governance Code, with regard to the companies subject to the control of Qatar Financial Markets Authority, issued by the Board of Directors of Qatar Financial Markets Authority, (Referred to hereafter as "Authority") released in 2009, and amended in 2014, notably Article 31 thereof Salam International Investment Limited (SIIL) (Q.S.C.) (Referred to hereafter as "the Company") prepared the First Annual Report (2010), which included the measures taken by the Company to abide by the provisions of the Code and compose the Board of Directors (Referred to hereafter as "the Board") and abide by the rules and conditions governing the disclosure and listing in Qatar Exchange.

Salam International (SIIL) also prepared its Second Annual Report (2011), which includes the Board's assessment of the compliance of Salam International with the provisions of the Code. Salam International (SIIL) has prepared the Third Annual Report (2012),which includes an update of the modular sections from the two previous reports, in addition to the achievements of the Company during 2012 in the implementation of the Code. SIIL prepared regular annual modular Reports for the following years.

Article No.	Item No.	Comply	Non Comply	NA	Governance Implementation	Justification for non-compliance
Article 3 - Company's Obligation to comply with Corporate Governance Principles	3.1 The Board shall ensure that the Company complies with the principles set out in this Code. The Board shall also review and update its corporate governance practices, and regularly review the same.	√			The Company has adopted a manual to guide polices and general regulations for human resources. The manual is being updated from time to time.	
	3.2 The Board shall regularly review and update the adopted Governance implementations.	√				
	3.3 The Board shall regularly review and update professional conduct rules setting forth the Company's corporate values and other internal policies and procedures all of which shall be binding upon the Members of the Board of Directors and the Company's staff as well as the Company's advisors (These professional conduct rules may include but are not limited to the Board Charter, audit committee's charter, company regulations, related party transactions policy and insider trading rules). The Board should review these professional conduct principles regularly so as to ensure they reflect best practices and they meet the needs of the Company.	√				

Article No.	Item No.	Comply	Non Comply	NA	Governance Implementation	Justification for non-compliance
Article 4 Board Charter	The Board shall make sure that the Company adopts a Charter for the Board of Directors detailing the Board's functions and responsibilities as well as the Board Members duties which shall be fulfilled by all Board Members. The said Board Charter shall be drafted to comply with the provisions of this Code, and shall be based on the Board Charter annexed to this Code and as may be amended from time to time by the Authority. The said Board Charter shall be published and made available to the public.	√			The Company prepared the Board Charter and it was posted on the Company website	
Article 5- Board Mission and Responsibilities:	5.1 The Company shall be managed by an effective Board of Directors which shall be individually and collectively responsible for the proper management of the Company. 5.2 In addition to the Board functions and responsibilities as set out in the Board Charter, the Board shall be responsible for: 5.2.1 Approving the Company's strategic objectives, appointing and replacing management, setting forth management compensation, reviewing management performance and ensuring succession planning concerning the Company's management. 5.2.2 Ensuring the Company's compliance with related laws and regulations as well as the Company's articles of association and by-laws. The Board is also responsible for protecting the Company from illegal, abusive or inappropriate actions and practices. 5.3 The Board may delegate some of its functions and constitute special committees, for the purpose of undertaking specific operations on its behalf. In this case written and clear instructions shall be given concerning the delegated function or authority with the requirement to obtain the Board's prior approval on specific matters. In any event, and even where the Board delegates one of its functions or authorities, the Board remains liable for all of its functions or authorities so delegated.	√ √ √ √ √ √			The adopted Board Charter and Governance Charter define the Board functions and responsibilities.	

Article No.	Item No.	Comply	Non Comply	NA	Governance Implementation	Justification for non-compliance
Article 6 - Board Members ' Fiduciary Duties	6.1 Each Board Member owes the Company the fiduciary duties of care, loyalty and compliance with the rules set out in related laws and regulations including this Code and the Board Charter. 6.2 Board Members must at all times act on an informed basis, in good faith, with due diligence and care, and in the best interests of the Company and all shareholders. 6.3 Board Members shall act effectively to fulfill their responsibilities towards the Company.	√ √ √			The adopted Board Charter and Governance Charter define the Board Members Fiduciary Duties.	
Article 7 - Separation of Positions of Chairman and CEO	7.1 The same person may not hold or exercise the positions of Chairman and Chief Executive Officer at the same time. The division of responsibilities between the two positions shall be clear. 7.2 In all circumstances, no one person in the Company should have unfettered powers to take decisions.	 √	√			Clarification No. 1- Justifications for not separating the positions of Chairman and CEO

Article No.	Item No.	Comply	Non Comply	NA	Governance Implementation	Justification for non-compliance
Article 8 - Duties of the Chairman of the Board	8.1 The Chairman is responsible for ensuring the proper functioning of the Board; in an appropriate and effective manner including timely receipt by the Board Members of complete and accurate information. 8.2 The Chairman may not be a member of any of the Board committees prescribed in this Code. 8.3 The duties and responsibilities of the Chairman of the Board of Directors shall, in addition to the provisions of the Board Charter, include but not be limited to the following: 8.3.1 to ensure that the Board discusses all the main issues in an efficient and timely manner; 8.3.2 to approve the agenda of every meeting of the Board of Directors taking into consideration any matter proposed by any other Board Member; this may be delegated by the Chairman to a Board Member but the Chairman remains responsible for the proper discharge of this duty by the said Board Member; 8.3.3 to encourage all Board Members to fully and effectively participate in dealing with the affairs of the Board of Directors for ensuring that the Board of Directors is working in the best interest of the Company; 8.3.4 to ensure effective communication with Shareholders and communication of their opinions to the Board of Directors; and 8.3.5 to allow effective participation of the Non-Executive Board Members in particular and to promote constructive relations between Executive and Non- Executive Board Members; 8.3.6 to ensure the conducting of an annual evaluation to the Board's performance.	√ √ √ √ √ √ √ √ √			The adopted Board Charter and Governance Charter define the duties of Board Chairman. The actual practices confirm that the Board Chairman compliance with all duties and responsibilities stated in this Article. The Company performs semi-annual evaluation of board Members, see clarification no. 2	

Article No.	Item No.	Comply	Non Comply	NA	Governance Implementation	Justification for non-compliance
Article 9 - Board Composition	9.1 The Board composition shall be determined in the Company's by-laws. The Board shall include executive, non-executive and independent Board Members so as to ensure that the Board decisions are not dominated by one individual or a small group of individuals. 9.2 At least one third of the Board Members shall be Independent Board Members and a majority of the Board Members shall be Non-Executive Board Members. 9.3 Board Members shall have adequate expertise and knowledge to effectively perform their functions in the best interest of the Company and they shall give sufficient time and attention to their role as Board Members. 9.4 The percentage of Company Capital for the nominee for the position of independent Board Member shall not exceed the number of shares required to ensure his membership of the Board.	√ √ √ √			The basic rule of association was amended to comply with commercial companies law no. 11/2015 and the governance code. This will be adopted at the extra ordinary general assembly scheduled to be held on 04/04/2016 The incumbent Board meets the regulations for Board Composition as required by this Charter.	

Article No.	Item No.	Comply	Non Comply	NA	Governance Implementation	Justification for non-compliance
Article 10 - Non-Executive Board Members	10.1 Duties of the Non-Executive Board Members include but are not limited to the following: 10.1.1 participation in the meetings of the Board of Directors and providing independent opinion on strategic matters, policy, performance, accountability, resources, key appointments and operation standards; 10.1.2 ensuring that priority shall be given to the Company's and Shareholders' interests in case of conflict of interests; 10.1.3 participation in the Company's Audit Committee; 10.1.4 monitoring the Company's performance in realizing its agreed objectives and goals and reviewing its performance reports including the Company's annual, half yearly and quarterly reports; and 10.1.5 the development of the procedural rules for the Company's corporate governance for ensuring their implementation in a consistent manner; and 10.1.6 availing the Board of Directors and its different Committees of their skills, experiences, diversified specialties and qualifications through regular presence in the Board meetings and effective participation in the General Assemblies and the acquisition of a balanced understanding of Shareholders' opinions. 10.2 A majority of the Non-Executive Board Members may request the opinion of an independent consultant, in relation to any of the Company's affairs, at the Company's expense.	√ √ √ √ √ √ √ √			The actual practices show that non-executives bard members performing all the duties as required by this Article.	

Article No.	Item No.	Comply	Non Comply	NA	Governance Implementation	Justification for non-compliance
Article 11 - Board Meetings	11.1 The Board of Directors shall hold meetings regularly, so as to ensure that the Board is effectively performing its duties. The Board shall meet at least six times during a year. 11.2 The Board shall meet when convened by its Chairman or upon the written request of two Board Members. The invitation for the Board meeting and agenda shall be communicated to each Board Member at least one week before the date of the meeting, noting that any Board Member may add any item to the agenda.	√ √			The Board held 8 meetings in 2015 thus satisfying the requirements of Article 104 of Commercial Companies Law, Article 11 of Governance Code and Article 27 of the Company basic Bylaws.	
Article 12 - Board Secretary	12.1 The Board shall appoint a Board Secretary whose functions shall include recording the minutes of all the Board meetings and safekeeping records, books and reports submitted by or to the Board. Under the direction of the Chairman, the Board Secretary shall also be in charge of ensuring timely access to information and coordination among the Board Members as well as between the Board and the other stakeholders in the company including shareholders, management, and employees. 12.2 The Board Secretary shall ensure that Board Members have full and timely access to the minutes of all Board meetings, information, documents, and records pertaining to the Company. 12.3 All Board Members shall have access to the services and advice of the Board Secretary. 12.4 The Board Secretary may only be appointed or removed by a Board resolution. 12.5 The Board Secretary should preferably be a member of a recognized body of professional accountants, or a member of a recognized or chartered body of corporate secretaries, or a lawyer or a graduate from a recognized university or equivalent. He should have at least three years experience of handling the affairs of a public company listed in the market.	√ √ √ √ √			The incumbent Board Secretary meets the required qualifications. He holds a high degree in economics and management, in addition to bachelor's degree in law and political sciences. He is an accredited arbitrator at Qatar International Center for Arbitration and Conciliation and an associate professor at Qatar University. He enjoys more than 35 years of experiences including 15 years in handling the affairs of listed companies.	

Article No.	Item No.	Comply	Non Comply	NA	Governance Implementation	Justification for non-compliance
Article 13 - Conflict of Interests and Insider Trading	13.1 The Company shall adopt and make public general rules and procedures governing the Company's entering into any commercial transaction with a Related Party (the Company's "Related Party Policy"). In any event, it shall not be permitted to enter into any commercial transaction (or contract) with any a Related Party unless in strict compliance with the aforementioned Related Party Policy. The said policy shall include principles of transparency, fairness and disclosure in addition to the requirement that a related party transaction be approved by a majority vote of the shareholders, without the concerned Related Party participating in the voting.	√			The Company has adopted the policy to avoid conflict of interest, see Clarification No. 3 The Company issues periodic circular regarding typical handling Company shares, see Clarification No. 4, copy of Company circular regarding disclosure.	
	13.2 Whenever an issue involving conflict of interests or any commercial transaction between the Company and any of its Board Members or any Party related to said Board Member, is discussed in a Board meeting, the said issue shall be discussed in the absence of the concerned Board Member who may not in any event participate in the voting on the matter. In any event, such transaction shall be made at market prices and on arm's length basis and shall not involve terms that are contrary to the interests of the Company.	√				
	13.3 In any event, such transactions shall be disclosed in the Company's annual report and specifically referred to in the General Assembly following such commercial transactions.	√				
	13.4 Trading by Board Members' in the Company's shares and other securities shall be disclosed and the Company shall adopt clear rules and procedures governing trading by Board Members and employees in the company securities.	√				

Article No.	Item No.	Comply	Non Comply	NA	Governance Implementation	Justification for non-compliance
Article 14 - Other Board Practices and Duties	14.1 Board Members shall have full and immediate access to information, documents, and records pertaining to the Company. The Company's executive management shall provide the Board and its committees with all requested documents and information.	√			Actual experiences show that Board Members comply with this Article. The Board conducts training workshops for Members. In 2015 the workshop handles the Commercial Law 11/2015. Furthermore, the Board reviews the implementation of Governance Code and the Company's adherence to its requirements. Article 26 of the Company Articles of Association states that Board membership is lost in the event of repeated absence from Board Meetings.	
	14.2 The Board Members shall ensure that the Nomination, Remuneration and the Audit Committee members, the Internal Audit and representatives of the External Auditors attend the General Assembly.	√				
	14.3 The Board shall put in place an induction program for newly appointed Board Members in order to ensure that, upon their election, Board Members are made fully aware of their responsibilities, and have proper understanding of the manner in which the Company operates.	√				
	14.4 The Board Members are responsible for having an appropriate understanding of their role and duties, and for educating themselves in financial, business, and industry practices as well as the Company's operations and functioning. In this respect, the Board shall adopt an appropriate formal training to enhance Board Members' skills and knowledge.	√				
	14.5 The Board of Directors shall at all times keep its Members updated about the latest developments in the area of corporate governance and best practices relating thereto. The Board may delegate the same to the audit committee or the governance committee or any other body as it deems appropriate.	√				
	14.6 The Company's articles of association shall include clear procedures for removing Board Members in the event of failing to attend Board meetings.	√				

Article No.	Item No.	Comply	Non Comply	NA	Governance Implementation	Justification for non-compliance
Article 15 - Board Committees	The Board evaluates the benefits to setting up Committees to supervise the important functions. The Board will when deciding on the selected committees take into account the Committees mentioned in this Code.	√			All Committees mentioned in this Article were formed and the bylaws for each approved, and published on the Company website, see Clarification No. 5	
Article 16- Appointing Board Members- Membership Committee- Nominations	16.1 Nominations and appointments of Board Members shall be made according to formal, rigorous and transparent procedures.	√			The Company formed the Nominations Committee, adopted its bylaws and posted them on Company website, see Clarification no. 5	
	16.2 The Board shall constitute a Nomination Committee chaired by an Independent Board Member and comprised of Independent Board Members which shall recommend Board Members' appointments and re-nomination for election by the General Assembly (for the avoidance of doubt, nomination by the Committee does not deprive any shareholder of his rights to nominate or to be nominated);	√				
	16.3 Nominations shall take into account inter alia the candidates' sufficient availability to perform their duties as Board Members, in addition to their skills, knowledge and experience as well as professional, technical, academic qualifications and personality and should be based on the „Fit and Proper Guidelines for Nomination of Board Members' annexed to the Code as amended by the Authority from time to time;	√				
	16.4 Upon its establishment, the Nomination Committee shall adopt and publish its terms of reference explaining its authority and role. 16.5 The Nomination Committee's role shall also include conducting an annual self-assessment of the Board's performance.	√				
	16.6 Banks and other companies shall comply with any conditions or requirements relating to the nomination, election or appointment of Board Members issued by Qatar Central Bank or any other relevant authority.	√	√		Board Evaluation Code, Clarification no. 2	

Article No.	Item No.	Comply	Non Comply	NA	Governance Implementation	Justification for non-compliance
Article 17 - Board Members' Remuneration - Remuneration Committee	17.1 The Board of Directors shall establish a Remuneration Committee comprised of at least three Non-Executive Board Members the majority of whom must be Independent.	√			The Company established the Remunerations Committee, approved its bylaws and posted them on Company website. See Clarification no 5-Incentives and Remunerations Policy	
	17.2 Upon its constitution, the Remuneration Committee shall adopt and make available its terms of reference explaining its role and main responsibilities.	√				
	17.3 The Remuneration Committee's main role shall include setting the remuneration policy of the Company including remuneration of the Chairman and all Board Members as well as Senior Executive Management.	√				
	17.4 The Remuneration Policy shall be presented to the shareholders in the General Assembly for approval and shall be made public.	√				
	17.5 Remuneration shall take into account the responsibilities and scope of the functions of the Board Members and members of Senior Executive Management as well as the performance of the Company. Compensation may include fixed and performance-related components, noting that such performance related components should be based on the long-term performance of the Company.	√				

Article No.	Item No.	Comply	Non Comply	NA	Governance Implementation	Justification for non-compliance
Article 18 - Audit Committee	18.1 The Board of Directors shall establish an Audit Committee that shall be comprised of at least three members the majority of whom should be Independent. The Audit Committee must include at least one member with financial and audit experience. If the number of available Independent Board Members was not sufficient to fill the Audit Committee membership, the Company may appoint members that are not Independent Board Members provided that the Chairman of the Committee is Independent.	√			The Company set up the Audit Committee, adopted its bylaws and posted them on Company website, see Clarification No. 5	
	18.2 In any event, any person who is or has been employed by the Company's external auditors within the last 2 years may not be a member of the Audit Committee.	√				
	18.3 The Audit Committee may consult at the Company's expense any independent expert or consultant.	√				
	18.4 The Audit Committee shall meet as needed and regularly at least once every three months and shall keep minutes of its meetings.	√				
	18.5 In the event of any disagreement between the Audit Committee's recommendations and the Board's decision including where the Board refuses to follow the Committee's recommendations concerning the external auditor, the Board shall include in the Company's Governance Report, a statement detailing such recommendations and the reason(s) behind the Board of Directors' decision not to follow the recommendations.	√				
	18.6 Upon its establishment, the Audit Committee shall adopt and make public its terms of reference explaining its main role and responsibilities in the form of an Audit Committee Charter including in particular the following:	√				
	18.6.1 to adopt a policy for appointing the External Auditors; and to report to the Board of Directors any matters that, in the opinion of the Committee, necessitate action and to provide recommendations on the necessary procedures or required action;	√			External Auditors appointment policy, see Clarification No. 7	

Article No.	Item No.	Comply	Non Comply	NA	Governance Implementation	Justification for non-compliance
	18.6.2 to oversee and follow up the independence and objectivity of the external auditor and to discuss with the external auditor the nature, scope and efficiency of the audit in accordance with International Standards on Auditing and International Financial Reporting Standards;	√				
	18.6.3 to oversee, the accuracy and validity of the financial statements and the yearly, half-yearly and quarterly reports, and to review such statements and reports. In this regard particularly focus on: 1. Any changes to the accounting policies and practices; 2. Matters subject to the discretion of Senior Executive Management; 3. The major amendments resulting from the audit; 4. Continuation of the Company as a viable going concern; 5. Compliance with the accounting standards designated by the Authority; 6. Compliance with the applicable listing Rules in the Market; and 7. Compliance with disclosure rules and any other requirements relating to the preparation of financial reports;	√				
	18.6.4 to coordinate with the Board of Directors, Senior Executive Management and the Company's chief financial officer or the person undertaking the latter's tasks, and to meet with the external auditors at least once a year;	√				
	18.6.5 to consider any significant and unusual matters contained or to be contained in such financial reports and accounts. And to give due consideration to any issues raised by the Company's chief financial officer or the person undertaking the latter's tasks, or the Company's compliance officer or external auditors;	√				
	18.6.6 to review the financial and Internal Control and risk management systems;	√				
	18.6.7 to discuss the Internal Control systems with the management to ensure management's performance of its duties towards the development of efficient Internal Control systems;	√				

Article No.	Item No.	Comply	Non Comply	NA	Governance Implementation	Justification for non-compliance
	18.6.8 to consider the findings of principal investigations in Internal Control matters requested by the Board of Directors or carried out by the Committee on its own initiative with the Boards' approval;	√				
	18.6.9 to ensure ;coordination between the Internal Auditors and the External Auditor, the availability of necessary resources, and the effectiveness of the Internal Controls;	√				
	18.6.10 to review the Company's financial and accounting policies and procedures;	√				
	18.6.11 to review the letter of appointment of the External Auditor, his business plan and any significant clarifications he requests from senior management as regards the accounting records, the financial accounts or control systems as well as the Senior Executive management's reply ;	√				
	18.6.12 to ensure the timely reply by the Board of Directors to the queries and matters contained in the External Auditors' letters or reports;	√				
	18.6.13 to develop rules, through which employees of the Company can confidentially report any concerns about matters in the financial reports or Internal Controls or any other matters that raise suspicions. And to ensure that proper arrangements are available to allow independent and fair investigation of such matters whilst ensuring that the aforementioned employee is afforded confidentiality and protected from reprisal. Such rules should be submitted to the Board of Directors for adoption.	√				
	18.6.14 to oversee the Company's adherence to professional conduct rules;	√				
	18.6.15 to ensure that the rules of procedure related to the powers assigned to the Board of Directors are properly applied;	√				
	18.6.16 to submit a report to the Board of Directors on the matters contained in this Article ;	√				
	18.6.17 to consider other issues as determined by the Board of Directors;	√				

Article No.	Item No.	Comply	Non Comply	NA	Governance Implementation	Justification for non-compliance
Article 19– Compliance, Internal Controls and the Internal Auditor	19.1 The Company shall adopt Internal Control Systems, approved by the Board, to evaluate the methods and procedures for risk management, implementation of the Company's corporate governance code and compliance with related laws and regulations. And the Internal Control Systems shall set clear lines of responsibility and accountability throughout the Company's departments.	√				
	19.2 Internal Control Systems shall include effective and independent risk assessment and management functions, as well as financial and operational internal audit functions in addition to the external audit. The Internal Control Systems shall also ensure that all related-party transactions are handled in accordance with the requirements related thereto.	√				
	19.3 The Company shall have an internal audit function with clearly defined functions and role. In particular, the internal audit function shall :	√ Clar. 8				
	19.3.1 audit the Internal Control Systems and oversee their implementation;	√				
	19.3.2 be carried out by operationally independent, appropriately trained and competent staff; and	√				
	19.3.3 Submit its reports to the Board of Directors either directly or through the Board's Audit Committee; and is responsible to the Board; and	√				
	19.3.4 Has access to all Company's activities; and	√				
	19.3.5 Be independent including being independent from the day-to-day Company functioning. Its independence should be reinforced for example by having the Board determine compensation of its staff.	√				
	19.4 The internal audit function shall include at least one internal auditor appointed by the Board of Directors. This internal auditor shall report to the Board or the Chief Executive Officer of the Company, either directly or through the Audit Committee.	√				

Article No.	Item No.	Comply	Non Comply	NA	Governance Implementation	Justification for non-compliance
	19.5 The internal auditor shall prepare and submit to the Audit Committee and the Board of Directors an “internal audit report” which shall include a review and assessment of the Internal Control system of the Company. The scope of the Internal Audit Report shall be agreed between the Board (based on the Audit Committee recommendation) and the internal auditor and shall include particularly the following:	√				
	- Control and oversight procedures of financial affairs, investments, and risk management.	√				
	- Comparative evaluation of the development of risk factors and the systems in place to respond to drastic or unexpected market changes.	√				
	- Assessment of the performance of the Board and senior management in implementing the Internal Control Systems, including the number of times the Board was notified of control issues (including risk management) and the manner in which such issues were handled by the Board.	√				
	- Internal Control failure, weaknesses or contingencies that have affected or may affect the Company’s financial performance and the procedure followed by the Company in addressing Internal Control failures (especially such problems as disclosed in the Company’s annual reports and financial statements).	√				
	- The Company’s compliance with applicable market listing and disclosure rules and requirements.	√				
	- The Company’s compliance with Internal Control systems in determining and managing risk.	√				
	- All relevant information describing the Company’s risk management operations.	√				
	19.6 The Internal Audit Report shall be prepared every three months.	√				

Article No.	Item No.	Comply	Non Comply	NA	Governance Implementation	Justification for non-compliance
Article 20 – External Auditor	20.1 An External Auditor who is independent, and qualified, and appointed upon the recommendation of the Audit Committee to the Board and the decision of the Company's General Assembly, shall undertake an annual and semi-annual independent audit. The purpose of the said audit is to provide an objective assurance to the Board and shareholders that the financial statements are prepared in accordance with this Code, related laws and regulations and international financial reporting standards and accurately represent the financial position and performance of the Company in all material respects. 20.2 The External Auditor shall comply with the highest professional standards and he shall not be contracted by the Company to provide any advice or services other than carrying out the audit of the Company. The External Auditor must be completely independent from the Company and its Board Members and shall not have any conflict of interests in his relation to the Company. 20.3 The Company's External Auditor must attend the Company's annual ordinary General Assembly where he shall deliver his annual report and answer any queries in this respect. 20.4 The External Auditor is accountable to the shareholders and owes a duty to the Company to exercise due professional care in the conduct of the audit. The External Auditor is also responsible for notifying the Authority and any other regulatory authority should the Board fail to take proper action concerning suspicions raised or identified by the External Auditors. 20.5 A listed company shall change its External Auditor every five years at a maximum.	√ √ √ √ √			Clarification No. 7-External Auditors appointment policy	

Article No.	Item No.	Comply	Non Comply	NA	Governance Implementation	Justification for non-compliance
Article 21-Disclosure	21.1 The Company must comply with all disclosure requirements including financial reporting as well as disclosing shareholdings of Board Members, senior executives and major or controlling shareholders. The Company must also disclose information about its Board Members including notably a resume of each member describing his/ her respective education, profession, other board seats that they may hold (if any). Names of the members of various Committees constituted by the Board as mentioned in Article 5.3, along with the composition of the committee, should also be disclosed.	√			Comply with disclosure, and disclosure regarding board members and their share ownerships, see Clarification No. 9	
	21.2 The Board shall ensure that all disclosure made by the Company provides accurate and true information which is not non-misleading.	√				
	21.3 The Company's financial reports must comply with IFRS /IAS and ISA standards and requirements. In addition to stating whether the external auditor obtained all information needed, the external auditor report shall also state whether the Company conforms to IFRS/IAS and that the audit has been conducted in accordance with IAS.	√				
	21.4 The Company audited financial reports shall be circulated to all shareholders.	√				
Article 22 - General Rights of Shareholders and Key Ownership Elements	Shareholders have all rights conferred upon them by related laws and regulations including this Code as well as the Company's by-laws; and the Board shall ensure that shareholders' rights are respected in a fair and equitable manner.	√			Clarification no. 10-Shareholders rights, capital structure and minority rights.	

Article No.	Item No.	Comply	Non Comply	NA	Governance Implementation	Justification for non-compliance
Article 23- Ownership Records	23.1 The Company shall keep valid and up to date records of share ownership. 23.2 Shareholders shall have the right to review and access for free the Company's shareholders' register at the Company's regular office hours or as otherwise determined in the Company's Access to Information Procedures. 23.3 The Shareholder shall be entitled to obtain a copy of the following: -Board Member register, -Articles of Association and by-laws of the Company, -Instruments creating a charge or right on the Company's assets, -Related party contracts and any other document as the Authority may decide upon payment of a fee determined by the Authority.	√ √ √			In accordance with system applied by Qatar Stock Exchange and as per Articles 159 & 160 Of Commercial Law, the Company deposited the shareholders records at Qatar Stock Exchange and authorized QSE to maintain and keep this record.	
Article 24- Access to Information	24.1 The Company shall include in its articles of association and by-laws Procedures of Access to Information to ensure that shareholders rights of access to Company documents and information in a timely manner and on a regular basis, are preserved. The Access to Information Procedures shall be clear and detailed and shall determine (i) the Accessible Company Information including the types of information that is made accessible on an on-going basis to individual shareholders or to shareholders representing a minimum percentage of the Company's share capital, and (ii) clear and express procedures to access such information. 24.2 The Company shall have a website where all relevant information and public information and disclosures must be posted. This includes all information that is required to be made public by this Code and any related laws and regulations.	√ √ √		√	The Articles of Association has been amended in accordance with Commercial Law 11/205 and Governance Code, to be adopted at upcoming irregular General Assembly on 05/04/2016. The proposed includes articles relevant to access to information and its procedures.	

Article No.	Item No.	Comply	Non Comply	NA	Governance Implementation	Justification for non-compliance
Article 25 - Shareholders Rights with Regard to Shareholders' Meetings	The Company's articles of association and by-laws shall include provisions ensuring effective shareholders' right to call for a General Assembly and be convened in a timely manner; the right to place items on the agenda, discuss matters listed on the agenda and address questions and receive answers thereupon; and the right to make informed decisions.	√			The Articles of Association has been amended in accordance with Commercial Law 11/205 and Governance Code, to be adopted at upcoming irregular General Assembly on 05/04/2016. The proposed includes articles relevant to shareholders rights and other rights.	
Article 26- Equitable Treatment of Shareholders and Exercise of Voting Rights	26.1 All shares of the same class, shall have the same rights attached to them. 26.2 Proxy voting is permitted in compliance with related laws and regulations.	√ √				
Article 27- Shareholders' Rights Concerning Board Members' Election	27.1 The Company's articles of association and by-laws shall include provisions ensuring that shareholders are given information relating to Board Members' candidates including a description of candidates' professional and technical skills, experience and other qualifications. 27.2 Shareholders shall have the right to cast their votes for Board Member's election by Cumulative Voting.	√ √			The Articles of Association has been amended in accordance with Commercial Law 11/205 and Governance Code, to be adopted at upcoming irregular General Assembly on 05/04/2016. The proposed includes articles relevant to shareholders rights regarding electing Board Members via proxy voting and to provide information to shareholders regarding nominees.	

Article No.	Item No.	Comply	Non Comply	NA	Governance Implementation	Justification for non-compliance
Article 28 - Shareholders' Rights Concerning Dividend Distribution	The Board of Directors shall submit to the General Assembly a clear policy on dividend distribution. This shall include the background and rationale of such policy in terms of the best interest of the Company and the shareholders.	√			Clarification No. 11-Dividend distribution policy	
Article 29 - Capital Structures, Shareholders' Rights, Major Transactions	29.1 Capital Structures should be disclosed and Companies should determine the type of shareholders agreements that should be disclosed. 29.2 Companies shall adopt in their articles of association and/or by-laws provisions for the protection of minority shareholders in the event of approval of Major Transactions where the said minority shareholders have voted against such Major Transactions. 29.3 Companies shall adopt in their articles of association and/or by-laws, a mechanism ensuring the trigger of a public offer or the exercise of Tag Along Rights in the case of a change in ownership exceeding a specific percentage (threshold). The thresholds should take into consideration shares held by third parties but under the control of the disclosing shareholder, including shares covered by shareholder agreements which should also be disclosed.	√ √ √			Capital Structure-Clarification No. 12	

Article No.	Item No.	Comply	Non Comply	NA	Governance Implementation	Justification for non-compliance
Article 30 – Stakeholders' Rights	30.1 The rights of Stakeholders are to be respected. Where Stakeholders participate in the corporate governance arrangements; they shall have access to relevant, sufficient and reliable information on a timely and regular basis. 30.2 The Board of Directors shall ensure that the Company's employees are treated according to the principles of fairness and equity and without any discrimination whatsoever on the basis of race, gender, or religion. 30.3 The Board shall develop a remuneration policy and packages that provide incentive for the employees and management of the Company to always perform in the best interests of the Company. This policy should take into consideration the long term performance of the Company. 30.4 The Board shall adopt a mechanism enabling company employees to report to the Board suspicious behavior, where such behavior is unethical, illegal, or detrimental to the Company. The Board shall ensure that the employee addressing the Board shall be afforded confidentiality and protected from any harm or negative reaction by other employees or the employee's superiors. 30.5 Companies shall fully comply with the provisions of this Article, being exempted from the principle of compliance or justify not to comply.	√ √ √ √ √			The Company adopted Policies, General Provisions and HR, Policies manual that includes equality and non-discrimination. Clarification No. 6 –Incentives and Remunerations Policy. The Company adopted Policies, General Provisions and HR, Policies manual that insures confidentiality mechanism and protection.	

Article No.	Item No.	Comply	Non Comply	NA	Governance Implementation	Justification for non-compliance
Article 31 - The Corporate Governance Report	31-1 The Board shall prepare an annual Corporate GovernanceReport signed by the Chairman. 31-2 This Report shall be submitted to the Authority on an annual basis and whenever required by the Authority, and shall be accompanied by the Annual Report prepared by the Company in compliance with periodic disclosure. 31-3 The Agenda for the ordinary meeting of the General Assembly shall include an item for Corporate Governance Report, and a copy of the same distributed to shareholders during the meeting. 31-4 the Authority. The said Report shall be published and shall include all information related to the application of this Code, including notably: 1- Procedures followed by the Company in this respect; 2- Any violations committed during the financial year, their reasons and the remedial measures taken and measures to avoid the same in the future; 3- Members of the Board of Directors and its Committees and their responsibilities and activities during the year, according to the categories and terms of office of said members along with the method of determining the Directors and Senior Executive Managers remuneration; 4- Internal Control procedures including particularly the Company's oversight of financial affairs, investments, and risk management; 5- The procedure followed by the Company in determining, evaluating and managing significant risks, a comparative analysis of the Company's risk factors and discussion of the systems in place to confront drastic or unexpected market changes;	√ √ √ √ √ √ √ √ √			Internal Control have not recorded during 2015 any defect or serious flaw in Company financial performance. Similarly, none was recorded regarding Company management. Clarification No. 13-Risk Management Policy	

Article No.	Item No.	Comply	Non Comply	NA	Governance Implementation	Justification for non-compliance
	6- Assessment of the performance of the Board and senior management in implementing the Internal Control systems, including identification of the number of times when the Board was notified of control issues (including risk management) and the way such issues were handled by the Board;	√				
	7- Internal control failures or weaknesses or contingencies that have affected or may affect the Company's financial performance and the procedures followed by the Company in addressing Internal Control failures (especially such problems as disclosed in the Company's annual reports and financial statements);	√				
	8- The Company's compliance with applicable market listing and disclosure rules and requirements;	√				
	9- The Company's compliance with Internal Control systems in determining and managing risks;	√				
	10- All relevant information describing the Company's risk management operations and Internal Control procedures.	√				

COMPLIANCE MANAGER

The Company has appointed a compliance manager in order to enhance and activate communication with the supervisory authorities, as mentioned in previous report. The compliance manager role is to coordinate between the Company and any supervisory authority in relevance to the Corporate Governance Code and its implementation.

Name: Dr. Adnan Ali Steitieh
Capacity: Executive Manager-Board secretary
Telephone: +974 4483 0439
Email: a.steitieh@salaminternational.com

Now that the Company has adopted the Board Charter, Corporate Governance Code and good governance policies, we will continue to meet the requirements of the Code and adhere to its rules and regulations by changing the Company articles of association to be in compliance with Commercial Law No. 11/2015 and to achieve full compliance with CG Code.

Finally, the Board of Directors at SIIL would like to stress its adherence and full compliance with the corporate governance code in the past, present and future. SIIL considers the CG Code as a system to sound management and a means to concile and balance between various stake holders of different interests and to even distribute the rights and responsibilities within a framework of transparency, integrity, disclosure and equal opportunity.

Furthermore, the CG Codes enhances the SIIL legacy in corporate management which stimulates all board members and all Company employees to act as business entrepreneurs and at the same time fully comply with the rules of transparency, integrity and solid conduct for the common goal to achieve sound and sustainable growth and achieve additional benefits to the shareholders.

Issa AbdulSlam Abu Issa
Chairman of the Board of Directors

Clarification No. 1
JUSTIFICATIONS NOT TO SEPARATE THE POSITIONS OF CHAIRMAN AND CEO:

The SIIL administrative and organization structure is built on the decentralized model. The homogenous subsidiaries and the business units were grouped into four major sectors, each sector is managed by an executive director with wide ranging authorities in defining the work objectives, plan and budget and also in appointing staff. Therefore, although the Chairman retains the position of CEO, there is effective separation per sector regarding CEO due to decentralized decision-making mechanism as explained above. There is therefore no single individual at the Company with absolute power in decision making.

Clarification No. 2
BOARD PERFORMANCE EVALUATION POLICY

The Nomination Committee, as part of its multiple tasks, conducts annual objective self evaluation of the Board Members.

The Committee shall rely, in its assessment of the Board performance, on the fact that the Board is jointly responsible for effective management of the Company. In particular, the Board shall be responsible for developing strategic goals and policies and for the effective control of the performance of the Company and its subsidiaries, and ensure the management succession planning, in addition to protecting and developing the rights of the shareholders in the long term. The Nomination Committee has relied in the preparation of the annual performance assessment of the Board on the standards in the adopted Nomination Committee framework in particular, as shown below:

a) Number of annual meetings.
b) Compliance with the periodic frequency of the meetings.
c) Attendance percentage at the meetings.
d) Promptness and efficiency of handling the topics listed on the Board agenda.
e) Compliance with the transparency and disclosure requirements with regards to the decisions of the Board.
f) The extent of interaction with the various committees emanating from the Board and the implementation of their recommendations.
g) Achieving the objectives and plans and implementation of the adopted policies.
h) Any other standards required for the objective self-assessment.

Clarification No. 3
NON-CONFLICT OF INTERESTS POLICY

The Company prohibits the Chairman, members of its Board of Directors, its executive directors and all its employees from taking advantage of any information they may have come to know, as a result of dealing in shares of the Company, for their own interest or the interest of their immediate relatives.

Members of the Board and Executive Directors owe their loyalty to the Company and its shareholders. This trust-based duty requires the members of the Board to give priority to the interests of the Company and its shareholders over their own personal interests and interests of the related parties. They must always work in good faith and total transparency.

A Board Member and Executive Manager shall refrain from:

1. Performing activities competing with the Company, or trade for his own account or for the accounts of others within a branch of activity that is practiced by the Company. Otherwise, the Company shall request compensation or considers that the transactions were conducted for its account. Such limitation shall not apply where competition is public, in accordance with the prevailing norms and with the provisions of the Law and the applicable regulations.

2. Taking over the opportunities offered to the Company. Such limitation shall not apply where the opportunity was offered to the Company which rejected the same.

3. Explicit, potential and actual conflicts of interests. In the case of conflicts of interests, the member of the Board shall totally disclose of this conflict.

4. In the case that an issue involving conflict of interests, or any business dealing between the Company and any Board Member, or party that is related to Member, then the subject Member is not permitted at all to

vote regarding such transaction. And in any case, such transaction shall be performed according to market prices at business and purely business basis, and shall not include clauses that are detrimental to Company interests.

5. As an exception from contracting and public tenders, the Company Chairman, Board members or any Company director may not have a direct interest in the contracts, projects and commitments made for the account of the Company, unless with an approval by the General Assembly thereon. Provided that such deals and contracts must meet the condition of being fair to the Company. In the event where such contracts and commitments are of a periodic and renewable nature, the approval of the General Assembly shall be annually renewed. In all cases, any of the aforementioned parties having an interest shall refrain from attending any General Assembly or Board sessions in which the subject relevant to him matter is discussed.

Clarification No. 4
TYPICAL COMPANY CIRCULAR REGARDING DISCLOSURE

Date: .. / .. / …
Ref. XXXXXX

Mr. XXXXXXXXXX

Dear Sir,

Subject: Prohibition of Purchase and Sale of Shares

Due to proximity of publication of the financial results for the fiscal period ending on ../,../ …., kindly note that the prohibition period for purchase and sales of Company shares by the Members of Board and executive Directors. as stated in Article No. 173 of the Qatar Stock Exchange Bylaws, is hereby effective starting from the day of …. On …/../… till the day of …… on ../../…. Otherwise, purchase and sale of shares is permitted, provided that the QSE is advised.

Therefore, you are kindly requested to refrain from issuing purchase or sale orders regarding Company shares, whether in your names or the names of your relatives of the first degree starting from the day of …. On …/../… till the day of …… on ../../….

Sincerely yours,

Clarification No. 5

Membership Committee (Nominations), consisting of the following:

1. Mr. Nasser Suliman Haidar Mohammad Al Haidar
2. HE Sheikh Ali bin Ghanim Al Thani
3. Mr. Ali Haidar Suliman Al Haider
4. Mr. AbdulSalam Issa Abu Issa
5. Dr. Adnan Ali Steitieh

Investment Committee, consisting of:

1. Mr. Issa Abdul Salam Abu Issa
2. Mr. Hussam Abdul Salam Abu Issa
3. HE Sheikh Nawaf bin Nasser bin Khalid Al Thani
4. Mr. Nasser Suliman Haidar Mohammad Al Haidar
5. Mr. Jassim Mohammad Abdul Ghani Al Mansouri
6. Mr. Bassam AbdulSalam Abu Issa
7. Dr. Adnan Ali Steitieh

Verification Committee, comprising of:

1. Mr. Ali Haidar Suliman Al Haider
2. HE Sheikh Ali bin Ghanim Al Thani
3. Mr. Badr Ali Al Sada
4. Mr. Hani Abdul Kader Al Kadi
5. Mr. Hussam AbdulSalam Abu Issa
6. Mr. Bassam AbdulSalam Abu I ssa
7. Mr. Abdul Salam Issa Abu Issa
8. Dr. Adnan Ali Steitieh

Remuneration Committee, comprising of:

1. HE Sheikh Nawaf bin Nasser bin Khalid Al Thani
2. Mr. Hani Abdul Kader Al Kadi
3. Mr. Jassim Mohammad Abdul Ghani Al Mansouri
4. Mr. Badr Ali Al Sada
5. Dr. Adnan Ali Steitieh

Clarification No. 6
COMPANY STAFF, BOARD REMUNERATION AND HIGHER EXECUTIVE MANAGEMENT REWARDS AND INCENTIVES

FIRST: COMPANY STAFF REWARDS AND INCENTIVES:

Pursuant to the Company's public strategy aimed at achieving sustainable growth and profits and long-term benefits for the Company share holders, it adopts the rewards and incentives policy at the Company in general, based on the following general criteria:

1. Long-term company performance.
2. Beneficial targeted growth of the Company.
3. Achieve the minimum action plan indices ,most important of which the net revenues, net profit and the Economic Added Value(EVA).
4. Company cash flow.
5. Shareholders dividends and revenue.

The Staff Rewards and Incentives policy is also based on the following specific criteria:

1. Responsibilities and duties.
2. Staff individual performance.
3. Collective performance of the Company and the business units.

As for the subsidiaries and the business units, the rewards and incentives policy shall primarily rely on the following criteria:

1. The long-term performance of the Company or concerned business unit.
2. Cash flow situation of the Company or the business unit.
3. The contribution of the subsidiary or business unit in the cumulative profits.
4. Responsibilities and duties.
5. Staff individual performance.

It is permitted that the rewards include a fixed part and a performance-related part. The performance related part must be based on the long-term Company performance as well as the useful targeted growth in general and the individual performance in particular.

The policy is based on the annual individual performance evaluation, taking into consideration the relative weights of each of the skills, behavior and quality objectives: It should be noted that the rewards and incentives shall not be earned if the assessment evaluation result is less than 80%.

The evaluation and assessment shall be done by the Human Resources Department at the Company based upon the adopted staff assessment system. This system in turn is based upon the balanced performance card. Hence, the merit for incentives shall not only be dependent of profitability criteria. It will depend on the overall assessment of staff performance, which will vary in focus and targets from one individual to another.

SECOND: BOARD REMUNERATION:

1. The Ordinary General Assembly shall determine the remuneration of the Board members. The total of such remuneration must not exceed (10%) of the net profits, after deducting the depreciation, reserves and distributing dividends of no less than 5% of the capital to the shareholders. In all cases, the remuneration may not exceed the maximum limit allowed by law or specified in a Ministerial decree in this regards.

2. No Board member shall be entitled to a remuneration for attending the Board meetings. However, he shall be entitled to an annual remuneration related to his performance after obtaining the approval of the General Assembly.

3. The Board members may get a lump sum amount as remuneration in the years where the Company fails to realize profits. In such a case, the approval of the concerned authority in the Ministry of Business and Trade as well as that of the Company's General Assembly shall be required.

THIRD: HIGHER EXECUTIVE MANAGEMENT:

The remunerations for the CEO and Deputy CEO shall be based on the same public and private criteria imposed on the Company's staff, in addition to achieving 10% of the return on capital to earn the remuneration and annual performance incentive.

The assessment shall be carried by the Remuneration Committee of the Board based upon its adopted evaluation system for higher management which in turn is based on balanced performance card. Hence, the merit for remuneration shall not only be based upon profitability or dividends.
It shall primarily be according to overall evaluation of staff performance which differs in focus and targets from time to another according to Company conditions and challenges.

FOURTH: COMMITTEES REMUNERATION

It is permitted that Committee members obtain a lump sum amount as remuneration as a reward for attending and participating in the Committee affairs, as per the discretion of the Board.

Clarification No. 7
SIIL POLICY REGARDING APPOINTING EXTERNAL AUDITORS

The Policy of SIIL to contract with external auditors (The Policy) is based upon Article 14 of the Corporate Law No. 5/2002, and upon Article 20-5 of the Governance Code regarding listed companies issued by the Qatar Financial Markets Authority (the Authority), and upon the bylaws governing the external auditors and financial estimators for listed parties as issued by the Authority.

The Policy comprises the following:

- a- The Company shall have an accounts auditor (external auditor) appointed by the General Assembly for one year. The General Assembly shall approve it remunerations, based upon recommendation from the Board.
- b- It is permitted that the General Assembly appoints the accounts auditor for consecutive years.
- c- In the case of re-appointing an auditor, the maximum appointment shall not exceed five consecutive years.
- d- It is required that the auditor be an international or regional accounting firm.
- e- It is required that the auditor be duly registered at the Ministry of Economy and Commerce, listed in the tables of approved external auditors at the Authority or any relevant specialized party, in accordance with the laws and regulations in effect at the State of Qatar.
- f- The auditor shall meet the obligations as stated in Article 9 of the regulations for external auditors and financial estimators as issued by the Authority.
- g- To inform both the Ministry and the Authority with the name of the auditor nominated by the Board.
- h- The auditor shall perform the following:
    1. Monitor and audit Company accounts, in accordance with the approved auditing practices, Authority requirements and the technical and professional basis of the profession.
    2. Check the budget and the profit/loss account.
    3. Implement the Law and the company Statue.
    4. Inspect the Company financial and administrative systems, its internal financial control systems and ascertain their suitability to the well going of Company business and preservation of its assets.
    5. Verify the Company assets and their ownership, confirm the legality of the liabilities and their authenticity.
    6. Review Board resolutions and instructions to the Company.
    7. Any other duties that an auditor is required to perform in accordance with the law governing the auditors practice and other relevant regulations and norms of the auditing business.
    8. Provide a written report to the General Assembly about its function, and assign or deputize to read the report to the General Assembly. A copy of the report shall be sent from Auditor to respective authority.
- i- The aforementioned report by the auditor shall include the following:
    1. He has obtained the information, data and clarifications that he considers to be important to perform his job.
    2. That the Company keeps regular book, records and documents in accordance with the internationally-recognized accounting principles which enable to show the financial position of the Company and the results of its operations in a fair manner, and that the balance and the profit/loss accounts are in accordance with books and records.
    3. That the auditing procedures he conducted for the Company accounts are in his opinion sufficient to construct a reasonable basis to provide his opinion regarding the Company financial position, results of operations and Company cash flows, in accordance with internationally recognized auditing rules.
    4. That the statements provided with the Board report to the General Assembly are in accordance with Company records and books.
    5. That the inventory was conducted in accordance with required procedures.
    6. The violations to the Law or Company Statue that were committed during the subject audit year which have appreciable results on the Company operations and financial position, and whether said violations are still standing, within the limit of his information.

Clarification No. 8
INTERNAL CONTROL PROCEDURES:

In preparation for the aggregation of all internal control activities in one separate department, the Company appointed an independent consultant to handle the below tasks:

1. Prepare the internal audit charter to specify the powers and responsibilities.
2. Assess the risks of the Company activities and accounting processes.
3. Determine the main business risks in terms of importance and possibility of occurrence.
4. Internal Audit Plan to assess the risks and help achieve the strategic goals.
5. Internal audit policies and procedures to ensure the safety of the internal control.
6. Internal controls and/or workflow review to determine the accuracy and efficiency of the internal controls in treating the determined risks.
7. Comprehensive fiscal audit to ensure there are no material defects in the financial statements.
8. Check the processes and comply with the systems, procedures and legal requirements.
9. Review the organizational structure and governance of the Company.
10. Review the performance of the Company.
11. Review the public computer controls and systems.

Clarification No. 9
ADHERENCE TO DISCLOSURE AND DECLARATION OF BOARD MEMBERS AND SHARES OWNERSHIP

1-Adherence to the Rules and Conditions Governing the Disclosure and Listing in Qatar Exchange:

– The Company shall commit to the rules and conditions governing the disclosure and listing in Qatar Exchange, "QE" and shall comply with all disclosure requirements, including disclosure of the number of shares owned by the Board of Directors, executives and top or influencing shareholders.

– The Company shall also commit to disclose any key information related the company's current projects, projects that the Company intends to undertake or any projects or information influencing the share price.

– The Company released in 2015 a total of 17 press releases and disclosures that included the disclosure of important and relevant information such as the disclosure of financial results, new projects and strategic partnerships, the disclosure of a court case and the relevant court decision.

– Financial reports are prepared in accordance with the international accounting standards IFRS, IAS, ISA. The Company is publishing those reports in local newspapers, on QE website and on the Company website.

– The Company has disclosed the names of the members of the committees emanating from the Board as well as their frameworks and bylaws.

– The Company has designed and implemented a website that contains general information about the Company, its activities and investments, in addition to a dedicated window for shareholders affairs. The Company will continue to publicize all information, disclosures and data upon availability and/or periodically.

– The Company places at the shareholders' disposal an annual report that includes a detailed account of financial data related to members of the Board of Directors, including the following:
  - All amounts received by the Chairman and members of the Board of Directors.
  - Benefits in kind enjoyed by the Chairman and members of the Board of Directors.
  - Remuneration of the Board members.
  - Operations in which one of the Board members or directors might have an interest that is conflicting with the Company's interest.

– The Company publishes annually its budget, profit and loss account, the report of the Board of Directors and the full text of the auditors' report, including the, and clarifications, the Company's disclosures contained therein, at two local newspapers and at the Company website and GSE website.

SECOND: MEMBERS AND EQUITY AS OF 31/12/2015:

Name	Brief Introduction	No. of Shares	Percentage
Mr. Issa Abdul Salam Abu Issa Chairman	Chairman of the Board of Directors of Salam International Investments Limited-Qatar, Chairman of the Board of Directors of Salam Bounian. Mr. Issa Abdulsalam Abu Issa is also the Vice-Chairman of Serene Real Estate Development Co-Lebanon, Secretary General of Qatari Businessmen Association, and a Member of the Board of Trustees for Al Shaqab Equestrian Academy-Qatar. He is a member of the World Economic Forum-Davos, member of the Arab Business Council. He is also a Board Member in many other esteemed companies in the region. Mr. Issa holds a degree in Business Administration from San Diego University - USA, and has some 35 years of professional experience.	15,656,233	13.70%
Mr. Hussam AbdulSalam Abu Issa, Vice Chairman	Vice-Chairman of the Board of Directors for Salam International Investment Limited. He is a board member at Doha Insurance Company, member of the advisory council for College of Admonition and Economy at Qatar University. He is a former member of the Al-Ballagh Cultural Society, a member of the International Dean Council of Harris School of Public Policy at Chicago University, a member of the GCC Chamber of Commerce. He is also a member of the Islamic Chamber of Commerce the Advisory Committee for the ICP Bosporus Conference-Turkey, Amideast Educational Establishment-Lebanon. He is a member of the international advisory council for PAC in San Francisco, and a member of the Qatari-German Businessmen Council. He holds a Bachelor's Degree in Marketing from the United States, and has some 30 years of professional experience.	9,835,297	8.60%
HE Sheikh Nawaf Bin Nasser Bin Khaled Al-Thani Representing Doha Insurance Company Board Member	Member of the Board of Directors at SIIL, representing Doha Insurance Company. HE Sheikh Nawaf is considered one of the most important business figures in Qatar. He is an active participant in the real estate and economic renaissance witnessed in Qatar today. HE is credited for a great deal of experience sharing and collaboration building. He is an active participant into many esteemed companies including: the Chairman of the Board of Directors of NBK Holding, ALWAAB City, and Doha Insurance Company. HE is also the Chairman of the board of Directors at Nasser Bin Nawaf Holding Co. Sheikh Nawaf is also a member of the Board of Directors at Arabetec and Samina Capital Fund. He is also a member of the Board of Directors of the Qatari Businessmen Association, President of the Qatari French Businessmen Club, Vice President of the German Arab Friendship Society. He has been awarded the French Presidential Medal and bestowed a rank of a Knight, in appreciation of his unique efforts in promoting commercial relationships between Qatar and France.	375,000	0.33%

Name	Brief Introduction	No. of Shares	Percentage
Mr. Nasser Suleiman Haidar Al Haidar Board Member	Member of the Board of Directors at SIIL, Chairman of the Board of Directors of Al Suleiman Holding. He is also a member of Qatar's Advisory Council and member of the Registration and Membership Committee at the Qatari Chamber of Commerce and Industry. Mr. Nasser holds a Bachelor's Degree in Political Science and International Relationships from Aquinas University, Michigan-USA.	255,768	0.22%
HE Sheikh Ali Bin Ghanem Al-Thani Ali bin Ali Ghanem Al-Thani Group representative Board Member	Member of the Board of Directors at SIIL, representing Ali Bin Ghanem Al Thani Group. Sheikh Ali is the Chairman of Board of Directors at Ali Bin Ghanem Al Thani Holding, Vice Chairman at Ghanem Holding. Sheikh Ali is member of board at Salam International, Qatar Islamic Bank, Doha Insurance Co. He is former Vice Chairman at United Development Company-Qatar. Sheikh Ali holds a Master's Degree in business administration from Cambridge University. He has published several articles and papers in economics. He is a supporting member at the Arab center for Unity Studies.	100,000	0.09%
Mr. Hani Abdel-Kader Al Kadi Jordan Arab Investment Bank representative Board Member	Member of the Board of Directors at SIIL representing Arab Jordan Investment Bank Qatar. He is the General Manager, CEO and Board Member of the Arab Jordan Investment Bank in Jordan. He is also an authorized member/Board Member of the Mediterranean Sea Company(Four Seasons Hotel) in Amman-Jordan, Member of the Board of Directors of Emerging Markets Payments Holding Company in Mauritius, Chairman of the Executive Committee of the International Bank of Jordan in London. Mr. Hani has held several previous positions including Financial Analyst at Bankers Trust Bank in New York and London, and Credit Officer of JP Morgan Bank in New York. He has a Master's of Business Management Degree from Harvard University-Boston 1988, and a Bachelor's of Science Degree in Civil Engineering from Imperial College University London 1984.	470,366	0.41%
Mr. Ali Haider Suliman Al Haider Suliman Brothers Company representative Board Member	Member of the Board of Directors at SIIL representing Suliman & Brothers Co. Mr. Haider is Vice Chairman at Salam Bounian-Qatar and Vice Chairman at Suliman Brother Co. He is a partner at Suliman Al Hajj Haider & Sons, Board Member at Ashour for Cleaning and Marketing, Board Member at Al Haidar Foods Co. and Board Member at International Investment Bank-Bahrain.	100,000	0.09%

Name	Brief Introduction	No. of Shares	Percentage
Mr. Jassim Mohammed Abdul Ghani Al Mansouri Board Member	Member of the Board of Directors of Salam International Investment Limited. Mr. Jassim is the Chairman of the Board and one of the founders of iHorizons for media and information services. He started iHorizons with two other partners back in 1996, and since then they expanded the company via ambitious and arching projects to several activities in Qatar and the GCC region. Mr. Jassim Al AlMansouri has experience with government and semi-government entities, and he held several positions such as Executive Director of HR at Qatar Telecom (now Ooreedoo). Currently, he is the Chairman of the Board at the following companies: People Dynamics, Tawater and Habiger Production Mr. Jassim Al Mansouri studied in the USA where he earned his B.S. in Computer Science from Michigan University. His main strengths are relationships and networking that he had built over the years, in addition to his market insight and business and management knowledge.	100,000	0.09%
Mr. Bassam AbdulSalam Abu Issa Board Member	Member of the Board of Directors of Salam International Investment Limited. He previously held senior management positions in Salam Group in Oman, Qatar and the United Arab Emirates. He is currently the Executive Director – Corporate Business Development for Salam International Investment Limited. He graduated with a Bachelor of Arts in Industrial Relations from the University of Kent at Canterbury, England and has some 25 years of professional experience.	1,786,448	1.56%
Mr. Badr Ali Al Sada Board Member	Member of the Board of Directors of Salam International Investment Limited, Vice Chairman and Executive Director at Ali Bin Hussein Al Sada Investment Group, Chairman of Board at ENZO Contracting. Mr. Bader is also involved in the banking sector. He studied at the College of the North Atlantic in the state of Qatar where he received his degree in Business Administration, majoring in accounting.	100,000	0.09%
Mr. Abdul Salam Issa Abu Issa Board Member	Member of the Board of Directors of Salam International Investment Limited-Qatar, member of Board of Directors at Salam Bounian for Development-Qatar. Mr. Abdul Salam is also a partner at Firefly Communications. He has worked in several sectors including oil and gas, banking and roads construction. He is a member of Qatar Entrepreneurs Society. He holds a master's degree in International Finance and Economics from the University of Newcastle Upon Tyne, UK.	1,640,000	1.43%

Name	Brief Introduction	No. of Shares	Percentage
Dr. Adnan Ali Steitieh Board Secretary	Executive Director for Corporate Legal Affairs, Investment and Real Estate at Salam International Investment Limited. He is also the Secretary to the Board of Directors and advisor and Secretary of the Board of Directors of Salam Bounian for Development. He represents Salam International in various Boards of Directors at several companies in Qatar, UAE, Saudi Arabia, Jordan, Palestine and Lebanon. He held several senior managerial positions in different companies and countries. Dr. Steitieh is an International arbitrator appointed by The Qatari International Center for Arbitration, he is a non-resident professor at Qatar University. He is also a member of the Syrian - Qatari businessmen council. Dr. Steitieh holds a Ph.D. in Economics and Business Administration from Leipzig University in Germany and a Bachelor's Degree in Law from the Arab University of Beirut, Lebanon, in addition to higher certificates in international relations, sustainable development, and public policy with about 35 years of professional experience.	43,010	0.083%

Clarification No. 10
SHAREHOLDERS RIGHTS, CAPITAL STRUCTURE AND MINORITY RIGHTS

Shareholders Rights:

Shareholders shall have all the rights bestowed upon them upon the relevant laws and bylaws, including the Company Statute, mainly:

- **Right to participate in the decision-making process** by attending the General Assemblies, right to discuss the topics proposed to the Assembly, right to vote on the General Assembly decisions, vote and impeach members of the Board, right to reserve and object to the decisions of the General Assembly and right to approve or abstain from giving the approval for Board members' remunerations.
- **Right to control the management of the Compan**y, i.e. the right to debate the topics listed on the agenda, address questions to the Board members and auditor, discuss matters that are not listed on the agenda but relate to serious facts revealed during the meeting, right to list specific matters on the agenda by many shareholders, right to resort to the General Assembly if the shareholder deems the reply inadequate, right of the shareholder to be informed of all the amounts received by the Chairman and every member Board, whether as remuneration, fees, salaries, in-kind benefits, and the amounts allocated to each member of the Board as pension or end of service compensation, as well as the operations which may cause a potential conflict of interests.

- **Right to Complain and Litigate** i.e. the right of the shareholders who have a certain percentage of the capital to request inspection of the Company, or the right of the shareholder to sue, by himself, for the damage he incurred as a shareholder, or the right of the General Assembly to prosecute every party who may have caused damage to the interests of the Company or the equities of the shareholders, and claim compensation for any illegal act, as per the provisions of the law.

- The shareholder shall have the right to peruse the shareholders register at QE, as per the applicable QE Statute.

- The Company shall publish on its website the Memorandum of Association and the Statute of the Company, the information related to the Board members, the quarterly, semi-annual and annual financial data, disclosures, annual report of the Board and annual governance report.

- Any shareholder(s) owning at least 10% of the capital of the company may call the Ordinary General Assembly to convene.

- Shareholders that represent at least 25% of the capital may call for the extraordinary General Assembly to convene.

- Any shareholder(s) representing at least 10% of the capital of the Company may request the inclusion of new topics on the agenda of the General Assembly.

- Every share shall have the same right as all other sharesof the same category.

- The shareholders are permitted to vote by proxy, provided the proxy is purpose-specific and proven in writing. The number of shares with the procurator may not exceed 5% of the Company shares and no Board member may act as proxy.

- No Board member, as shareholder at the Company, may participate in the voting for the General Assembly decisions related to his release of liability.

Clarification No. 11

The adopted dividends policy aims at achieving the conformity between sustainable growth and the best revenues for shareholders, as set forth below:

Dividends Policy

The dividends policy depends on the financial results achieved in each financial year, the Company's plans for expansion and growth, the cash flow requirements of the Company and the availability of excess liquidity. The dividends are limited to a proportion of the net profit, after deduction of depreciations, provisions and legal reserves, in addition to the retained earnings from previous years. The Company shall decide the nature and percentage of dividends based on the aforementioned factors that change from year to year, according to the data or the circumstances prevailing at the time. In the years when the Company has surplus cash, it may adopt cash dividends. In the years in which the Company has opportunities to grow and expand, the Company may resort to either the recycling of profits, or capitalizing them, in part or in whole, distribute cash profits and free shares, distribute completely free shares and raise the capital by the issued shares.

Clarification No. 12
CAPITAL STRUCTURE

The total number of Company shareholders on 31/12/2015 has reached 5334. The following shareholder persons/entities own 5% or more of Company paid capital:

Name	Number of Shares	Ownership Percentage
Mr. Issa Abdul Salam Abu Issa	15,656,233	13.70%
Mr. Hussam Abdul Salam Abu Issa	9,835,297	8.60%
Al Hussam Holding Co.	10,972,500	9.60%

Minority Rights and Major Deals

The Company has amended its to be in conformity with Commercial Law 11/2015, the Corporate Governance Code and it will be adopted at the upcoming extra ordinary General Assembly scheduled for 05/04/2016. The amendment has included the provisions regarding protecting minority share holders, in case of approval to major deals whereby the minority shareholders have voted against such deals. These will include finding a mechanism to release sales of shares to the public or the right of synchronous sale in case of changes to the ownership of Company capital exceeding a predefined percentage.

Clarification No. 13
RISK MANAGEMENT POLICY

The Risk Management Policy aims at determining the weaknesses, potential risks, precautionary and remedial measures to prevent, limit and prevent those risks when they arise. The Risks Management Policy includes the following risks:

- Operational Risk: These include, among other things, defects in products and services, interruption of work, performance gap, efficiency and productivity, customer satisfaction, health and safety, unexpected changes in the market and also the business periodic nature.
- Financial risks: These include: pricing, liquidity, credit and debt risks.
- Honesty and integrity risks: These include: forgery, illegal practices, unauthorized practices and reputation.
- Information technology risks.
- Environmental risks.
- Crisis management.

The Measures Taken with Respect to Risk Management:

The Company periodically assesses the operational risks. Such risks shall include, among others: defects in products and services, interruption of work, performance gap, efficiency and productivity, customer satisfaction, health and safety, unexpected changes in the market and the periodic nature of business.

The Company adopted policies and general regulations regarding human resources deal with the honesty and integrity risks. These include the public behavior standards, prohibiting unauthorized use, maintaining the Company's assets, and banning illegal practices. The Company adopted many measures aimed at efficient crisis management.

This text has been translated from its original Arabic equivalent which remains the official version.

COMPANY OVERVIEW

Salam International Investment Limited (SIIL) is a leading conglomerate pursuing a highly focused approach of establishing, incorporating, acquiring, and owning enterprises. As an inheritor to a rich, over 64 year heritage, SIIL has enjoyed a track record of consistent entrepreneurship, innovation, performance, reliability and total customer satisfaction. Underpinning SIIL's success is its many activities which are horizontally, vertically, and geographically diversified.

SIIL specializes in five lines of business:

- Contracting (Construction, Metal, Interior Solutions)
- Oil and Gas
- Technology
- Retail Distribution and Hospitality
- Salam Bounian, real estate arm

SIIL owns and manages its business units in five sectors operating across Qatar, the United Arab Emirates, Palestine, Saudi Arabia, Oman, Bahrain, Jordan and Lebanon. SIIL is currently focusing on expansions in the pan-Arab area. Building on the strength and growth dynamics of the region and combining its approach with international best practice management disciplines, SIIL is an organization possessing a regional expertise enhanced by local knowledge.

SIIL completed a massive transformation program that moved it from being a family managed business to a listed public Qatari Shareholding Company. SIIL was established by Emiri Decree with a paid capital of Qatari Riyals 1,143,145,870 divided into 114,314,587 shares. These major long-term transformations reflect SIIL's vision and include a series of projects covering corporate strategy and portfolio assessment, policies and procedures, IT strategy, ERP corporate implementation and corporate branding.

The consolidated final accounts for the fiscal year ending on 31/12/2015 has shown net profits around QR 123.9 million. Deducting the negative minority rights, the rights of Salam International Investment Limited shareholders shall be QR 113.2 million. SIIL has made strategic & carefully planned investments in Qatar & the region, perfectly in line with the company's philosophy of sustained profitable growth. One of the key profit generating streams for SIIL is the investment portfolio owned and managed by SIIL – based on a corporate investment strategy - where again multilevel protection is generated by the diversification of the type and geographical spread of shares, locally, regionally and internationally.

SIIL's Investment portfolio is of two kinds, direct and indirect. The direct portfolio represents the strategic investments that Salam regularly makes by way of equity stakes in some promising companies in the region, thereby enabling it to have an influential role in the management of such companies through participation of SIIL's top executives in their boards. The Indirect portfolio consists of the broad-based equity shares held by Salam in the local, regional, and international equity markets.

Investments in real estate provide a solid asset base where, SIIL has adopted a conservative financial & investment policy in stating the company's properties investment and fixed assets at cost value without revaluation, which strengthens the company in mitigating the negative effects of the real estate sector turmoil.

The force that propels SIIL forward is its people. The achievement of SIIL's strategies can be directly attributed to the performance of the people who operate the company. It is the hard work, commitment and dedication of Salam's people that has resulted in consistent growth and success over 6 decades. Attracting, maintaining, developing and harnessing talent is one of the key objectives of SIIL's corporate strategy. At SIIL, talent pool capabilities are defined through core competencies required to achieve the corporate strategy. SIIL's expertise and knowledge in the different pillars of its businesses provides it with unique capabilities to participate in projects requiring all or part of its expertise to deliver key solutions in the economies in which SIIL operates.

SIIL continuously seeks and nurtures alliances with reputable companies and individual investors with a view to become "one of the most successful diversified public-shareholding companies in the Middle East, an inspiring example for regional family groups."

CORPORATE SOCIAL RESPONSIBILITY

QATAR NATIONAL SPORT DAY - SALAM INTERNATIONAL

On the 10th of February 2015 the SIIL family celebrated Qatar's National Sport Day. SIIL organized several activities which drew together the entire SIIL family. Teams representing various divisions took part in a variety of exciting sports. Planned activities are Walk in the Corniche, Bowling, Cricket, Table Tennis and the Basketball Tournament.

PHILIPPINE INDEPENDENCE DAY, PHOTOGRAPHY EVENT - SALAM INTERNATIONAL

In celebration of the 117th Independence Day of the Philippines, the United Filipino Organizations in Qatar (UFOQ), initiated a photography contest. Needing sponsorship support UFOQ approached us and we stepped forward as the Gold Sponsor of the event.

The "On the Spot Photo Contest" was organized by PLQ, Pinoy Lente Qatar. The event was held on the 12th of June, 2015 at the Sheraton Hotel Doha. SIIL took the extra step of setting a photo-booth at the location, which offered the opportunity for contestants to print photos for free. Many guests used the opportunity to create a memory of the evening and took home a memento of the celebration.

BELGIAN TRADE MISSION - SALAM INTERNATIONAL

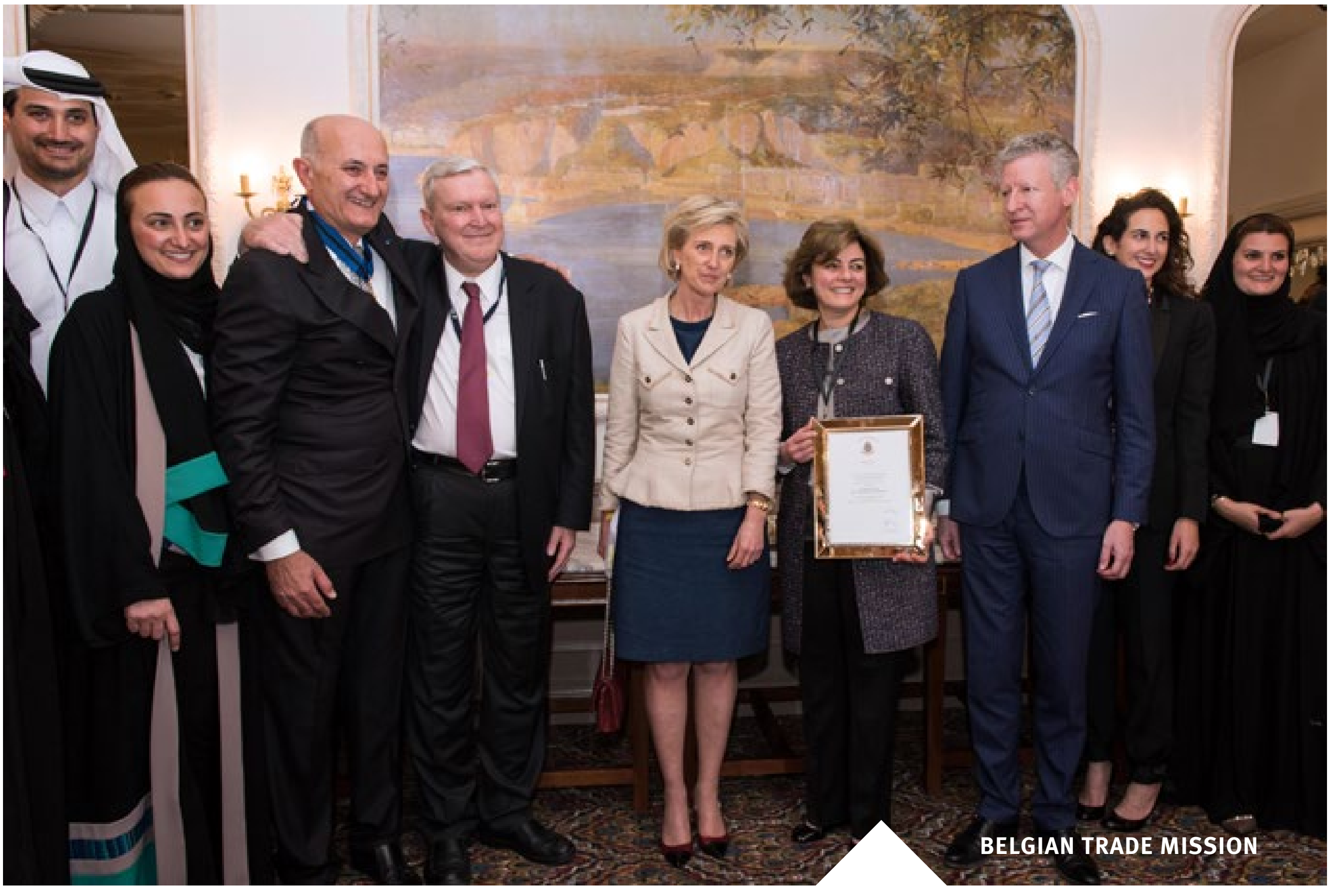
In celebration of the Belgian Trade Mission to Qatar which took place on 22nd and 23rd of March, SIIL stepped forward to host a dynamic B2B event inviting Belgian companies to present their portfolios and services to SIIL subsidiaries. Salam International has been working closely with Belgium based companies across a variety of sectors including BARCO, LUCIAD, Harco Group, KCC and STOLZ. As part of the massive event, a large number of B2B meetings were held at the Gate Mall with SIIL subsidiaries. The well attended event saw the participation of about 109 companies that explored future paths of collaboration.

During the celebration, H.R.H. Princess Astrid bestows an honorable title of "Commander in the Order of Leopold" upon our Chairman Mr. Issa Abu Issa at a special ceremony. The award recognizes his significant contribution toward supporting Belgian businesses in Qatar and strengthening the cooperation between two countries.

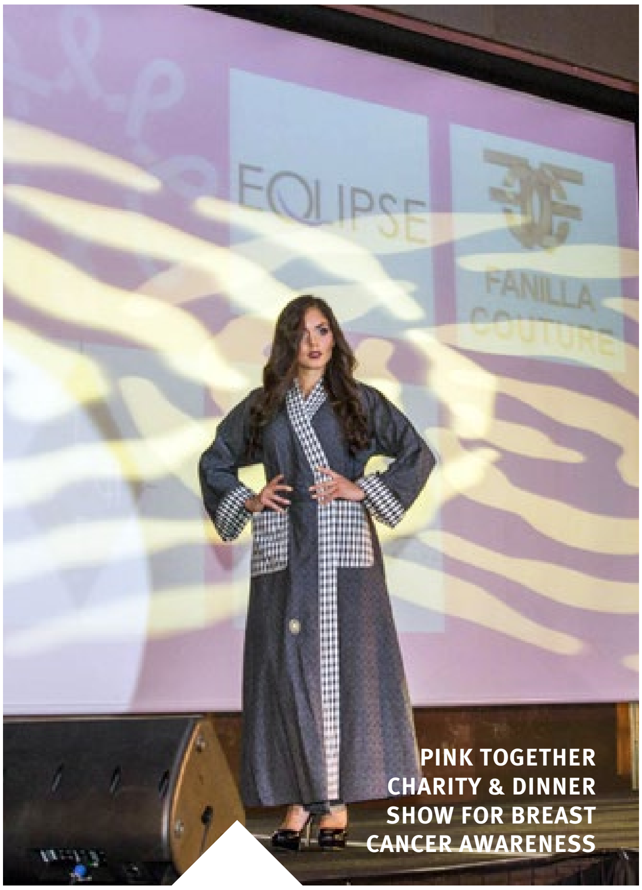
VINTAGE PHOTOGRAPHY CONTEST - SALAM INTERNATIONAL

SIIL joined hands with the Supreme Education Council (SEC), in a collaboration to select the Best Vintage Photography in the field of education. The contest will be held, to judge the top ten iconic photographs that capture the various facets of education in the country. The scope of photography that qualifies for the contest include photographs of students who have now become eminent public figures in the country, photographs of significant educational conferences and seminars hosted in Qatar, as well as photographs of international, regional or local educational competitions that witnessed Qatar's participation. The contest is open to all residents in the country, regardless of nationality.

Speaking at the press conference is our Deputy COO Mr. AbdulSalam Issa Abu Issa, saying "We are proud to support SEC in launching this one-of-a-kind contest that showcases Qatar's educational past in a new light. Photography has always been deeply rooted in the history of Salam International – a passion brought to life through our founder, the late AbdulSalam Mohammed Abu Issa. We are excited to celebrate this passion once again through the Best Vintage Photograph contest, which will capture the country's humble aspirations, over the decades, of becoming a world leader in education.'

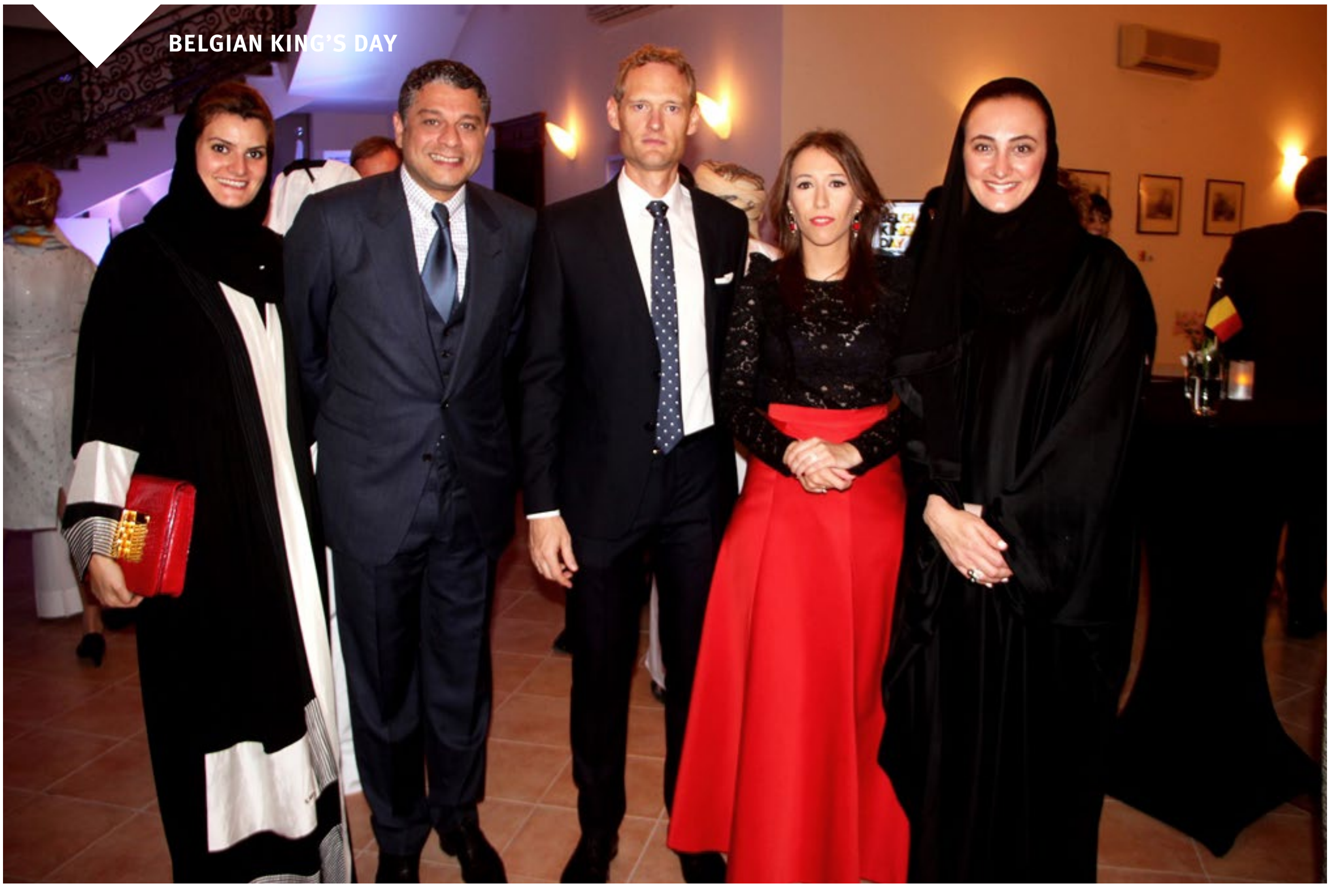

BELGIAN TRADE MISSION


QATAR NATIONAL SPORT DAY 2015



PINK TOGETHER CHARITY & DINNER SHOW FOR BREAST CANCER AWARENESS


BLOOD DONATION DRIVE


BELGIAN KING'S DAY

QATAR FENCING GRAND PRIX - SALAM INTERNATIONAL

SIIL was pleased to continue to promote sports through sponsorship and actively partner with Qatar Fencing Federation. The finals for Qatar Fencing was hosted at The Gate Mall and featured the world's best fencers from more than 47 countries, including Russia, China, Italy, France and Korea. The Gate Mall hosted the finals. The Men's final was held on the 5th of December and the Women's final on 6th December 2015.

THE QATARI INNOVATOR'S EXHIBITION - THE GATE MALL

As a responsible corporate citizen, The Gate Mall was happy to share the premises as a launch pad for many educational initiatives. The Gate Mall was the location of choice for the Qatar Scientific Club to host an exhibition that showcased the creations of the next generation of innovators of Qatar. The exhibition took place from the 23rd to the 26th of December 2015 at the Multipurpose Hall of the Gate Mall.

BLOOD DONATION DRIVE - SALAM INTERNATIONAL

With the increasing demand for blood at Hamad Medical Corporation's blood donation unit, Salam International and The Gate Mall organised a blood donation drive to help support the cause.

The blood donation drive was effortlessly carried out by staff from HMC's Blood Donation Unit, which constituted a team of highly experienced medical professionals, nurses and consultants. The campaign was also supervised by dedicated staff from The Gate Mall, where donors were expertly guided through the process of blood donation. The Blood donation drive comes as part of the corporate social responsibility strategy of both Salam International and The Gate Mall.

It aims to encourage employees to help save a life by donating blood, and making a difference in the community. Furthermore, the initiative also reflects the strong collaboration that Salam International and The Gate Mall have fostered with Hamad Medical Corporation, to contribute towards the welfare of the residents in Qatar.

TAKREEM ARAB ACHIEVEMENT AWARDS - SALAM INTERNATIONAL

Our Chairman and CEO Mr. Issa Abu Issa was called on by Takreem to play a key role as a member of the Jury Board. Takreem was founded to recognise and celebrate Arab men and women who are each making history in their own way. The ongoing internationally recognised awards show has been hosted in Beirut, Doha, Manama, Paris, and Marrakesh. The 2015 Takreem Awards Ceremony was held in Dubai in the presence of HH Sheikh Nahayan Mabarak Al-Nahayan, minister of Culture, Youth and Community Development. SIIL was a strategic sponsor of the event.

TAKREEM was given invaluable support by the following strategic partners: Audemars Piguet, AMEC Foster Wheeler, GSSG, King Abdullah Economic City, Nesma, Renault- Nissan Alliance, and Salam International.

BELGIAN KING'S DAY - SALAM INTERNATIONAL

Salam International was delighted to play a role in celebrating Belgian King's Day. SIIL stepped forward as Silver sponsor for the event. The Ambassador of Belgium to Qatar H. E. Christophe Payot organised a reception at his residence to mark the celebration of the Belgian King's Day, in honour, His Majesty the King of the Belgians of King Philippe.

Qatar's Minister of Culture, Art and Heritage H. E. Dr Hamad bin Abdulaziz al Kuwari presided over the event attended by many dignitaries and high officials. SIIL was pleased to wholeheartedly support this event.

AGRITEQ 2015 - Q GARDENS

Q Gardens is happy to share their participation at the 4th Qatar International Agricultural Exhibition (AgriteQ). AgriteQ was held over the 10th to the 12th of November at the Doha Exhibition Center. The exhibition focused on showcasing the capabilities of the leading landscape and irrigation contractors in Qatar. QGardens made an impact once again amongst 300 participants (both local and international) specializing in the landscaping, irrigation and agricultural sectors. It also showcased a few of our partner's products in our booth. QGardens' major principals in the trading division: HobbyFlower from Spain had a self-watering planters for viewing, Weathermatic from USA displayed irrigation materials, and Genebre from Spain had brass valves and accessories available at the booth.

The event was organized by the Ministry of Environment and it aims to highlight the importance of protecting, developing and sustaining our environment and how our society must take full responsibility of it. QGardens was proud to be associated with such a goal.

PINK TOGETHER CHARITY & DINNER SHOW FOR BREAST CANCER AWARENESS - SALAM STORES, 4U

"Pink Together" is an annual initiative of 4U. In 2015, as part of that continuing tradition, on the 6th of October 4U hosted a charity dinner and a fashion show. October is the official Breast Cancer Awareness Month (BCAM), an annual international health campaign organised by major breast cancer charities every October to increase awareness of the disease and to raise funds for research into its cause, prevention, diagnosis, treatment and cure. So 4U, in association with Grand Hyatt Doha, Qatar Cancer Society and QMIN magazine, threw support behind the BCAM effort and scheduled the annual Pink Together event during October.

The charity dinner was centered on fashion. An exclusive fashion show and an auction of fabulous fashion and beauty items was planned to help raise funds, which will be donated to Qatar's Cancer Society. Our Pink Together charity dinner was supported by International Bank of Qatar who extended us their sponsorship. Eqlipse, Fanilla Couture, La Boutique Blanche, La Tache Bobo, Per Lei Couture, Bespoke Eyelashes, Dot Beauty, Dream Machine, Evolve and Marriot Doha who assisted in various ways.

HAMAD MEDICAL CORPORATION "KULLUNA" - THE GATE MALL

In support of the Qatar National Vision and the National Development Strategy, Hamad Medical Corporation has organised a National Health and Safety awareness campaign titled Kulluna. The word "Kulluna", in Arabic, means 'all of us' and it is being used for this campaign in the belief that all of us in Qatar can take action to improve health, wellbeing and safety for ourselves, our families and the community in general. The campaign aims to raise levels of public awareness regarding general health issues, personal safety, HMC services and lifesaving practices within the State of Qatar. The Gate Mall is proud that HMC chose the Gate Mall as their location to kick of the Kulluna campaign. As part of the campaign healthcare officials checked Blood Pressure, Cholesterol & Blood Sugar of any individual who wished to have these basic tests performed. The campaign took place from the 17th of November to the 23rd.

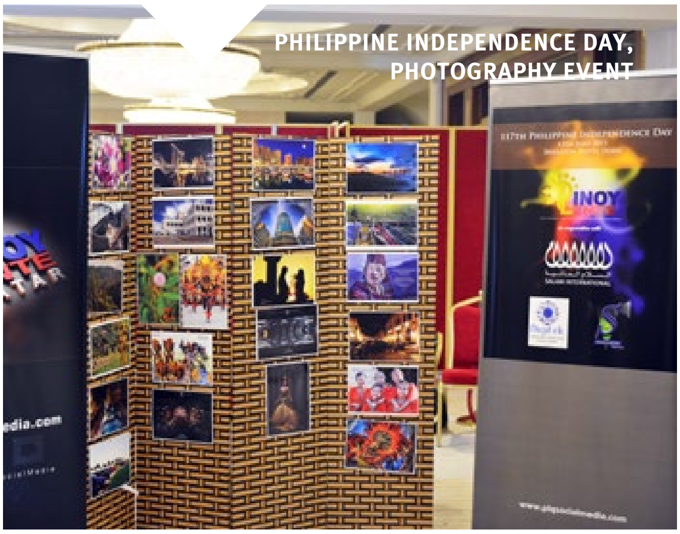
UNITE LEBANON YOUTH PROJECT (ULYP) – SALAM INTERNATIONAL

Unite Lebanon Youth Project (ULYP) is a nonprofit organization founded in 2010 to break down the social barriers caused by years of civil conflict and political instability within Lebanon.

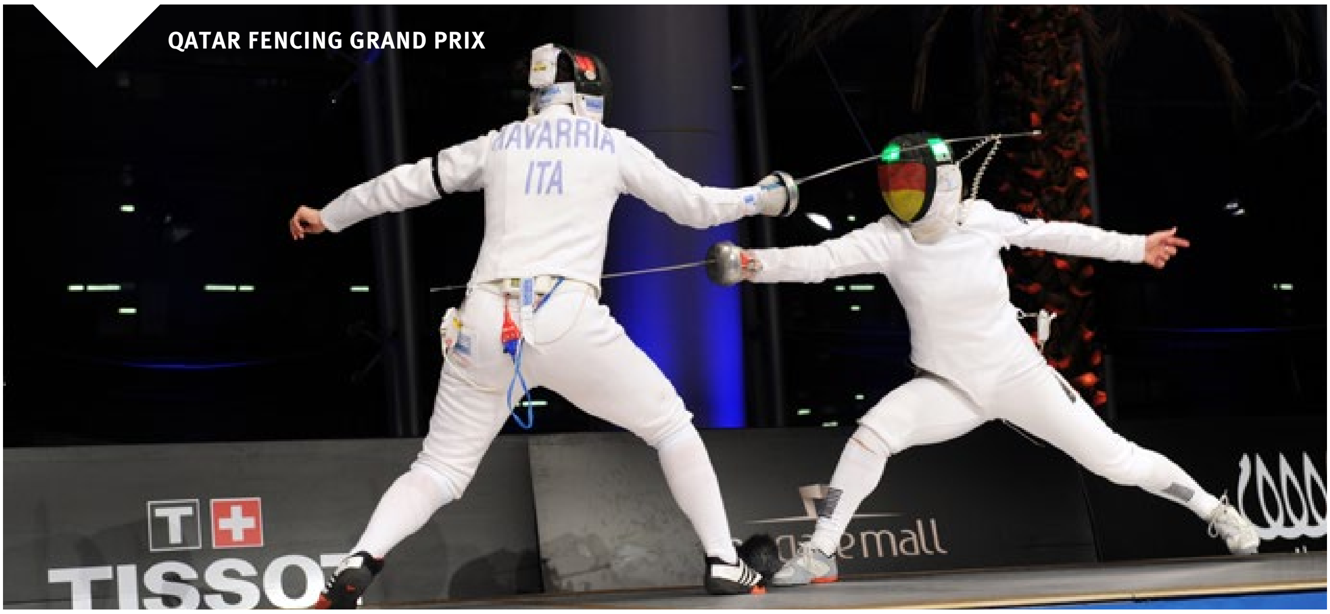
Salam International donated funds for the scholarship of students. ULYP aims to end the marginalization of underprivileged children, youth and women by providing access to educational and recreational programs. Through these programs the participants learn about conflict resolution, peace building and human rights, and are encouraged to respect, understand and accept each other. Ultimately, ULYP aim to return the children, youth and women empowered with new skills and values, and capable of being positive agents of change within their communities. These are values that SIIL wholeheartedly believes in.

AGRITEQ 2015 - Q GARDENS

BELGIAN TRADE MISSION



PHILIPPINE INDEPENDENCE DAY, PHOTOGRAPHY EVENT



QATAR FENCING GRAND PRIX

THE QATARI INNOVATOR'S EXHIBITION

HAMAD MEDICAL CORPORATION "KULLUNA"

QATAR SOCIETY FOR REHABILITATION OF SPECIAL NEEDS – SALAM INTERNATIONAL

The Qatar Society for Rehabilitation and Special Needs is a non-government funded organisation that primarily provides integrated care for children and young adults with special needs and disabilities. Its objectives are numerous and diverse, depending on the requirements of the individual, and the centre welcomes all abilities.

Salam International donated funds for Qatar Society for Rehabilitation of People with Special Needs. They organized workshop, trainings related to media and information for the members of the rehabilitation.

QMMF, SEALINE CROSS COUNTRY RALLY CHAMPIONSHIP – SALAM INTERNATIONAL

Salam International was a proud sponsor of the QMMF's event Sealine Cross Country Rally.

The only motorsport in which cars, motorbikes and quads all compete on the same track at the same time. Cross-country rallies are designed to be staged over a variety of terrain and are intended to prove the skills and endurance of competitors, and the reliability of their machines. The rally brought out five days of desert racing designed to test the driving, riding and especially the navigating skills over a total of 1600km of racing.

CHILD DEVELOPMENT CENTER QATAR– SALAM INTERNATIONAL

Salam international is grateful to extend its support by sponsoring the First Annual Autism Outreach and Training Conference organized by the Child Development Center Qatar. It was held on January 16-17, 2015 at the Four Seasons Doha. There are 90 attendees of the conference which includes special education teachers, therapist, medical doctors and parents. More than half of the attendees are affiliated with leading Qatari service providers for individuals with autism and related disorders.

The sponsorship is in addition to SIIL's corporate responsibility mission which is to better the future of the local community particularly families with children with autism and related disorders.

QATAR TABLE TENNIS ASSOCIATION– SALAM INTERNATIONAL

Salam International came forward as a sponsor of the Qatar Table Tennis Association's Annual World Tournament. Being an organization with a firm commitment to support the development of sports in the nation and organization that doesn't hesitate to invest in youth SIIL was happy to be partnered with QTTA in such big event.

UNITED STATES MISSION TO QATAR, NATIONAL DAY – SALAM INTERNATIONAL

United States Mission to Qatar hosted a National Day reception on February 2015 and Salam International was delighted to be one of the sponsors. The event honored national traditions and highlighted the US- Qatari relationships. It provides an exceptional opportunity to celebrate the United States of America and its vibrant and growing relationship with Qatar, while engaging a wide range of distinguished Qatari guests including government offices, business representatives, culture figures, students, journalist and others.

FUTURE DIRECTION

SIIL possesses a proud heritage of overcoming challenges and adapting to change. It has never been our nature to rest on our laurels, and keep doing only what we did yesterday, in the hope that it will assure our success tomorrow. In order to serve our shareholders with the highest dedication, SIIL has always faced with confidence, the new challenges that are upon us and predicted the circumstances we may encounter in the future. The key to our resilient growth has always come from our willingness to pause and courageously assess. Not just the opportunities that lie out there but also our own skills, talent and competencies, our structures and our technologies, that all form an environment of equipped readiness, to capture the success we certainly capable of harnessing. Our approach as highlighted by our Chairman, can be summed up as 'the upside of a downturn". The following overview and directions are a reflection of the efforts we have made, in order to be ready and capable from the inside out, to continue our growth and success.

CORPORATE OVERVIEW AND DIRECTION FOR 2016-2018

Overview

Driven by our innate entrepreneurial culture and the overarching corporate strategy value creation and sustained profitable growth, Salam further reinforced our position as a major regional conglomerate during the year 2015. Tough times can also give us the impetus to work smarter in the present to secure solid pipelines for the future. A downturn forces us to develop long-term views, streamlining and refining our performances, challenging us to discard approaches that no longer work and cultivate new mindsets that can help us to succeed. These are just a few perspectives among many that point towards the upside of a downturn. We will do well however to recognize that the key to creating an upside in a downturn lies in our own hands. It is our own resolve to focus on our present performance and our commitment to ensure sustainability of the business, coupled with the courage to take tough decisions that will open new doors to stability and success. In the future we will pursue both organic growth in terms of adjacencies, and enter into new business frontiers that would be complementary to our existing business activities; new businesses that suit our culture and value system, while offering long term growth potential.

The year also saw some strategic capital investments being made in some of our business units to strengthen their technological capabilities so that they can compete for more challenging customer engagements and deliver them successfully.

We pursue strategic growth in such a prudent manner that inherently balances between the seizing of attractive market opportunities, and mitigation of associated business risks so as to optimize value for our shareholders and sustained return on their investment. Our diversification & investment strategy is designed to provide maximum protection against economic downturns in specific industries through a sagacious spread. We monitor the success of our strategies with the help of a broad set of key performance indicators such as turnover, net profit, ROE and shareholder value.

Strategic Business Planning Process

Over the years, we have evolved a structured and clearly orchestrated strategic planning process, which ensures that despite our diversified portfolio, all our business units are strategically aligned to the corporate vision and mission and uphold the Salam values.

All operating business units provide Salam Head Office with 3 year strategic plans on standard templates, which form part of the Corporate Strategic Plan. The basic guiding principles of our strategic planning process are as follows:

- Corporate Vision & Strategic Alignment
- Shareholder Value
- Sustainable Profitable Growth
- Maximising Market Opportunities
- Developing Human Capital
- Identification of most likely business scenarios and preparedness to exploit them
- Short Term Vs. Long Term balance
- Regional vs. Local Business Revenue
- In unfavorable economic periods, business units are asked to submit a plan to mitigate risks and what can be done to rectify it.

With Qatar's successful bid to host World Cup 2022, the business optimism in the country is touching newer heights. Even as the country's visionary administration gears itself to prepare for the mega event, we have identified specific areas where Salam companies could make a significant contribution and benefit from the same. The GMs of the business units in Qatar are being motivated and empowered to seize profitable business opportunities that are likely to emerge in the coming years.

At the same time, preparing for EXPO 2020 in UAE, the business units located in that region will strive to prepare their business operations to remain as competitive as before and equip themselves to win bigger projects.

SIIL generates profits through three broad sources, namely:

- Operational profits: Generated from investments in SIIL business units that possess excellent competence and distinct competitive advantage

- Investment Portfolio profits: Generated from management of a balanced portfolio of investments in both local shares and direct investments and additional indirect investment in selected companies

- Real Estate profits: Generated from the value appreciation of existing assets and development of new assets

Corporate Restructuring Initiatives

The Salam management realises that in order to sustain and build on its profitable growth, there are certain pre-requisites:

- There should be adequate strategic focus in all the sectors & territories of operation

- We must derive synergistic advantage through collaboration and interaction among business units in related or complementary businesses

- Each of the business units must have sufficient autonomy to function as a stand-alone organisation, while maintaining the Salam identity and upholding the corporate values the group is renowned for

In order to achieve these, we have been carefully restructuring our organisation, while ensuring that such changes are managed and implemented successfully. Some of the key aspects of this restructuring are:

- Logical grouping of the operational business units into four broad sectors, viz, Salam Oil and Gas, Salam Contracting, Salam Technology and Salam Retail Distribution and Hospitality, Salam Bounian- Real Estate

- Appointment of Managing Directors for each of the sectors of operation, who will provide strategic direction to the business units under their purview

- Decentralisation of Accounting & Personnel activity at Business Unit/Divisions level, with the central Finance & HR departments continuing to provide strategic & policy directions

- The centre will directly look after acquisition and management of profit generating assets, investment portfolio management and management of mega projects and JVs, besides the corporate support functions like Corporate Finance, Corporate Business Development, Corporate Legal Affairs, Corporate Development (Human Resource, Personnel, Marketing & Communications and Strategic Planning)

Our Diversified Investments Types

Investment in Operation

The main operational activity of SIIL is represented in five business sectors as outlined in the preceding paragraph.

SIIL has secured itself from the effects of the global economic crisis so far, thanks to the diversity of its operations both geographically and across several sectors, which helps Salam balance the investment risk and also increase return in areas of competence and clear value added services. The company aims to tide over any further effects of the crisis by exploiting available resources, enhancing performance, optimising expansion in the region and by carefully seizing strategic investment opportunities resulting from this crisis. SIIL intends to keep its technical & specialised workforce intact, as they represent one of the most important intangible assets of the company. SIIL will also continue enhancing & empowering its human capital to ensure optimal performance standards and enhanced competitive advantage.

The company has adopted a very sound cash management policy that ensures a healthy cash flow so that all its operations are safe from the financial crunch. The long experience of the company has endowed it with all the resilience needed to survive and grow in turbulent times.

Investment Portfolio

One of the key profit generating streams is the investment portfolio owned and managed by Salam – based on a corporate investment strategy – where again multi-level protection is generated by the diversification of the type and geographical spread of shares, locally, regionally and internationally.

Salam's Investment portfolio is of two kinds, direct and indirect. The direct portfolio represents the strategic investments that Salam regularly makes by way of equity stakes in some promising companies in the region, thereby enabling it to have an influential role in the management of such companies through participation of Salam's top executives in their boards.

The Indirect portfolio consists of the broad-based equity shares held by Salam in the local, regional, and international stock markets. As a result of the Global economic crisis the market value of local shares portfolio decreased. In this regard, appropriate provisions have been taken into the financial statements for the period ending on 31/12/2015 based on IAS.

Real Estate Sector

Investments in real estate provide a solid asset base where, SIIL has adopted a conservative financial & investment policy in stating the company's properties investment and fixed assets at cost value without revaluation, which strengthens the company in mitigating the negative effects of the real estate sector turmoil.

HEAD OFFICE & SUBSIDIARIES

CORPORATE CENTRAL FUNCTIONS

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FAX: +974 4483 1422
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OFFICE OF THE VICE CHAIRMAN & COO
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FAX: +974 4483 3376
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E-mail: h.abuissa@salaminternational.com

OFFICE OF THE DEPUTY COO
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FAX: ++974 4483 3576
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E-mail: a.abuissa@salaminternational.com

CORPORATE FINANCE

OFFICE OF THE CHIEF FINANCIAL OFFICER
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FAX: +974 4498 1225 (Qatar)
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FAX: +9714 3470026 (UAE)
P.O. BOX 15224, DOHA-QATAR
E-mail: h.alyounis@salaminternational.com

CORPORATE INFORMATION TECHNOLOGY
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FAX: +974 4483 8732
P.O. BOX: 15224, DOHA-QATAR
E-mail: it.helpdesk@salaminternational.com

SALAM TOWER
Salam Tower 3rd Floor
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FAX: +974 4483 3546
P.O. BOX: 15224, DOHA-QATAR
E-mail: i.ahmad@salaminternational.com

CORPORATE DEVELOPMENT

(Corporate Human Resources, Corporate Personnel, Corporate Marketing & Communications,Corporate Strategic Planning)
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E:mail: s.alkhateeb@salaminternational.com

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INVESTMENT
(Investor Relation)
Salam The Gate Mall Tower 1, 3rd Floor
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FAX: +974 4483 3576
PO. BOX 12026, DOHA-QATAR
Activity: Investments & Real Estate
Email: a.stetieh@salaminternational.com

CONTRACTING SECTOR

SIIL Contracting & Development emerged as the expansion of the oil industry breathed new life into the economies in Qatar and across the Gulf Region. Over the years SIIL's Contracting Sector has positioned itself strongly within the market, utilising the competencies of its diversified portfolio of business units to target different segments within the Contracting industry.

SIIL's Contracting Sector business units operate in diverse areas. The portfolio covers engineering and design, project management, and basic construction, aluminium, steel and glass works, MEP, specialized flooring, construction materials, interior design and fit out, branded furniture, landscaping etc.

With this wide variety of services under one umbrella, Salam's Contracting sector delivers turnkey solutions to both existing and new clients and operates to maximize shareholder value. SIIL also has a significant regional presence in this sector, with business units in UAE and Bahrain that have excellent market standing.

SALAM ENTERPRISES - DUBAI
TEL: +9714 2896289
FAX: +9714 2896089
P.O. BOX 28326, DUBAI-UAE
Activity: Construction & Environment Specialists
Email: mail@salamenterprisesllc.com

GENERAL CONTRACTING

INTERNATIONAL TRADING & CONTRACTING
TEL: +974 4458 1842
FAX: +974 4469 3833
P.O. BOX: 23924, DOHA-QATAR
Activity: General Contracting
Email: info@itcqatar.com

LANDSCAPING

QATAR GARDENS
TEL: +974 4458 1842
FAX: +974 4469 3833
P.O. BOX: 23924, DOHA-QATAR
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Email: info@qatargardens.com

INFRASTRUCTURE

STREAM MEP
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P.O. BOX 22647 DOHA-QATAR
Activity: Electro Mechanical Contracting
Email: info@stream-qatar.com

METAL

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FAX: +974 4460 1905
P.O. BOX 22120, DOHA-QATAR
Activity: Aluminum Fabrication
E-Mail: info@alu-nasa.com

ALU NASA - DUBAI
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FAX: +9714 8804501
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Activity: Aluminum Fabrication
E-Mail: mail@alu-nasa.com

GULF STEEL & ENGINEERING
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FAX: +974 4460 2497
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Activity: Structural Steel Fabrication
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INTERIOR SOLUTIONS

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FAX: +9714 3479559
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Email: mail@atelier-salam.com

MODERN DECORATION COMPANY
TEL: +9714 3470060
FAX: +9714 3470026
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Activity: Specialized Joinery Manufacturers
Email: mail@mdc-salam.com

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FAX: +974 4487 8924
P.O. BOX 18419, DOHA-QATAR
Activity: General Trading
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FAX: +973 17231776
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SALAM ENTERPRISES ABU DHABI
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SALAM INDUSTRIES
TEL: +974 4460 0692
FAX: +974 4460 2073
P.O. BOX 22120, DOHA - QATAR
Activity: Interior Decorators
E-mail: info@salamindustries.com

SALAM OIL & GAS SECTOR

Salam International's foray into Oil and Gas coincided with Qatar's dramatic expansion in the oil and gas industries that took place in the late 1980s. With huge Oil & Gas reserves, related hydrocarbon resources and with around 60% of Qatar's Gross Domestic Product coming from this field, SIIL's Oil & Gas Sector saw huge opportunity and potential in the market and developed its business units to meet market needs. The SIIL business units in this sector have a wide range of products, equipment and services for the Oil & Gas industry covering both upstream and downstream services. Power generation and transmission is another field of activities SIIL business units are involved in.

The SIIL portfolio includes a business unit that provides highly specialized services such as Non Destructive Testing and Precision Engineering for Oil & Gas companies.

SIIL's Oil & Gas Sector competencies include industrial engineering, trading, procurement and construction while specializing in downstream projects and services in petrochemicals, metals and steel, cement and utilities. The sector also offers products and engineering services to the upstream oil & gas industry. This includes consumables in chemicals, safety and environment, instrumentation and automation supplies, as well as engineering services that cover all aspects from feed stages to comprehensive EPC contracts, consultancy, project management and maintenance.

SIIL's Oil & Gas Sector has a further business unit engaged in the manufacture, assembly, import and distribution of switchgear panels.

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STREAM TRADING
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FAX: +974 4486 2721
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Email: info@stream-qatar.com

QATARI GERMAN SWITCHGEAR
TEL: +974 4460 1992
Fax: +974 4460 1676
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Activity: Switchgear Manufacturing
Email: info@qqc-qatar.com

TECHNOLOGY SECTOR

Salam's Technology Sector provides products and services for the office automation, audiovisual, homeland security, telecom and information technology infrastructure industries in Qatar. With the capacity to offer Digital Infrastructure, ICT infrastructure and Tetra based solutions, as well as Physical & Homeland security; Salam Technology is set to emerge as a premier technology integrator, regionally recognized, and focused on professionalism and profitable growth.

Salam Technology has achieved a successful track record of sustained profitable growth over the past 6 years. Endorsing its position in the market, Salam Technology has been awarded the statuses of Gold Partner of Cisco and Microsoft, an Executive Partner of Oracle, and an Autodesk Appointed Local Partner, as well as sustaining long standing partnerships with Canon, Barco, Motorola, Evans, and Saifor.

SALAM TECHNOLOGY
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Activity: Information Technology Solutions, Office Systems
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RETAIL DISTRIBUTION & HOSPITALITY SECTOR

Fully active and competitive in the market since its founding days in 1952, today Salam Luxury Retail Group is comprised of a Luxury and consumer Products Division, Salam Hospitality and a Communications Business Unit.

SIIL's Luxury and Consumer Products Division is the sole agent and distributor of a host of leading international brands that cover business lines from photography, fashion and fragrances to FMCG and homeware. The distribution arm of the company boasts a modern fleet and ample warehousing, a team of logistics experts and an unrivalled network of retailers and wholesalers throughout Qatar.

Salam Hospitality is focused on gaining regional recognition for the successful development and management of unique hospitality concepts & brands. The business ensures this by creating niche and new to the market hotel brands, and by developing fresh hospitality concepts for the market. Salam Hospitality is capable of competing in the marketplace through differentiators such as astute service delivery and profitability.

On the branding and communication front, SIIL Group owns a communication group that combines global vision with local insight and a bold spirit that delivers outstanding creative work to an established list of high profile clients.

The business units comprise a traditional and agency, an online/interactive business unit, a fully equipped photographic studio and, a successful independent film company with comprehensive A/V production facilities, a lare scale events arm, a public relations agency and environmental space design.

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FAX: +9712 6459994
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Activity: Marketing & Advertising Agency
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REAL ESTATE

Qatar has transformed itself into an economic and commercial powerhouse with influence both regionally and globally. As a result, the Qatar property market is a dynamic and robust one. Salam Bounian endeavors to develop, manage and service unique real estate properties that enhance communities and preserve the environment. The company strives to introduce international best practices while upholding its values to deliver solid financial results.

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JOINT VENTURES

PRETECT
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P.O. BOX 22084 DOHA QATAR
E-mail: info@pretect.com

NEW IMAGE
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FAX: +974 4407 7220
P.O. BOX 24621, DOHA QATAR
E-mail: johnezzo@newimagebldg.com

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DUTCHKID FZCO
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GULF FACILITY MANAGEMENT
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E-mail: f.bagdadi@gfm-me.com

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To
The Shareholders
Salam International Investment Limited Q.S.C.
Doha
State of Qatar

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Salam International Investment Limited Q.S.C.(the "Company"), which comprise the consolidated statement of financial position as at 31 December 2015 and the consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

BOARD OF DIRECTORS RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

BASIS FOR QUALIFIED OPINION

One of the Company's subsidiaries (the "Subsidiary") owns 30% interest in a Joint Operation, the management of the Joint Operation did not prepare the financial statements for the years ended 31 December 2014 and 31 December 2015. IFRS 11, Joint Arrangements, requires a joint operator to recognise its interest in assets, liabilities, revenues and expenses in a joint operation at each reporting date. Joint Operations' assets and liabilities as at 31 December 2013 were recognised in these consolidated financial statements. Since no financial statements were prepared for this Joint Operation for these years, the Subsidiary did not recognise its share of the joint operation's assets, liabilities, revenues and expenses for these years. We were unable to determine whether any adjustments to the assets, liabilities, revenues and expenses presented in these consolidated financial statements, were necessary.

QUALIFIED OPINION

In our opinion, except for the possible effects on the consolidated financial statements of the matter described in basis for qualified opinion paragraph, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2015 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

EMPHASIS OF MATTER

Without further qualifying our opinion, we draw attention to note 40 of the consolidated financial statements with regard to a court verdict issued by the Court of Cassation on 4 June 2013 overturning the Court of Appeal's verdict issued on 23 January 2013 which invalidated the executive merger procedures involving the Company in 2002 and 2005, without compromising the authenticity and legality of these decisions in terms of subject or form. Furthermore, the Court of Cassation requested the Court of Appeal for a retrial with a new committee of different judges. The new Court of Appeal appointed a committee of experts to study and report about the mergers referred to above. The new committee has set 13 March 2016 as the date for the next session, during which the report is to be presented. Currently, the accompanying consolidated financial statements are prepared on a similar basis, as in prior periods, including its subsidiaries acquired in the mergers referred to above.

OTHER MATTER

The consolidated financial statements of the Company as at and for the year ended 31 December 2014 were audited by another auditor, who expressed a qualified opinion on those statements on 5 February 2015 due to the non-recognition of the Company's 30% interest in assets, liabilities, revenues and expenses from a Joint Operation through its Subsidiary.

REPORT ON OTHER LEGAL & REGULATORY REQUIREMENTS

Except for the matters referred to in the Basis for qualified opinion paragraph, we have obtained all the information and explanations we considered necessary for the purposes of our audit. The Company has maintained proper accounting records and its consolidated financial statements are in agreement therewith. We confirm that physical count of the inventories was carried out in accordance with established principles. We have reviewed the accompanying report of the Board of Directors and confirm that the financial information contained therein is in agreement with the books and records of the Company. We are not aware of any violations of the provisions of Qatar Commercial Companies Law No. 11 of 2015, or the terms of the Company's Articles of Association during the year which might have had a material adverse effect on the business of the Company or on its consolidated financial position as at 31 December 2015.

14 February 2016	Yacoub Hobeika
Doha	KPMG
State of Qatar	Qatar Auditors' Registry Number 289

SALAM INTERNATIONAL INVESTMENT LIMITED Q.S.C
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

In Qatari Riyals

Assets	Note	2015	2014
Property, plant and equipment	8	486,752,896	499,466,061
Investment properties	9	1,521,804,380	1,486,173,191
Intangible assets	10	112,843,221	105,508,212
Investment in associates	11	94,957,541	104,426,891
Investments in joint ventures	12	53,951,142	37,458,418
Available-for-sale investments	13	169,935,422	164,566,684
Retention receivables	14(a)	89,934,832	63,840,107
Loans to associate companies		5,753,603	19,338,918
Other assets	15	11,948,638	7,200,342
Non-current assets		**2,547,881,675**	2,487,978,824
Inventories	16	581,145,226	472,536,763
Other assets	15	129,594,696	128,332,517
Due from related parties	17(a)	227,958,837	178,011,221
Retention receivables	14(a)	72,298,380	64,558,101
Excess of revenue over billings from contract works		455,518,019	483,807,937
Investments at fair value through profit or loss	18	1,897,980	2,621,020
Trade and other receivables	19	496,849,928	441,077,410
Cash and bank balances	20	351,746,562	378,971,392
Current assets		**2,317,009,628**	2,149,916,361
Total assets		**4,864,891,303**	4,637,895,185

The notes from 1 to 41 form an integral part of these consolidated financial statements.

SALAM INTERNATIONAL INVESTMENT LIMITED Q.S.C
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

In Qatari Riyals

Equity	**Note**	**2015**	2014
Share capital	21	1,143,145,870	1,143,145,870
Legal reserve	22	419,761,184	408,441,263
Fair value reserve		(2,993,007)	5,207,526
Proposed cash dividend	35	114,314,587	68,588,752
Retained earnings		9,623,759	25,583,412
Total equity attributable to owners of the Company		**1,683,852,393**	1,650,966,823
Non-controlling interests	23	165,710,252	179,055,269
Total equity		**1,849,562,645**	1,830,022,092
Liabilities			
Borrowings	24	1,324,255,539	1,314,087,213
Employees' end of service benefits	25	68,390,288	64,008,874
Retention payables	14(b)	13,603,158	15,636,101
Other liabilities		8,459,490	8,561,000
Notes payable		175,634	-
Non-current liabilities		**1,414,884,109**	1,402,293,188
Due to related parties	17(b)	3,036,189	1,489,968
Bank overdrafts	20	79,411,457	63,352,687
Borrowings	24	769,473,784	625,044,125
Notes payable		3,802,124	7,850,029
Retention payables	14(b)	19,657,028	19,688,096
Advances from customers		142,521,227	130,565,141
Excess of billings over revenues from contract works		77,690,115	49,122,694
Other liabilities	26	214,857,004	211,655,076
Trade and other payables		289,995,621	296,812,089
Current liabilities		**1,600,444,549**	1,405,579,905
Total liabilities		**3,015,328,658**	2,807,873,093
Total equity and liabilities		**4,864,891,303**	4,637,895,185

These consolidated financial statements were approved by the Board of Directors and were signed on its behalf by the following on 14 February 2016.

Issa Abdul Salam Abu Issa
Chairman and Chief Executive Officer

Hekmat Abdel Fattah Younis
Chief Financial Officer

The notes from 1 to 41 form an integral part of these consolidated financial statements.

SALAM INTERNATIONAL INVESTMENT LIMITED Q.S.C
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2015

In Qatari Riyals

	Note	2015	2014
Operating income	28	2,466,429,019	2,373,133,128
Operating cost	29	(1,891,123,836)	(1,773,688,206)
Gross profit		**575,305,183**	599,444,922
Investment income	30	201,328,278	148,915,150
Other operating income		3,520,217	5,247,970
Service and consultancy income		5,171,414	1,709,354
Other income	31	27,758,942	28,710,028
Share of result from joint ventures, net	12	5,562,031	7,708,525
Share of result from associates, net	11	2,093,297	(945,331)
Salaries and staff benefits		(307,866,358)	(297,862,524)
General and administrative expenses	32	(199,961,913)	(216,105,342)
Amortisation of intangible assets	10	(4,885,151)	(5,031,598)
Depreciation of investment properties	9	(26,937,819)	(26,913,893)
Depreciation of property, plant and equipment	8(iii)	(76,478,431)	(70,559,729)
Impairment of goodwill	10	-	(5,500,452)
Finance costs		(70,916,001)	(76,677,928)
Profit before executive managers' bonus		133,693,689	92,139,152
Executive managers' bonus	17(c)	(7,610,386)	(4,227,763)
Proposed Directors' remuneration	17(c)	(2,200,000)	(1,100,000)
Profit		**123,883,303**	86,811,389
Attributable to:			
Owners of the Company		113,199,212	78,283,384
Non-controlling interests	23	10,684,091	8,528,005
Profit		**123,883,303**	86,811,389
Basic and diluted earnings per share	**34**	**0.99**	0.68

The notes from 1 to 41 form an integral part of these consolidated financial statements.

SALAM INTERNATIONAL INVESTMENT LIMITED Q.S.C
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

In Qatari Riyals

	Note	2015	2014
Profit		**123,883,303**	86,811,389
Other comprehensive income:			
Transfer to profit on disposal of available-for-sale investments	13(c)		(204,674)
Net movement in cumulative changes in fair value of available-for-sale investments	13(c)	(8,200,533)	5,132,887
Other comprehensive income		**(8,200,533)**	4,928,213
Total comprehensive income		**115,682,770**	91,739,602
Attributable to:			
Owners of the Company		104,998,679	83,211,597
Non-controlling interests		10,684,091	8,528,005
Total comprehensive income		**115,682,770**	91,739,602

The notes from 1 to 41 form an integral part of these consolidated financial statements.

SALAM INTERNATIONAL INVESTMENT LIMITED Q.S.C
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

In Qatari Riyals

	Attributable to the to the owners of the Company							
31 December 2015	**Share capital**	**Legal reserve**	**Fair value reserve**	**Proposed cash dividend**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2015	1,143,145,870	408,441,263	5,207,526	68,588,752	25,583,412	1,650,966,823	179,055,269	1,830,022,092
Profit	-	-	-	-	113,199,212	113,199,212	10,684,091	123,883,303
Other comprehensive income								
Net movement in cumulative changes in fair value of available-for-sale investments	-	-	(8,200,533)	-	-	(8,200,533)	-	(8,200,533)
Other comprehensive income	-	-	(8,200,533)	-	113,199,212	104,998,679	10,684,091	115,682,770
Cash dividend paid	-	-	-	(68,588,752)	-	(68,588,752)	-	(68,588,752)
Proposed cash dividend (Note 35)	-	-	-	114,314,587	(114,314,587)	-	-	-
Transfer to legal reserve	-	11,319,921	-	-	(11,319,921)	-	-	-
Provision for social contribution	-	-	-	-	(2,829,980)	(2,829,980)	-	(2,829,980)
Acquisition – Additional purchase of subsidiary shares (Note 27)	-	-	-	-	(694,377)	(694,377)	(24,189,115)	(24,883,492)
Net movement in non-controlling interests	-	-	-	-	-	-	160,007	160,007
Balance at 31 December 2015	**1,143,145,870**	**419,761,184**	**(2,993,007)**	**114,314,587**	**9,623,759**	**1,683,852,393**	**165,710,252**	**1,849,562,645**

The notes from 1 to 41 form an integral part of these consolidated financial statements.

SALAM INTERNATIONAL INVESTMENT LIMITED Q.S.C
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

In Qatari Riyals

	Attributable to the to the owners of the Company							
31 December 2014	Share capital	Legal reserve	Fair value reserve	Proposed cash dividend	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2014	1,143,145,870	400,612,925	279,313	114,314,587	25,331,444	1,683,684,139	184,559,327	1,868,243,466
Profit	-	-	-	-	78,283,384	78,283,384	8,528,005	86,811,389
Other comprehensive income								
Transfer to profit on disposal of available-for-sale investments	-	-	(204,674)	-	-	(204,674)	-	(204,674)
Net movement in cumulative changes in fair value of available-for-sale investments	-	-	5,132,887	-	-	5,132,887	-	5,132,887
Other comprehensive income	-	-	4,928,213	-	78,283,384	83,211,597	8,528,005	91,739,602
Cash dividend paid	-	-	-	(114,314,587)	-	(114,314,587)	-	(114,314,587)
Proposed cash dividend (Note 35)	-	-	-	68,588,752	(68,588,752)	-	-	-
Transfer to legal reserve	-	7,828,338	-	-	(7,828,338)	-	-	-
Provision for social contribution	-	-	-	-	(1,957,085)	(1,957,085)	-	(1,957,085)
Acquisition – Additional purchase of subsidiary shares	-	-	-	-	342,759	342,759	(10,002,023)	(9,659,264)
Net movement in non-controlling interests	-	-	-	-	-	-	(4,030,040)	(4,030,040)
Balance at 31 December 2014	1,143,145,870	408,441,263	5,207,526	68,588,752	25,583,412	1,650,966,823	179,055,269	1,830,022,092

The notes from 1 to 41 form an integral part of these consolidated financial statements.

SALAM INTERNATIONAL INVESTMENT LIMITED Q.S.C
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

In Qatari Riyals

	2015	2014
Cash flows from operating activities		
Profit	123,883,303	86,811,389
Adjustments for :		
– Provision for doubtful receivables	6,415,671	1,975,719
– Provision for slow moving inventories	2,922,073	7,120,083
– Gain on sale of available-for-sale investments	(564,702)	(265,060)
– Unrealised loss / (gain) on investments at fair value through profit or loss	723,040	(994,180)
– Amortisation of intangible assets	4,885,151	5,031,598
– Impairment of goodwill	-	5,500,452
– Depreciation of investment properties	26,937,819	26,913,893
– Depreciation of property, plant and equipment	87,965,650	83,445,575
– Gain on sale of investment properties	-	(4,635,060)
– Gain on sale of property, plant and equipment	(231,023)	(959,654)
– Loss from disposal of property, plant and equipment	1,876,487	-
– Loss from disposal of intangible assets	-	321,145
– Gain on sale of investment in an associate	(62,079,993)	-
– Provision for employees' end of service benefits	15,525,021	14,691,366
– Finance costs	70,916,001	76,677,928
– Interest income	(12,567,398)	(14,559,730)
– Dividend income	(1,630,748)	(3,171,611)
– Share of results from investments in associates	(2,093,297)	945,331
– Share of profit from investment in joint ventures	(5,562,031)	(7,708,525)
Operating profit before working capital changes	**257,321,024**	277,140,659
Changes in:		
– Loan to associate companies	13,585,315	-
– Inventories	(111,530,536)	(63,312,756)
– Other assets	(6,010,475)	1,478,583
– Due from related parties	(49,947,616)	(55,462,563)
– Retentions receivables	(33,835,004)	(4,730,228)
– Excess of revenue over billings from contract works	28,289,918	(150,347,871)
– Trade and other receivables	(62,188,189)	(76,086,717)
– Due to related parties	1,546,221	(13,510,717)
– Net movement in notes payable	(3,872,271)	84,933
– Retention payables	(2,064,011)	6,338,049
– Advances from customers	11,956,086	2,179,700
– Excess of billings over revenue from contract works	28,567,421	(5,601,249)
– Trade and other payables and other liabilities	(5,782,289)	(6,270,519)
Cash generated from / (used in) operating activities	66,035,594	(88,100,696)
Employees' end of service benefits paid	(11,143,607)	(6,817,751)
Net cash from / (used in) operating activities	**54,891,987**	(94,918,447)

SALAM INTERNATIONAL INVESTMENT LIMITED Q.S.C
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

In Qatari Riyals

	2015	2014
Cash flows from investing activities		
Payments for purchase of property, plant and equipment	(82,975,687)	(85,610,352)
Proceeds from sale of property, plant and equipment	6,077,738	13,138,146
Payments for purchase of investment properties	(62,569,008)	(4,446,590)
Proceeds from sale of investments properties	-	456,274,436
Payments for purchase of available- for- sale investments	(14,638,122)	(11,525,575)
Proceeds from sale of available- for- sale investments	1,633,553	1,048,136
Net movement in intangible assets	(12,220,160)	(12,496,581)
Purchase of investments at fair value through profit or loss	-	(1,626,840)
Proceeds from sale of investment in an associate	65,390,464	-
Purchase of investments in associates	(2,530,439)	(8,549,636)
Purchase of investments in joint ventures	(10,930,693)	-
Acquisition of additional shares of subsidiaries	(24,883,492)	(9,659,264)
Dividends received from an associate	10,018,874	4,569,558
Dividends received from joint venture	-	10,930,693
Dividends received from available for sale investments	1,630,748	3,171,611
Interest received	12,567,398	14,559,730
Net cash (used in) / from investing activities	**(113,428,826)**	369,777,472
Cash flows from financing activities		
Net movement in borrowings	154,597,985	(137,816,046)
Net movement in non-controlling interests	160,007	(4,030,040)
Finance costs paid	(70,916,001)	(76,677,928)
Dividends paid	(68,588,752)	(114,314,587)
Cash flows from / (used in) financing activities	**15,253,239**	(332,838,601)
Net decrease in cash and cash equivalents	**(43,283,600)**	(57,979,576)
Cash and cash equivalents at 1 January	315,618,705	373,598,281
Cash and cash equivalents at 31 December (Note 20)	**272,335,105**	315,618,705

The notes from 1 to 41 form an integral part of these consolidated financial statements.

SALAM INTERNATIONAL INVESTMENT LIMITED Q.S.C
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. REPORTING ENTITY

Salam International Investment Limited Q.S.C. (the "Company or SIIL") is a public shareholding company incorporated in the State of Qatar under Amiri Decree No. (1) on 14 January 1998.

These consolidated financial statements as at and for the year ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as "the Group" and individually "Group entities") and the Group's investment in associates and jointly controlled entities.

The main activities of the Company are to establish, incorporate, acquire, and own enterprises in the contracting, energy and industry, consumer and luxury products, technology, realestate and development sectors, and to invest in securities in local and overseas market.

2. BASIS OF ACCOUNTING

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). They were authorised to issue by the Company's board of directors on 14 February 2016.

The details of the Group accounting policies are included in note 6.

3. FUNCTIONAL AND PRESENTATION CURRENCY

The consolidated financial statements are presented in Qatari Riyals, which is the Group's functional currency and all values are rounded to the nearest Qatari Riyal except when otherwise indicated.

4. BASIS OF MEASUREMENT

These consolidated financial statements have been prepared on the historical cost basis except for available-for-sale investments and investments at fair value through profit or loss which are carried at fair value.

5. USE OF ESTIMATES AND JUDGEMENTS

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about critical estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are disclosed in note 39 to these consolidated financial statements.

6. SIGNIFICANT ACCOUNTING POLICIES

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements:

(a) Basis of consolidation

i) Business combinations

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

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

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Details of changes in Group's subsidiaries during the year ended 31 December 2015 are disclosed in note 27.

iii) Non- controlling interests

Non - controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

v) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, until the date on which significant influence or joint control ceases.

vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Group at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- available-for-sale equity investments (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into functional currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) Revenue

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement.

Rendering of services

If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services.

The Group recognises revenue from rendering of services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed.

Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

If the outcome of a construction contract can be estimated reliably, then contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed with reference to cost incurred to estimated costs. Otherwise, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Contract expenses are recognised as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognised immediately in profit or loss.

Rental income

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from other property is recognised as other income.

Dividend and interest revenue

Dividends from investments are recognised when the shareholder's right to receive payment has been established.

Interest is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(d) Property plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of property, plant and equipment for the current and comparative periods are as follows:

Building	10-20 years
Leasehold improvement	3-4 years
Furniture and fixtures	4-7 years
Motor vehicles	5 years
Equipment and tools	3-5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(e) Intangible assets

Recognition and measurement

Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Research and development

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets

Other intangible assets, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives for current and comparative periods are as follows:

Development cost	3-5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(f) Investment property

Investment property is property held either to earn rentals or for capital appreciation or both, but not for sale in ordinary course of business, use in production in the production or supply of goods or services or for administrative purpose. Investment property is stated at cost less accumulated depreciation and impairment losses, if any. Investment properties, other than land, are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	10-23 years
Salam Tower	50 years
Salam Plaza	10-20 years

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Property that is being constructed for future use as investment property is accounted for as investment property. Property under construction is designated as investment property only if there are unambiguous plans by management to subsequently utilize the property for rental activities upon completion of development.

(g) Construction contracts in progress

Construction contracts in progress represents the gross amount expected to be collected from customers for contract work performed to date. It is measured at costs incurred plus profits recognised to date less progress billings and recognised losses.

In the statement of financial position, construction contracts in progress for which costs incurred plus recognised profits exceed progress billings and recognised losses are presented as due from customers for contract work. Contracts for which progress billings and recognised losses exceed costs incurred plus recognised profits are presented as due to customers for contract works. Advances received from customers are presented as deferred income/revenue.

(h) Financial instruments

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Group classifies non-derivative financial liabilities into other financial liabilities category.

Non-derivative financial assets and financial liabilities – recognition and derecognition

The Group initially recognises loans and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date when the entity becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial assets – measurement

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss.

Held-to-maturity financial assets

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Loans and receivables

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Available-for-sale financial assets

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments, are recognised in OCI and accumulated in the fair value reserve. When these assets are derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Non-derivative financial liabilities – measurement

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognised in profit or loss.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

(i) Impairment

Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. The Group considers a decline of 20% to be significant and a period of nine months to be prolonged.

Financial assets measured at amortised cost

The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss. Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale are not reversed through profit or loss.

Equity-accounted investees

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in profit or loss, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property and inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Provision

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(k) Leases

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate.

Leased assets

Leases of property, plant and equipment that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of financial position.

Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(l) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

(m) Employees' end of service benefits

The Group provides end of service benefits to its expatriate employees in accordance with Qatar labour law. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of minimum service period. The expected costs of these benefits are accrued over the period of employment.

With respect to its national employees, the Group makes contributions to the General Pension Fund Authority calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

(n) New standards, amendments and interpretations effective from 1 January 2015

The following standards, amendments and interpretations, which became effective as of 1 January 2015, are relevant to the Group:

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)

The amendments to IAS 19 clarify how an entity should account for contributions made by employees or third parties to define benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

For contributions that are independent of the number of years of service, the entity may either recognize the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees periods of service using the project unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees periods of service.

The adoption of this amendment had no significant impact on the consolidated financial statements.

Annual Improvements to IFRSs 2010–2012 and 2011–2013 Cycles various standards

The annual improvements to IFRSs to 2010-2012 and 2011 -2013 cycles include a number of amendments to various IFRSs. Most amendments will apply prospectively for annual periods beginning on or after 1 July 2014; earlier application is permitted (along with the special transitional requirement in each case), in which case the related consequential amendments to other IFRSs would also apply.

The following are the key amendments in brief:

– The amendments to IFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognized in profit or loss. IAS 37 Provisions, Contingent Liabilities and Contingent Assets is amended to exclude provisions related to contingent consideration. IFRS 3 is also not applicable to the accounting for the formation of all types of joint arrangements in IFRS 11 Joint Arrangements (including joint operations) in the financial statements of joint arrangements themselves.

– IFRS 8 has been amended to explicitly require the disclosure of judgments made by management in applying the aggregation criteria. The disclosures include:

  - a brief description of the operating segments that have been aggregated; and
  - the economic indicators that have been assessed in determining that the operating segments share similar economic characteristics.

  In addition, this amendment clarifies that a reconciliation of the total of the reportable segments assets to the entity's assets is required only if this information is regularly provided to the entity's chief operating decision maker.

– The IASB has clarified that, in issuing IFRS 13 and making consequential amendments to IAS 39 and IFRS 9, it did not prevent entities from measuring short term receivables and payables that have no stated interest rate at their invoiced amounts without discounting, if the effect of not discounting is not material. IFRS 13 has also been amended to clarify that portfolio exception applies to contracts in the scope of IAS 39 and IFRS 9 regardless of whether they meet the definition of a financial asset or financial liability under IAS 32.

– The amendments to IAS 16 and IAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses. The accumulated depreciation (amortization) is eliminated against the gross carrying amount of the asset.

– The amendments to IAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required. The reporting entity will also need to disclose other transactions with the management entity under the existing disclosure requirements of IAS 24.

– IAS 40 has been amended to clarify that an entity should:

  - assess whether an acquired property is an investment property under IAS 40; and
  - perform a separate assessment under IFRS 3 to determine whether the acquisition of the investment property constitutes a business combination.

  Entities will still need to use judgement to determine whether the acquisition of an investment property is an acquisition of a business under IFRS 3.

The adoption of these amendments had no significant impact on the consolidated financial statements

(o) New standards, amendments and interpretations issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2015 and earlier application is permitted; however, the Group has not early adopted the following new or amended standards in preparing these consolidated financial statements.

IFRS 9 Financial Instruments

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

The Group is assessing the potential impact on its consolidated financial statements Resulting from the application of IFRS 9.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 15.

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)
The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 Business Combinations. The amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards should be applied.

The amendments to IFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016. Early adoption is permitted.

The Group is assessing the potential impact on its consolidated financial statements resulting from the amendment.

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)
The amendments to IAS 16 prohibits entities from using a revenue based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted if the intangible asset is expressed as a measure of revenue or when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Early adoption is permitted.

The Group is assessing the potential impact on its consolidated financial statements resulting from the amendment.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
The IASB has made limited scope amendments to IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures.

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment dependson whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations).

Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's investors in the associate or joint venture.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Early adoption is permitted.

The Group is assessing the potential impact on its consolidated financial statements resulting from the amendment.

Annual Improvements to IFRSs 2012–2014 Cycle – various standards
The annual improvements to IFRSs to 2012-2014 cycles include a number of amendments to various IFRSs. Most amendments will apply prospectively for annual periods beginning on or after 1 January 2016; earlier application is permitted (along with the special transitional requirement in each case), in which case the related consequential amendments to other IFRSs would also apply.

The Group is assessing the potential impact on its (consolidated) financial statements resulting from the application.

The following are the key amendments in brief:

- IFRS 5 – when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution' or vice versa, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such
- IFRS 7 – specific guidance for transferred financial assets to help management determine whether the terms of a servicing arrangement constitute 'continuing involvement' and, therefore, whether the asset qualifies for derecognition
- IFRS 7 – that the additional disclosures relating to the offsetting of financial assets and financial liabilities only need to be included in interim reports if required by IAS 34
- IAS 19 – that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise
- IAS 34 – what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report' and adds a requirement to cross-reference from the interim financial statements to the location of that information.

Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)

Amendments made to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in associates and joint ventures clarify that:

- The exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities.
- An investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities.
- Entities which are not investment entities but have an interest in an associate or joint venture which is an investment entity have a policy choice when applying the equity method of accounting. The fair value measurement applied by the investment entity associate or joint venture can either be retained, or a consolidation may be performed at the level of the associate or joint venture, which would then unwind the fair value measurement.

The amendments to IFRS 10 apply prospectively for annual periods beginning on or after 1 January 2016. Early adoption is permitted. Early adoption is permitted.

Disclosure Initiative (Amendments to IAS 1)

The amendments to IAS 1 Presentation of Financial Statements are made in the context of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved. The amendments provide clarifications on a number of issues, including:

- Materiality – an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals – line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes – confirmation that the notes do not need to be presented in a particular order.
- OCI arising from investments accounted for under the equity method – the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

According to the transitional provisions, the disclosures in IAS 8 regarding the adoption of new standards/accounting policies are not required for these amendments.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Early adoption is permitted.

7. FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments:

- **Credit risk**
- **Liquidity risk**
- **Market risk**

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

The carrying amount of financial assets represents the maximum credit exposure.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

Cash and cash equivalents

The cash and cash equivalents are held with bank and financial institution counterparties, credit worthy and reputable banks in Qatar and GCC region with high credit ratings.

Further information about the Group's exposure to credit risk are provided in Note 38.

ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Further information about the Group's exposure to liquidity risk are provided in Note 38.

iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk
Currency risk is the risk that the value of a financial instrument will fluctuate due to a change in foreign exchange rates.

The Group's exposure to currency risk on transactions with related parties and borrowings that are denominated in a currency other than the respective functional currency are limited to those currencies which are pegged against USD such as AED, RO, JD etc. The Group's exposure to other currency risk is minimal.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level.

Interest rate risk
The Group adopts a policy of ensuring that majority of its interest rate risk exposure is at a fixed rate.

Equity price risk
Equity price risk is the risk that the fair values of equity decreases as a result of changes in price indices of investments in other entities' equity instruments as part of the Group's investment portfolio.

Further information about the Group's exposure to equity price risk are provided in Note 38.

Capital management
The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity, excluding minority interests. The Board of Directors also monitors the level of dividends to ordinary shareholders.

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8. PROPERTY, PLANT AND EQUIPMENT

	Land and building	Leasehold improvement	Furniture and fixtures	Motor vehicles	Equipment and tools	Capital work in progress	Total
Cost							
Balance at 1 January 2014	243,983,553	65,732,602	336,753,407	40,456,309	178,445,670	39,679,313	905,050,854
Additions	139,400	930,002	13,139,253	3,275,393	19,361,178	48,765,126	85,610,352
Disposals / write off	(866,958)	(1,674,966)	(2,383,091)	(1,796,576)	(3,336,331)	(10,040,500)	(20,098,422)
Transfer from investment property (iv)	27,677,128	-	-	-	-	-	27,677,128
Transfers	-	28,129,288	17,672,159	595,000	17,476,816	(63,873,263)	-
Balance at 31 December 2014	270,933,123	93,116,926	365,181,728	42,530,126	211,947,333	14,530,676	998,239,912
Balance at 1 January 2015	270,933,123	93,116,926	365,181,728	42,530,126	211,947,333	14,530,676	998,239,912
Additions	12,426,455	5,122,886	6,885,073	5,301,962	33,730,610	19,508,701	82,975,687
Disposals / write off	(76,250)	(3,082,757)	(5,340,201)	(2,932,010)	(11,611,293)	(115,815)	(23,158,326)
Transfers	3,531,951	3,989,292	4,724,502	80,001	474,570	(12,800,316)	-
Balance at 31 December 2015	286,815,279	99,146,347	371,451,102	44,980,079	234,541,220	21,123,246	1,058,057,273
Accumulated depreciation							
Balance at 1 January 2014	48,446,699	35,534,387	195,205,592	30,828,280	108,922,323	-	418,937,281
Depreciation (iii)	11,224,718	7,298,285	37,142,602	3,853,096	23,926,874	-	83,445,575
Disposals	(90,767)	(1,656,641)	(2,219,534)	(1,473,389)	(2,479,599)	-	(7,919,930)
Transfer from investment property (iv)	4,310,925	-	-	-	-	-	4,310,925
Balance at 31 December 2014	63,891,575	41,176,031	230,128,660	33,207,987	130,369,598	-	498,773,851
Balance at 1 January 2015	63,891,575	41,176,031	230,128,660	33,207,987	130,369,598	-	498,773,851
Depreciation (iii)	11,415,535	10,271,798	37,685,888	3,752,899	24,839,530	-	87,965,650
Disposals / write off	(76,220)	(1,969,285)	(3,756,828)	(2,831,557)	(6,801,234)	-	(15,435,124)
Balance at 31 December 2015	75,230,890	49,478,544	264,057,720	34,129,329	148,407,894	-	571,304,377
Carrying amounts							
At 31 December 2015 (v)	**211,584,389**	**49,667,803**	**107,393,382**	**10,850,750**	**86,133,326**	**21,123,246**	**486,752,896**
At 31 December 2014	207,041,548	51,940,895	135,053,068	9,322,139	81,577,735	14,530,676	499,466,061
	(i) &(ii)						

i. This includes buildings costing QR 148,261,295 (2014: 132,287,889) that have been constructed on lands leased from the Governments of Qatar and Dubai, UAE.

ii. This also includes part of Salam Plaza Building and Land that is being utilized by the Group entities. This property along with Salam Plaza Land under investment properties (Note 9) are mortgaged in favor of one of the local banks as security for term loans.

iii. Depreciation charge has been allocated as follows:

	2015	2014
Operating cost	11,487,219	12,885,846
Depreciation expenses	76,478,431	70,559,729
	87,965,650	83,445,575

iv. In 2014, due to the change of usage of the part of the building owned by the Group from revenue generation to owner occupied property, the related cost and accumulated depreciation balances were transferred from investment properties to property, plant and equipment.

v. Management is of the opinion that the recoverable amounts of the property, plant and equipment are higher than their carrying amounts

In Qatari Riyals

9. INVESTMENT PROPERTIES

			Land and buildings in Qatar					
	Land in Palestine	Land and building in United Arab Emirates	Salam Tower	Salam Plaza	Jumana Tower	The Gate Towers and Mall	Property under development	Total
Cost								
Balance at 1 January 2014	4,795,529	187,413,622	87,088,451	285,817,715	419,351,133	1,040,802,228	44,411,098	2,069,679,776
Additions	-	-	-	-	-	-	4,446,590	4,446,590
Transfer to property, plant and equipment (Note 8)	-	-	-	(27,677,128)	-	-	-	(27,677,128)
Disposals	-	-	-	-	(419,351,133)	-	(43,766,000)	(463,117,133)
Transfers	-	-	-	-	-	1,758,723	(1,758,723)	-
Balance at 31 December 2014	4,795,529	187,413,622	87,088,451	258,140,587	-	1,042,560,951	3,332,965	1,583,332,105
Balance at 1 January 2015	4,795,529	187,413,622	87,088,451	258,140,587	-	1,042,560,951	3,332,965	1,583,332,105
Additions	21,887	26,763,315	-	-	-	-	35,783,806	62,569,008
Transfers	-	-	-	-	-	5,365,371	(5,365,371)	-
Balance at 31 December 2015	4,817,416	214,176,937	87,088,451	258,140,587	-	1,047,926,322	33,751,400	1,645,901,113
Accumulated depreciation								
Balance at 1 January 2014	-	11,515,448	17,920,132	4,310,925	10,935,161	41,352,037	-	86,033,703
Transfer to property, plant and equipment (Note 8)	-	-	-	(4,310,925)	-	-	-	(4,310,925)
Disposals	-	-	-	-	(11,477,757)	-	-	(11,477,757)
Depreciation	-	3,669,264	1,663,042	-	542,596	21,038,991	-	26,913,893
Balance at 31 December 2014	-	15,184,712	19,583,174	-	-	62,391,028	-	97,158,914
Balance at 1 January 2015	-	15,184,712	19,583,174	-	-	62,391,028	-	97,158,914
Depreciation	-	3,893,967	1,663,038	-	-	21,380,814	-	26,937,819
Balance at 31 December 2015	-	19,078,679	21,246,212	-	-	83,771,842	-	124,096,733
Carrying amounts								
At 31 December 2015	**4,817,416**	**195,098,258**	**65,842,239**	**258,140,587**	**-**	**964,154,480**	**33,751,400**	**1,521,804,380**
At 31 December 2014	4,795,529	172,228,910	67,505,277	258,140,587	-	980,169,923	3,332,965	1,486,173,191
	(i)	(ii)	(iii)	(iv)	(v)	(iv)	(vi)	

vi. This land was acquired in Ramallah, Palestine for the purpose of constructing an international trade centre. Until the date of these consolidated financial statements, this project has not commenced. The fair value of the land was QR 19,477,128 (2014: QR.17,042,487) based on a valuation carried out on 14 January 2016 by an independent external independent valuer based in Palestine.

vii.These properties comprise the following:

(a) Four plots of land in Dubai, UAE. The fair value of the first plot of land was QR. 5,608,681 (2014: QR. 5,689,967) based on a valuation carried out on 26 January 2016 by an external independent valuer based in Dubai, UAE. The original cost of this plot of land was QR. 3,775,693 (2014: 3,760,793).

The remaining represents the three plots of lands purchased during 2008 from Salam Bounian Development Company(Salam Bounian), an associate at the time of purchase and currently a subsidiary for QR. 85,247,436 as per the three "sale and development" agreements entered between the Company and Salam Bounian. According to these agreements, the Company purchased three plots of land in Jumeirah Village-Dubai, UAE, which were originally purchased by Salam Bounian from a developer in Dubai. The Company reimbursed Salam Bounian for the installments already made by them in addition to interest. The Company has paid the remaining installments directly to the developer in Dubai.

According to the agreements, if the Company decides to develop and sell these three plots, Salam Bounian will share 30% of the resulting net profit with the Company. If the Company decides to sell the three plots of land without development, Salam Bounian will share 60% of the resulting net profit.

The original sale agreement with the developer is still in the name of Salam Bounian. Title of these plots is still with the developer and expected to be transferred to Salam Bounian once the development in that area is completed. This did not occur as of 31 December 2015.

The fair value of these three plots of land was QR. 86,675,998 (2014: QR 87,722,446) based on a valuation carried out on 26 January 2016 by an external independent valuer based in Dubai, UAE. The original cost of this plot of land was QR. 85,922,962 (QR. 85,247,436).

b) Building at Dubai Investment Park – This building is being leased as business office and warehouse. The fair value of this property was QR. 74,504,950 (2014: 75,247,525) based on a valuation carried out on 26 January 2016 by an external independent valuer based in Dubai, UAE. The net book value of this building is QR 61,294,969 (2014: 58,008,594).

c) Grosvenor Business Bay Tower 1 – This represents one floor of office leased to third parties. The fair value of this property was QR 25,828,584 (2014: 25,893,644) based on a valuation carried out on 26 January 2016 by an external independent valuer based in Dubai, UAE. The net book value of this building is QR 24,693,115 (2014: 25,212,087).

d) Al-Quoz labour camp in Dubai -This labour camp is purchased in 2015 and leased to a third party. The fair value of this property was QR 20,049,505 based on a valuation carried out on 2 February 2016 by an external independent valuer based in Dubai, UAE. The net book value of this building is QR 19,411,519 (2014: Nil).

viii. Salam Tower is located at West Bay, Doha – State of Qatar and is leased as office property. The fair value of Salam Tower was QR.441,177,000 (2014: QR. 434,047,000) based on a valuation carried out on 31 December 2015 by an external independent valuer.

ix. This represents "Salam Plaza" and "The Gate Towers and Mall". The fair value of these properties was QR 2,025,118,000 (2014: QR. 1,947,529,000) based on valuations carried out on 31 December 2015 by an independent external valuer based in Doha – Qatar. The carrying amount of these properties as at 31 December 2015 was QR.1,335,471,308 (2014: QR. 1,354,329,517), out of which QR 113,176,241 (2014: QR. 116,019,007) are owner occupied and classified under property, plant and equipment. The title deeds of the lands are registered in the name of the Company.

This property is held as security by one of the local banks against a loan facility advanced to the Group (Note 24 (i))

x. Jumana Tower was a newly developed residential tower located at the Pearl Area - Doha, State of Qatar. This property was sold during the year 2014, which resulted a gain on sale amounting to QR 1,338,990 (Note 30).

xi. Investment property under development comprise following properties;

(a) A plots of land located in Lusail city, Doha – State of Qatar, having a cost of QR 43,766,000, was sold during the year 2014, with a gain on sale amounting QR 4,635,060 (Note 30)

(b) Capital work in progress with a carrying value of QR 33,751,400 (2014: QR 3,332,965) representing 10 new villas which were purchased during the year for leasing purposes and is still under development.

The Group earned rental income of QR. 125.2 million from investment properties during the year ended 31 December 2015 (2014: QR 109.7). These rentals are classified as investment income in the consolidated statement of profit or loss (Note 30).

10. INTANGIBLE ASSETS

	2015	2014
Goodwill (i)	76,321,443	76,321,443
Development cost (ii)	36,521,778	29,186,769
	112,843,221	105,508,212

(i) Goodwill

	2015	2014
Balance at 1 January	76,321,443	81,821,895
Impairment loss	-	(5,500,452)
Balance at 31 December	**76,321,443**	76,321,443

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The allocations of the carrying amounts of goodwill to the Company's CGU's (the subsidiary companies and branches) are as follows:

	2015	2014
Alu Nasa Company O.P.C, Qatar*	-	4,229,639
Gulf Industries for Refrigeration and Catering Company O.P.C, Qatar*	-	1,270,813
International Trading & Contracting Company O.P.C., Qatar	4,845,447	4,845,447
Qatar Gardens Company (a branch of I.T.C.) Qatar	4,646,571	4,646,571
Salam Technology O.P.C., Qatar	9,596,160	9,596,160
Salam Industries O.P.C., Qatar	7,531,543	7,531,543
Salam Petroleum Services O.P.C., Qatar	12,937,048	12,937,048
Stream Industries and Engineering Company O.P.C., Qatar	15,178,083	15,178,083
Salam Enterprises O.P.C, Qatar	1,615,149	1,615,149
Atelier 21 L.L.C., UAE	10,711	10,711
Modern Decoration Company L.L.C., UAE	6,193,199	6,193,199
Salam Enterprises Company L.L.C., UAE	11,062,279	11,062,279
Qatari German Switchgear Company O.P.C	2,705,253	2,705,253
	76,321,443	81,821,895
Less impairment*	-	(5,500,452)
	76,321,443	76,321,443

* In 2014, following the impairment test performed by the Group, Goodwill allocated to these CGUs were written off as they were deemed impaired.

(ii) Development cost

Development costs include costs incurred for computer software and branding and developing of policies and procedures. The costs incurred for computer software is amortised over a period of three years while the costs related to branding and developing of policies and procedures manual are amortised over a period of five years, being their expected useful lives.

	2015	2014
Cost		
Balance at 1 January	55,752,265	43,576,828
Additions	12,239,442	12,496,581
Deletion	(19,282)	(321,144)
Balance at 31 December	**67,972,425**	55,752,265
Accumulated amortisation		
Balance at 1 January	26,565,496	21,533,898
Amortisation	4,885,151	5,031,598
Balance at 31 December	**31,450,647**	26,565,496
Carrying amount	**36,521,778**	29,186,769

11. INVESTMENT IN ASSOCIATES

(a) The outstanding balance of the investment in associates is represented as follows:

	Ownership		**2015**	2014
	2015	2014		
Serene Real Estate S.A.L. (Lebanon) (i)	48.99%	48.99%	59,756,160	69,978,338
SAJ Emirates Trading L.L.C (U.A.E) (i) &(ii)	-	43%	-	3,310,471
PC Deal Net W.L.L. (Qatar) (i)	51%	51%	102,000	397,600
Qatar Aluminum Extrusion Company P.S.C(Qatar) (i)	20%	20%	7,252,573	8,048,794
Canon Office Image Solutions W.L.L. (Qatar) (i)	51%	51%	3,712,800	3,712,800
Salam Sice Tech Solutions W.L.L. (Qatar)(i)	51%	51%	-	-
Salam Media Cast W.L.L. (Qatar) (i)	20%	20%	5,715,789	4,853,101
Salam Media Cast L.L.C. (UAE) (i)	20%	20%	-	-
Meta Coat W.L.L. (Qatar) (i)	51%	51%	4,000,000	4,000,000
Robert Abi Nader International Limited(UAE) (i)	25%	25%	4,824,092	4,734,653
Technical Field Services Limited (UAE)(i)	50%	50%	7,051,127	5,289,134
Technical Office for Studies and Monitoring Works W.L.L. (Qatar) (i)	51%	51%	102,000	102,000
Wikaya Contracting W.L.L(Qatar) (i)	50%	-	100,000	-
Harris Salam W.L.L(Qatar) (i)	51%	-	357,000	-
Dutchkid FZCO and Just Kidding General Trading Company (UAE) (i)	50%	-	1,984,000	-
			94,957,541	104,426,891

The carrying values of the investment in associates have been adjusted for the results of associates for the year ended 31 December 2015 which are based on the audited / management financial statements.

xii. As per the shareholders' agreements and subsequent amendments thereto, the Group does not have either control or joint control over the investee and accordingly treated as an associate.

xiii. This investment in associate was sold during the year and resulted a gain of QR 62,079,993 (Note 30)

(b) The movement in investment in associates during the year is presented as follows:

	2015	2014
Balance at 1 January	104,426,891	102,848,091
Additions	2,530,439	8,549,636
Disposals	(3,310,471)	-
Dividends received	(10,018,874)	(4,569,558)
Amount transferred from equity to loan	-	(1,277,227)
Share of results from associates, net	1,329,556	(1,124,051)
Balance at 31 December	**94,957,541**	104,426,891

i. Details of addition to Group's associates during the year are as follows:

a. Wikaya Contracting W.L.L(Qatar)
During 2015, the group entered into an "Agreement" with Salem Agencies Company – SAS (a company incorporated in Saudi Arabia) to acquire 50% shares of Wikaya Contracting W.L.L. As at the reporting date the Group has made a total investment of QR 100,000 against the 50% shares of Wikaya Contracting W.L.L

b. Harris Salam W.L.L(Qatar)
During 2015, the Group entered into an "Agreement" with Harris System Limited (a company incorporated in UK) to establish a new company Haris Salam W.L.L. with a total paid capital of QR. 700,000. The Group's share in the capital is 51%.

c. Dutchkid FZCO and Just Kidding General Trading Company (UAE)
During 2015, the Group entered into an "Agreement" with Bernard Frans Harmen Boenk and Johanna Maria Wilhelmaina Retera (Dutch nationals) to acquire 50% shares of Dutchkid FZCO UAE (a company incorporated in United Arab Emirates). As at the reporting date the Group has made a total investment of QR 1,984,000 against the 50% shares of Dutchkid FZCO UAE.

d. Robert Abi Nader International Limited("RAN")
During 2014, SIIL entered into an "Agreement" with RAN International Limited(a company incorporated in United Arab Emirates) and Mr. Robert Abi Nader to establish a new limited liability company named Robert Abi Nader International Limited with a total paid capital of AED. 50,000. SIIL Share in the capital is 25% and, per the RAN Agreement, SIIL is required to make additional investments in stages with no effect on its share in capital.

e. Canon Office Imaging Solutions (Doha) W.L.L.
During 2014, the Group entered into a "Shareholders Agreement" with Cannon Middle East FZ-LLC (a company incorporated in United Arab Emirates) to establish a new limited liability company named Canon Office Imaging Solutions L.L.C. with a total capital of QR. 36,400,000. The Group's share in the capital is 51%, however the profit distributed will be 40% to the Group and 60% to Canon Middle East FZ-LLC.

ii. Share of result from associates during the year:

In case where the share of losses from the result of operations of associates exceed the investments, IFRS do not allow the recognition of future losses except when the Group has legal or constructive obligations from investments or has made payments on behalf of investees.

The following table shows the movement on cumulative share of loss from associates exceeding its investment amounts which were applied to amounts due from related parties:

	Share of losses applied to due from related parties - 2015			
Associate	**1 January 2015**	**(gain)/loss during the year (a)**	**Absorption of losses (b)**	**31 December 2015**
Salam Media Cast LLC (UAE)	1,157,340	(77,031)	-	1,080,309
Salam Sice Tech Solutions	740,684	(686,710)	-	53,794
	1,898,024	**(763,741)**	**-**	**1,134,103**

	Share of losses applied to due from related parties - 2014			
Associate	1 January 2014	(gain)/loss during the year (a)	Absorption of losses (b)	31 December 2014
Salam Media Cast LLC (UAE)	750,317	407,023	-	1,157,340
Salam Sice Tech Solutions	1,326,426	(585,743)	-	740,684
OFFITECO	565,391	-	(565,391)	-
	2,642,134	(178,720)	(565,391)	1,898,024

(a) The share of loss from associates' operations is reported in the consolidated financial statements as follows:

	2015	2014
Total share of (gain)/loss applied to investment in associates	(1,329,556)	1,124,051
Total share of (gain) applied to amount due from related parties	(763,741)	(178,720)
Total (reported in the consolidated statement of profit or loss)	**(2,093,297)**	945,331

(b) In 2014, the Company absorbed the losses in its investment in Technical Office for Studies and Monitoring Works W.L.L. (OFFITECO) for an amount of QR 667,391. Out of this an amount QR 565,391 was accounted for as loss applied to balance with a related party during the years ended 31 December 2012 and 2013, after the reduction of the investment account to zero. After this absorption, the investment in this entity is back to its original value of QR 102,000.

12. INVESTMENT IN JOINT VENTURES

(a) The outstanding balance of the investment in joint ventures is represented as follows:

	Ownership		2015	2014
	2015	2014		
4 Homes FZCO L.L.C. (UAE)	70%	70%	53,913,620	36,349,327
Shift Point L.L.C. (Qatar)	51%	51%	37,522	1,109,091
			53,951,142	37,458,418

The carrying values of the investment in joint ventures have been adjusted for the results of joint ventures for the year ended 31 December 2015, which are based on the audited / management financial statements.

(b) The movement in investment in joint ventures during the year is presented as follows:

	2015	2014
Balance at 1 January	37,458,418	40,680,586
Additions during the year	10,930,693	-
Share of results from joint venture during the year, net	5,562,031	7,708,525
Dividends received during the year	-	(10,930,693)
Balance at 31 December	**53,951,142**	37,458,418

(c) The above joint ventures are accounted for using the equity method in these consolidated financial statements. Summarised financial information in respect of the Company’s joint ventures are set out below:

	2015	2014
Total assets	81,238,114	72,757,525
Total liabilities	(17,411,912)	(16,290,710)
Net assets	**63,826,202**	56,466,815

	2015	2014
Total revenue	126,796,103	108,612,670
Total net profit for the year	7,359,386	10,795,059
Proportion of Company’s interest in joint venture’s profit	**5,562,031**	7,708,525

13. AVAILABLE-FOR-SALE INVESTMENTS

	2015	2014
Quoted equity instruments (i)		
i. Equity Securities - Qatar	20,302,614	22,822,989
ii. Equity Securities – UAE	555,869	555,681
iii. Equity Securities – Jordan	31,997,519	36,535,003
iv. Equity Securities – Bahrain	1,324,278	2,365,907
v. Equity Securities – Cayman Islands	34,402,753	20,880,265
	88,583,033	83,159,845
Unquoted equity instruments (ii)	81,352,389	81,406,839
	169,935,422	164,566,684

i. Quoted equity instruments have been valued using Level 1 measurement techniques as per IFRS 7. Level 1 refers to valuation of investments based on quoted (unadjusted) prices in active markets for identical assets.

ii. The unquoted investments equity are stated at cost less impairment loss, if any as the fair value of these investments could not be reliably measured. Information for such investments is usually restricted to periodic investment performance reports from the investment managers. Management has performed a review on the financial position and performance of its unquoted investments and assessed that no additional impairment loss is required as of 31 December 2015. Management believes that the fair value is not materially different from the carrying value.

(a) Available-for-sale investments are denominated in the following currencies:

Currencies	2015	2014
i. Qatari Riyals.	20,302,614	22,822,990
ii. US Dollars	99,755,479	87,329,068
iii. Jordanian Dinars	32,653,235	37,190,720
iv. Emirati Dirham	555,869	555,681
v. Saudi Riyals	16,668,225	16,668,225
	169,935,422	164,566,684

(b) The movement in available-for-sale investments during the year is presented as follows;

	2015	2014
Balance at 1 January	164,566,684	148,895,972
Additions during the year	14,638,122	11,525,575
Disposals during the year	(1,068,851)	(783,076)
Movement in fair value during the year	(8,200,533)	4,928,213
Balance at 31 December	**169,935,422**	164,566,684

(c) The movement in available-for-sale investments fair value reserve during the year is as follows;

	2015	2014
Balance at 1 January	5,207,526	279,313
Effect of change in fair value during the year	(8,200,533)	5,132,887
Realised in profit or loss during the year	-	(204,674)
Balance at 31 December	**(2,993,007)**	5,207,526

14. RETENTIONS

(a) Retention receivables

Retention receivable represents amounts withheld from the Group's issued invoices as maintenance guarantees by the clients. A portion of the retention is released at the completion date of the contract and the remaining portion is released 365 to 490 days afterwards unless otherwise stated in the respective contracts. The amounts withheld are usually 5 to 10% of each invoice.

	2015	2014
Current	72,298,380	64,558,101
Non-current	89,934,832	63,840,107
	162,233,212	128,398,208

(b) Retention payables

Retention payable represents amounts withheld from subcontractors' invoices as maintenance guarantees. A portion of the retention is paid at the completion date of the contract and the remaining portion is paid after 365 to 490 days unless otherwise stated in the respective contracts. The amounts withheld are usually 5 to 10% of each invoice.

	2015	2014
Current	19,657,028	19,688,096
Non-current	13,603,158	15,636,101
	33,260,186	35,324,197

15. OTHER ASSETS

	Current		**Non-current**	
	2015	2014	**2015**	2014
Prepayments	25,315,374	24,801,978	-	-
Advance payments	51,415,339	32,751,563	-	-
Accrued income	12,804,860	6,984,607	-	-
Others	40,059,123	63,794,369	11,948,638	7,200,342
	129,594,696	128,332,517	**11,948,638**	7,200,342

16. INVENTORIES

	2015	2014
Finished goods and goods for resale	612,777,175	523,273,194
Goods in transit	22,495,484	7,601,128
	635,272,659	530,874,322
Less: provision for slow moving inventories	(54,127,433)	(58,337,559)
	581,145,226	472,536,763

Provision for slow moving inventories are determined based on the age, saleability and management's historical experience with respect to various items of inventories.

Movement of provision for slow moving inventories :

	2015	2014
Balance at 1 January	58,337,559	58,219,923
Provisions during the year	2,922,073	7,120,083
Write-offs/reversals during the year	(7,132,199)	(7,002,447)
Balance at 31 December	**54,127,433**	58,337,559

17. RELATED PARTIES

Transactions with related parties

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard No. 24, Related Party Disclosures. Related parties comprise companies under common ownership and/or common management and control, key management personnel, entities in which the shareholders have controlling interest, affiliates, and other related parties.

During the year, the Group entered into the following trading transactions with related parties:

	2015	2014
Revenue	**23,563,798**	30,152,709
Cost of sales	**13,047,546**	772,035
Rent income from investment properties	**2,140,880**	629,230
Other income	**757,634**	478,080
Other expenses	**1,749,165**	620,131
Financing advance to a related party	**5,474,638**	43,937,035
Gain on sale of part of business in a subsidiary	**-**	14,268,800

(a) Due from related parties

	2015	2014
Serene Real Estate S.A.L.	142,582,083	124,617,772
Bassam Abu Issa	234,397	80,583
Salam Holdings W.L.L.	1,666,918	202,865
Salam Interconsult W.L.L.	130,284	130,284
Burhan ITC joint venture	23,986,409	4,433,080
PC Dealnet Qatar W.L.L.	666,532	1,057,508
Holmesglen Australia	30,999,530	30,985,265
Al Hussam Holding Company	7,603,270	4,215,728
Salam Sice Tec Solutions W.L.L.	5,692,587	1,115,501
John Steven Ezzo	338,682	101,390
Meta Coat	5,407,216	2,165,361
Real Jubail Investment W.L.L.	479,341	179,242
Graeme Sherrif	--	591,690
Technical Field Services	6,077,924	7,935,955
Mr. Joseph Makdessi	196,204	198,997
Mideco Trading & Contracting W.L.L.	459,652	-
Soula Systems	1,000,050	-
Salam Media Cast – Dubai	6,793	-
Salam Media Cast - Doha	24,413	-
Shift Point L.L.C.	406,552	-
	227,958,837	178,011,221

(b) Due to related parties

	2015	2014
Omnix International	94,166	140,736
Shift Point L.L.C.	-	26,296
Al Nooh Wood Industries	330,908	202,361
Luay Mahmoud Darwish	415,028	543,232
Riyadh George Maqiss	287,667	422,191
Salam Media Cast - Doha	-	95,586
Salam Media Cast - Dubai	-	821
Offiteco W.L.L.	53,086	58,745
New Image USA	33,570	-
Canon office Imaging	1,821,764	-
	3,036,189	1,489,968

(c) **Compensation of key management personnel**

Short-term and long term benefits	2015	2014
Executive managers' bonus	7,610,386	4,227,763
Proposed Directors' remuneration	2,200,000	1,100,000
Salaries and other short-term benefits	39,148,858	34,975,127
Long-term benefits	1,710,500	1,376,030
	50,669,744	41,678,920

18. INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

	2015	2014
Listed securities		
Equity securities – Qatar	**1,897,980**	2,621,020

19. TRADE AND OTHER RECEIVABLES

	2015	2014
Trade receivables	540,535,135	467,149,816
Provision for doubtful trade receivables	(49,073,879)	(45,393,611)
	491,461,256	421,756,205
Notes receivables	5,388,672	19,321,205
	496,849,928	441,077,410

Ageing of trade receivables

	2015	2014
Trade receivables not past due (0 to 60 days)	338,608,380	274,428,084
Trade receivables past due and not impaired		
61 to 90 days	36,583,225	25,718,421
91 to 120 days	18,462,933	39,146,728
121 to 365 days	36,154,180	48,136,487
Beyond 1 year	61,652,538	34,326,485
	491,461,256	421,756,205
Trade receivables past due and impaired		
Beyond 121 days	49,073,879	45,393,611
	540,535,135	467,149,816

Movement of provision for doubtful trade receivables

	2015	2014
Balance at 1 January	45,393,611	50,941,614
Provisions during the year	6,415,671	1,975,719
Write-offs/reversal during the year	(2,735,403)	(7,523,722)
Balance at 31 December	**49,073,879**	45,393,611

The average credit period for sale of goods and rendering of services is 60 days for private sectors and 90 days for governmental sectors. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

20. CASH AND BANK BALANCES

For the purpose of the consolidated cash flow statement, cash and cash equivalents include cash and bank balances, net of bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	2015	2014
Cash balances	2,640,020	2,641,129
Bank balances	349,111,542	376,330,263
Cash and bank balances	351,746,562	378,971,392
Less: bank overdraft (i)	(79,411,457)	(63,352,687)
Cash and cash equivalents	**272,335,105**	315,618,705

(i) Bank overdrafts carried an average interest rates ranging from 3.25% to 5.50% (2014: 3.75% to 4.25% p.a.)

21. SHARE CAPITAL

	2015	2014
Authorised, issued and fully paid up capital @ QR 10 each		
114,314,587 shares @ QR 10 each	**1,143,145,870**	1,143,145,870

22. LEGAL RESERVE

In accordance with Qatar Commercial Companies Law No.11 of 2015 and the Company's Articles of Association, 10% of the net profit for each year and premium on share issuance by the Company is to be transferred to legal reserve until the reserve equals 50% of the paid up share capital and is not available for distribution except in circumstances specified in the above Law.

23. NON-CONTROLLING INTERESTS

	2015	2014
Balance at 1 January	179,055,269	184,559,327
Sold during the year to the owners of the Company	(24,189,115)	(10,002,023)
Share of profit for the year	10,684,091	8,528,005
Net movement in non-controlling interests	160,007	(4,030,040)
Balance at 31 December	**165,710,252**	179,055,269

24. BORROWINGS

	Current		Non-current	
	2015	2014	**2015**	2014
Term loan (a)	311,857,691	292,012,817	1,324,255,539	1,313,732,149
Loan against trust receipt (b)	364,525,087	270,319,018	-	355,064
Project finance (c)	93,091,006	62,712,290	-	-
	769,473,784	625,044,125	**1,324,255,539**	1,314,087,213

(a) Term loan represent the following :

	Maturity	2015	2014
Loan -1 (i)	30 June 2024	869,150,593	857,445,090
Loan -2 (ii)	2 December 2018	95,589,375	127,452,500
Loan -3 (iii)	17 July 2017	67,080,263	105,411,842
Loan -4 (iv)	22 September 2019	94,180,799	100,105,606
Loan -5 (v)	31 March 2019	73,967,969	91,037,500
Loan -6 (vi)	20 January 2018	60,691,667	72,830,000
Loan -7 (vii)	30 September 2020	40,000,000	45,000,000
Loan -8	-	-	38,888,889
Loan -9 (viii)	1 October 2018	22,134,553	28,810,540
Loan -10 (ix)	29 June 2019	20,588,235	25,000,000
Loan -11	-	-	22,759,375
Loan -12 (x)	22 March 2016	3,779,103	18,065,689
Loan -13	-	-	14,566,000
Loan -14 (xi)	27 January 2018	24,803,333	14,000,000
Loan -15 (xii)	1 January 2019	10,203,720	13,059,888
Loan -16 (xiii)	31 March 2018	7,390,401	10,492,380
Loan -17	-	-	6,375,000
Loan -18 (xiv)	1 August 2019	5,549,638	6,129,892
Loan -19 (xv)	31 May 2017	3,258,533	5,395,240
Loan -20	-	-	2,800,479
Loan -21 (xxi)	30 September 2019	276,834	119,056
Loan -22 (xvi)	14 December 2018	54,622,500	-
Loan -23 (xvii)	14 March 2016	18,207,500	-
Loan -24 (xviii)	12 January 2019	47,339,500	-
Loan -25 (xix)	14 June 2016	9,467,900	-
Loan -26 (xx)	1 April 2021	100,000,000	-
Loan -27 (xxi)	31 December 2017	2,830,814	-
Loan -28 (xxi)	9 November 2016	5,000,000	-
		1,636,113,230	1,605,744,966

(i) A Term Loan of QR 869,150,593 was availed as part of the Groups debt management. The loan is re-payable in quarterly instalments of QR 32,500,000 each plus interest with a bullet payment of the residual value due in June 2024.

(ii) A Term Loan of USD 35 Million (Equivalent QR 127,452,500) was availed to finance capital expenditure of various new businesses. The loan principal has a grace period of one year. The loan principal is re-payable in 16 equal quarterly instalments of USD 2,187,500 each plus interest with a final installment due in December 2018.

(iii) A Term Loan of USD 50 Million (Equivalent QR 182,075,000) was given to finance the re-payment of some existing loans. The loan principal is re-payable in 19 quarterly installments of USD 2,631,579 each plus interest with a final instalment due in July 2017.

(iv) A Murabaha of QR 100 Million was availed for General Corporate Purposes. The Murabaha has a grace period of one year during which profit accrued is being capitalized over the principal and is re-payable in 16 Quarterly Installments of QR 6,250,000 each plus profit with a final installment due in September 2019.

(v) A Term Loan of USD 25 Million (Equivalent QR 91,037,500) was availed for Long Term Working Capital requirements. The loan principal is re-payable in 16 quarterly instalments of USD 1,562,500 each plus interest with a final instalment due in March 2019

(vi) A Term Loan of USD 20 Million (Equivalent QR 72,830,000) was availed for General Corporate Purposes. The loan principal is re-payable in 6 semi-annual instalments of USD 3,333,333 plus profit with a final installment due in January 2018

(vii) A Term Loan of QR 45 Million was availed for General Business Operations. The loan has a grace period of one year and is repayable in 20 quarterly installments of QAR 2,000,000 each plus interest with a final installment due in September 2020.

(viii) A term Loan of QR 35 Million was given for the expansion of business of one of SIILs subsidiaries. The loan is repayable in 18 quarterly installments of QR 1,954,749 each plus interest with a final installment due in October 2018

(ix) A term loan of QR 25 Million was availed to finance one of the subsidiaries of SIIL. The loan is repayable in 17 quarterly installments of QAR 1,470,588 plus interest with a final installment in June 2019

(x) A Term Loan of QR 50 Million was given to finance working capital requirements. The loan is repayable in 45 monthly installments of QR 1,243,487 inclusive of interest with a final installment due in March 2016

(xi) A financing facility of QR 35 Million was given to one of SIILs subsidiaries for acquisition of new business and general corporate purposes. The loan is repayable in six semi - annual installments of QR 5,427,333 each plus profit with final installment due in January 2018

(xii) A Murabaha Facility of QR 15 Million was given to support acquisition of new business. The loan is repayable in 20 quarterly installments of QR 837,680 each inclusive of profit with final installment due in January 2019

(xiii) A Term Loan of QR 14.20 Million was availed to finance fit-out & mechanical, electrical and procurement works at The Gate Towers & Mall. The loan principal is re-payable in 18 quarterly installments of QR 870,000 each inclusive of interest with a final installment due in March 2018

(xiv) A financing facility of QR 12 Million was sanctioned to finance acquisition of assets by one of our subsidiaries. The loan is repayable in 48 monthly installments of QAR 138,000 each plus interest with a final installment in August 2019

(xv) A Term Loan of QR 9.20 Million was given to finance the expansion of infrastructure and purchase of machinery, equipment and furniture for new offices. The loan is repayable in 60 monthly installments of QR 196,000 each inclusive of interest with a final installment due in May 2017

(xvi) A Term Loan of USD 15 Million (Equivalent QR 54,622,500) was given to finance capital expenditure of the group. The loan principal is re-payable in 12 quarterly installments of USD 1,250,000/- each plus interest with a final installment due in December 2018.

(xvii) A Term Loan of USD 5 Million (Equivalent QR 18,207,500) was given to finance working capital requirements of the group. The loan principal along with interest is re-payable in single installment due in March 2016.

(xviii) A Term Loan of USD 15 Million (Equivalent QR 54,622,500) was availed to support acquisition of new business. The loan is repayable in 15 quarterly installments of USD 1,000,000 each plus interest with a final installment due in January 2019

(xix) A Term Loan of USD 2.60 Million (Equivalent QR 9,467,900) was availed to meet short term working capital requirement. The loan principal along with interest is repayable in June 2016

(xx) A Term Loan of QR 100 Million was availed to refurbish and modernize boutiques and outlets of SIIL subsidiaries. The loan is repayable in 19 quarterly installments of QAR 5,400,000 each plus interest with a final installment in April 2021

(xxi) These loans were given to the Group for different operational purposes with various maturity dates as listed in the above table.

The above term loans are secured by the following:

Cross corporate guarantees of the Group for the following amounts:
- USD 170 million; and
- QR. 1.6 billion.

First rank mortgage over the following properties (Note 8&9):
- Land and building of Salam Tower;
- Land and building of Salam Plaza; and
- Land and building of The Gate Towers and Mall.

Assignment of rental proceeds from the following properties:
- Salam Tower; and
- The Gate Towers and Mall.

Joint and several guarantees of Mr. Riad Makdissi, Mr. Louai Darwish and Salam Group O.P.C. for a value of QR. 9.2 million.

The above term loans carry interest rate ranging from 2.75% to 5.22% per annum (2014: 2.99% to 5.50% per annum).

(b) Loans against trust receipts

These represent import credit facilities obtained from local and foreign banks, secured by full corporate guarantee of the Company and carry interest rates ranging from 2.65% to 3.50% per annum (2014: 2.65% to 4.25% per annum). Those facilities are short term in nature and, mostly, are repayable within one fiscal year from the date of the facility.

(c) Project finances

These represent facilities obtained from local and foreign banks and secured by full corporate guarantee of the Company These facilities carry interest rates ranging from 3.25% to 4.50% per annum (2014: 3.75% to 4.25% per annum), and obtained to finance construction projects and operations of subsidiaries under the contracting, energy and power sectors. Those facilities are short term in nature with original repayment schedule of less than one year.

25. EMPLOYEES' END OF SERVICE BENEFITS

This represents provision for end of service benefits for the employees of the Group. Movement in the provision is as follows:

	2015	2014
Balance at 1 January	64,008,874	56,135,259
Provision during the year	15,525,021	14,691,366
Payments during the year	(11,143,607)	(6,817,751)
Balance at 31 December	**68,390,288**	64,008,874

26. OTHER LIABILITIES-CURRENT

	2015	2014
Provision for supplier dues	47,764,178	60,982,011
Provision for completed jobs	14,739,809	20,045,647
Provision for social contribution	2,829,980	1,957,085
Dividend payable	9,489,103	13,793,396
Accrued expenses	42,685,248	33,559,459
Staff dues and incentives	51,912,486	47,954,727
Other payables	45,436,200	33,362,751
	214,857,004	211,655,076

27. SUBSIDIARIES

(a) Details of the Group's subsidiaries at 31 December 2015 are as follows:

Name of subsidiary	Principal activities	Ownership interest (%)	
		2015	2014
Salam Technology W.L.L.	Office equipment trading and information technology	100	100
Stream Industrial and Engineering Company W.L.L.	Mechanical services	100	100
Qatar German Switchgear Company O.P.C. *	Switchgear manufacturing	100	100
Salam Petroleum Services O.P.C. *	Trading in chemical materials and maintenance of oil equipment	100	100
Gulf steel and Engineering W.L.L.	Steel works	100	100
International Trading and Contracting Company W.L.L. (v)	Civil contracting	100	100
Salam Enterprises Company O.P.C. *	Furniture trading	100	100
Salam Industries W.L.L.	Civil contracting	100	100
Alu Nasa Company W.L.L.	Aluminium works	100	100
Gulf Industries for Refrigeration and Catering Company O.P.C. *	Trading and maintenance of refrigerators, water coolers and air conditioners	100	100
Holmsglen Qatar W.L.L.	Consulting and managerial studies	98	98
Qatar Transformers Company W.L.L.	Manufacture of transformers	100	100
Salam Hospitality O.P.C. *	Restaurants and bakeries management	100	100
Salam Bounian Development Company P.S.C.	Real estate	69.63	64.70
Gulf Facility Management S.P.C.	Facility management	69.63	64.70
Salam Enterprises L.L.C. (i)	Trading in water equipment	100	100
Atelier 21 L.L.C. (i)	Interior design	100	100
Modern Decoration Company L.L.C.(i)	Furniture and interiors manufacturing	100	100
Alu Nasa Aluminium Industry L.L.C. (i)	Aluminium works	100	100
Salam Group O.P.C. *	General contracting and trading - intermediary holding company	100	100
Salam Studio & Stores O.P.C. – Doha *	Retail and wholesale of luxury consumer products	100	100
Salam Studio & Stores L.L.C. – Dubai (i)	Retail and wholesale of luxury consumer products	100	100
Salam Studio & Stores W.L.L. – Muscat (iii)	Retail of luxury consumer products	100	100
Salam Arabia Trading Establishment – Kuwait (ii)	General trading	100	100
Future Qatar for Business Development W.L.L.	Computer programming and software and database development	60	60

Name of subsidiary	Principal activities	Ownership interest (%)	
Salam Trading Enterprises – Jordan (iv)	Office equipment trading	100	100
Salam Enterprise Company – Bahrain	Furniture trading	80	80
Salam Amwal Holding S.A.L.	Investments	100	100
Salam Capital Holding S.A.L.	Investments	100	100
Salam Globex O.P.C. *	Marketing and offices facilities	100	100
Prevent and Protect W.L.L. – Qatar	Oil and gas services	90	90
Prevent and Protect S.P.C. –Bahrain	Oil and gas services	90	90
Prevent and Protect L.L.C. – Oman	Oil and gas services	90	90
Prevent and Protect L.L.C. – UAE	Oil and gas services	90	-
New Image Building Services Gulf States L.L.C.	Building and facilities management	52	33
Blink Company W.L.L.	Photography trading and related services	60	60
Qatar Garden – Branch of International Trading and Contracting Company W.L.L.	Construction of soft and hard landscaping and supply of related materials	100	100

* In line with Qatar Commercial Companies law No. 11 of 2015, the management of the Company is in the process of changing the legal status of the Company to a limit liability company

(i) 99 % of the share capital of these companies are commercially registered under the name of the Company and 1% is registered in the name of Salam Group O.P.C., a subsidiary of the Company.

(ii) The operations and activities of Salam Arabia Trading Establishment Kuwait are currently on hold.

(iii) 30% of the share capital of Salam Studio & Stores W.L.L. – Muscat was commercially registered under the name of an Omani national. The ownership structure of this entity changed during the year to become 99% owned by the Company and 1% owned by Salam Studio and Stores W.L.L., a subsidiary wholly owned by the Company.

(iv) 50% of the share capital of Salam Trading Enterprises Jordan was commercially registered in the name of a Jordanian national. The ownership structure of this entity changed during the year 2014 to become 50% owned by Salam Group W.L.L. and Salam Studio and Stores W.L.L. – Jordan, both subsidiaries wholly owned by the Company. The operations and activities of Salam Trading Enterprises recommenced during 2013.

(v) This company (subsidiary) has a 30% interest in a joint operation. Since no financial statements were prepared for this Joint Operation for the years ended 31 December 2014 and 31 December 2015, the subsidiary did not recognise its share of the joint operation’s assets, liabilities, revenues and expenses for these years respectively.

(b) Details of changes in Group's subsidiaries during the year are as follows:

New Image Building Services Gulf States L.L.C.

During the year the Group purchased additional 19.22% shares of New Image Building Services Gulf States L.L.C. to become the 52.22% owner of New Image Building Services Gulf States L.L.C. The effective date of the acquisition was 1 April 2015. The details of the additional purchase is as follows:

	2015
Carrying value of additional shares purchased	64,992
Fair value of the consideration paid	(64,992)
Gain or loss	-

Salam Bounian Development Company P.S.C.

During the year, SIIL purchased additional 2,713,366 shares in Salam Bounian Development Company P.S.C. to become the owner of 38,297,355 shares representing 69.63% of Salam Bounian's capital. The details of the additional purchase with respective gain from purchase recognised in equity are as follows:

	2015
Carrying value of additional shares purchased	24,124,123
Fair value of the consideration paid	(24,818,500)
Loss from additional purchase	**(694,377)**

28. OPERATING INCOME

	2015	2014
Contract revenue	1,226,718,702	1,159,749,670
Revenue from sale of goods	1,160,504,299	1,148,670,762
Service and other revenue	79,206,018	64,712,696
	2,466,429,019	2,373,133,128

29. OPERATING COST

	2015	2014
Contract costs	1,067,599,544	984,587,963
Cost of goods sold	762,339,704	743,671,656
Cost of service and other revenue	49,697,369	32,542,741
Depreciation charges (Note 8(iii))	11,487,219	12,885,846
	1,891,123,836	1,773,688,206

30. INVESTMENT INCOME

	2015	2014
Gain on sale of investment in an associate (Note 11)	62,079,993	-
Gain on sale of investment property (Note 9 (vi))	-	4,635,060
Rental income from investment properties (Note 9)	125,208,477	109,681,719
Profit on sale of available for sale investments	564,702	265,060
Unrealised gain on investments at fair value through profit or loss	(723,040)	994,180
Interest income	12,567,398	14,559,730
Dividend income	1,630,748	3,171,611
Gain on disposal of business in a subsidiary (i)	-	14,268,800
Gain on sale of a subsidiary (ii) (Note 9(v))	-	1,338,990
	201,328,278	148,915,150

(i) In 2014 one of SIIL's subsidiaries sold one of its businesses to Canon Office Imaging Solutions L.L.C., an associate company to the Group. This transaction resulted in gain of QR. 14,268,800 representing SIIL's share in the subsidiary after eliminating the intercompany profit.

(ii) This amount represents the gain on sale of Jumana Real Estate Development Company which occurred in the year 2014.

Investment income earned on financial assets and non financial assets, analyzed by category of asset, is as follows:

	2015	2014
Available for sale financial assets	2,195,450	3,436,671
Investments at fair value through profit and loss	(723,040)	994,180
Loans and receivables (including cash and bank balances)	12,567,398	14,559,730
Investment income earned on financial assets	14,039,808	18,990,581
Investment Income earned on non financial assets	187,288,470	129,924,569
	201,328,278	148,915,150

31. OTHER INCOME

	2015	2014
Gain on sale of property, plant and equipment	231,023	959,654
Gain on foreign currency exchange rate fluctuation	1,990,390	2,262,436
Rent income from sub-lease arrangements	6,097,369	2,473,367
Others	19,440,160	23,014,571
	27,758,942	28,710,028

32. GENERAL AND ADMINISTRATIVE EXPENSES

	2015	2014
Office, showroom and warehouse rent	81,544,815	77,018,620
Advertising	6,035,157	12,313,013
Marketing*	23,341,942	23,400,338
Repairs and maintenance	20,401,595	21,555,807
Travel	5,597,524	5,443,368
Communication	6,137,944	6,248,964
Electricity and water	12,105,306	12,181,212
Business development	1,648,251	2,119,788
Entertainment	2,366,049	2,287,870
Tender fees	1,911,057	1,762,366
Insurance	3,807,925	3,728,090
Legal and registration charges	6,230,267	7,171,139
Printing and stationery	4,618,339	3,657,565
Professional fees	2,100,322	3,788,365
Meeting and conference	500,165	835,480
Fuel	3,142,547	3,266,382
Subscription and catalogues	1,001,437	924,252
Transportation	1,245,201	1,341,561
Donations	1,210,226	2,028,218
Provision for doubtful receivables	6,415,671	1,975,719
Provision for slow moving inventories	2,922,073	7,120,083
Write-off of property, plant and equipment	1,876,487	9,614,563
Others	3,801,613	6,322,579
	199,961,913	216,105,342

* The details of net marketing expenses are as follows:

	2015	2014
Marketing expenses incurred during the year	50,584,151	43,772,142
Contribution granted from suppliers	(27,242,209)	(20,371,804)
	23,341,942	23,400,338

33. PROVISION FOR SOCIAL CONTRIBUTION

Pursuant to the Qatar Law No. 13 of 2008 and the related clarifications issued in 2010, which is applicable to all Qatari listed shareholding companies with publicly traded equity, the Group has made an appropriation of 2.5% of its net profit attributable to the owners of the Company for social contribution.

34. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding at the statement of financial position date.

The basic and diluted earnings per share are the same as there were no dilutive effects on earnings.

	2015	2014
Profit for the year attributable to Owners of the Company	113,199,212	78,283,384
Adjusted weighted average number of outstanding shares	114,314,587	114,314,587
Basic and diluted earnings per share	**0.99**	0.68

35. PROPOSED DIVIDEND

In their meeting held on 14 February 2016, the Board of Directors proposed a cash dividend of 10% amounting to QR 114,314,587 (2014: QR 68,588,752) as the dividend distribution for the current financial year which are subject to the approval of the shareholders at the General Assembly. The cash dividend for 2014 were approved by the shareholders at the General Assembly held on 25 February 2015.

36. CONTINGENT LIABILITIES AND COMMITMENTS

	2015	2014
Letters of credit	**213,929,744**	185,841,314
Letters of guarantee	**640,167,218**	601,617,512

Operating leases commitments
Future minimum lease rentals payable under non-cancellable operating leases as at the year-end are as follows:

	2015	2014
Within one year	91,372,509	77,649,872
After one year but not more than five years	163,565,082	217,932,027
More than 5 years	9,364,226	45,422,199
	264,301,817	341,004,098

37. OPERATING SEGMENTS

The Group operates in the areas of contracting, energy and power, consumer and luxury products, technology and communication and real estate and investments.

Transactions between segments are conducted at estimated market rates, as approved by management, and are eliminated on consolidation. The following table shows the distribution of the Group’s revenue, expenditure and summary of assets and liabilities

37. OPERATING SEGMENT (CONTINUED)

In Qatari Riyals

(a) In terms of operating sectors :

31 December 2015	Contracting	Energy and Power	Consumer and luxury products	Technology and telecommunication	Real estate and investments	Total
Operating income						
From external customers	694,474,981	292,749,819	1,128,466,623	306,137,833	44,599,763	2,466,429,019
Inter-segment	16,588,506	4,897,319	6,508,296	1,550,263	602,269	30,146,653
Total operating income	711,063,487	297,647,138	1,134,974,919	307,688,096	45,202,032	2,496,575,672
Segment results	(46,412,047)	5,044,975	60,755,558	24,317,798	80,177,019	123,883,303
Assets and liabilities						
Segment assets	828,025,979	289,283,597	989,270,718	205,867,159	2,552,443,850	4,864,891,303
Segment liabilities	507,633,362	197,128,384	530,555,691	143,553,552	1,636,457,669	3,015,328,658
Other segment information						
Capital expenditures:						
Tangible assets	15,573,470	9,801,549	27,181,248	2,309,148	90,679,280	145,544,695
Intangible assets	119,364	-	8,958,363	-	3,161,715	12,239,442
	15,692,834	9,801,549	36,139,611	2,309,148	93,840,995	157,784,137
Depreciation charge	11,477,401	8,645,873	51,096,382	1,582,332	42,101,481	114,903,469
Amortisation	485,308	968,786	2,288,874	252,058	890,125	4,885,151

37. OPERATING SEGMENT (CONTINUED)

In Qatari Riyals

(a) In terms of operating sectors (Continued) :

31 December 2014	Contracting	Energy and Power	Consumer and luxury products	Technology and telecommunication	Real estate and investments	Total
Operating income						
From external customers	728,758,775	259,385,539	1,089,829,973	263,296,190	31,862,651	2,373,133,128
Inter-segment	60,871,817	8,492,257	4,260,587	7,208,185	4,613,534	85,446,380
Total operating income	789,630,592	267,877,796	1,094,090,560	270,504,375	36,476,185	2,458,579,508
Segment results	(48,431,740)	1,642,446	43,170,388	42,957,720	47,472,575	86,811,389
Assets and liabilities						
Segment assets	785,585,378	247,145,870	928,441,173	210,588,861	2,466,133,903	4,637,895,185
Segment liabilities	529,271,119	142,254,922	478,077,211	128,239,362	1,530,030,479	2,807,873,093
Other segment information						
Capital expenditures:						
Tangible assets	9,719,870	8,046,110	58,011,734	5,268,654	9,010,574	90,056,942
Intangible assets	-	1,390,072	7,821,127	-	3,285,382	12,496,581
	9,719,870	9,436,182	65,832,861	5,268,654	12,295,956	102,553,523
Depreciation	14,402,192	9,465,181	46,002,212	2,760,043	37,729,840	110,359,468
Amortisation	1,122,572	1,193,202	1,915,820	39,386	760,618	5,031,598

37. OPERATING SEGMENT (CONTINUED)

(b) In terms of geographic locations :

	2015				2014			
	Qatar	**United Arab Emirates**	**Others**	**Total**	Qatar	United Arab Emirates	Others	Total
Operating income								
From external customers	1,875,912,922	455,925,015	134,591,082	2,466,429,019	1,858,476,319	376,053,994	138,602,815	2,373,133,128
Inter-segment	21,048,999	9,097,654	-	30,146,653	44,105,020	41,341,360	-	85,446,380
Total operating income	1,896,961,921	465,022,669	134,591,082	2,496,575,672	1,902,581,339	417,395,354	138,602,815	2,458,579,508
Segment results	68,021,616	56,156,037	(294,350)	123,883,303	93,743,057	(8,293,021)	1,361,353	86,811,389
Assets and liabilities								
Segment assets	4,244,033,777	468,541,754	152,315,772	4,864,891,303	4,085,315,528	400,870,377	151,709,280	4,637,895,185
Segment liabilities	2,789,647,878	202,992,847	22,687,933	3,015,328,658	2,610,816,093	157,467,990	39,589,010	2,807,873,093
Other segment information								
Capital expenditures:								
Tangible assets	134,389,630	5,581,030	5,574,035	145,544,695	80,434,403	6,972,149	2,650,390	90,056,942
Intangible assets	12,021,207	218,235	--	12,239,442	12,490,330	6,251	-	12,496,581
	146,410,837	5,799,265	5,574,305	157,784,137	92,924,733	6,978,400	2,650,390	102,553,523
Depreciation	96,593,133	14,420,971	3,889,365	114,903,469	91,894,083	14,240,978	4,224,407	110,359,468
Amortisation	4,594,429	137,968	152,754	4,885,151	4,801,429	221,705	8,464	5,031,598

38. FINANCIAL RISK MANAGEMENT

(i) Credit risk

The Group's credit risk is primarily attributable to its loans to associate companies, other assets, due from related parties, retention receivables, trade and other receivables, and bank balances. The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. Credit evaluations are performed on all customers requiring credit and are approved by the Group's management.

The credit risk on bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. Bank balances are held with reputed banks in and outside Qatar. Given these reputation management do not expect these banks to fail on their obligations.

The Group maintains a provision for doubtful accounts receivable; the estimation of such provision is reviewed periodically and established on a case by case basis.

The following is the ageing analysis of the above mentioned instruments:

31 December 2015	**Less than 90 days**	**90-365 days**	**Over 365 days**	**Total**
Loans to associate companies	-	-	5,753,603	5,753,603
Other assets	12,804,860	-	-	12,804,860
Due from related parties	227,958,837	-	-	227,958,837
Retention receivables	-	72,298,380	89,934,832	162,233,212
Trade and other receivables	375,191,605	54,617,113	61,652,538	491,461,256
Bank balances	349,111,542	-	-	349,111,542
	965,066,844	**126,915,493**	**157,340,973**	**1,249,323,310**

31 December 2014	Less than 90 days	90-365 days	Over 365 days	Total
Loans to associate companies	-	-	19,338,918	19,338,918
Other assets	6,984,607	-	-	6,984,607
Due from related parties	178,011,221	-	-	178,011,221
Retention receivables	-	64,558,101	63,840,107	128,398,208
Trade and other receivables	300,146,505	87,283,215	34,326,485	421,756,205
Bank balances	376,330,263	-	-	376,330,263
	861,472,596	151,841,316	117,505,510	1,130,819,422

(ii) Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The following are the contractual maturities of financial liabilities including finance cost payments and excluding the impact of netting agreements, if any:

31 December 2015	**Carrying amounts**	**Gross un-discounted contractual cash out flows**	**Less than 1 year**	**Above 1 year**
Borrowings	(2,093,729,323)	(2,093,729,323)	(769,473,784)	(1,324,255,539)
Retention payables	(33,260,186)	(33,260,186)	(19,657,028)	(13,603,158)
Other liabilities excluding provisions	(204,053,480)	(204,053,480)	(200,117,195)	(3,936,285)
Due to related parties	(3,036,189)	(3,036,189)	(3,036,189)	-
Bank overdrafts	(79,411,457)	(79,411,457)	(79,411,457)	-
Notes payable	(3,977,758)	(3,977,758)	(3,802,124)	(175,634)
Trade and other payables	(289,995,621)	(289,995,621)	(289,995,621)	-
	(2,707,464,014)	**(2,707,464,014)**	**(1,365,493,398)**	**(1,341,970,616)**
31 December 2014	Carrying amounts	Gross un-discounted contractual cash out flows	Less than 1 year	Above 1 year
Borrowings	(1,939,131,338)	(1,939,131,338)	(625,044,125)	(1,314,087,213)
Retention payables	(35,324,197)	(35,324,197)	(19,688,096)	(15,636,101)
Other liabilities excluding provisions	(195,501,576)	(195,501,576)	(191,609,430)	(3,892,146)
Due to related parties	(1,489,968)	(1,489,968)	(1,489,968)	-
Bank overdrafts	(63,352,687)	(63,352,687)	(63,352,687)	-
Notes payable	(7,850,029)	(7,850,029)	(7,850,029)	-
Trade and other payables	(296,812,089)	(296,812,089)	(296,812,089)	-
	(2,539,461,884)	(2,539,461,884)	(1,205,846,424)	(1,333,615,460)

(iii) Market risk

(a) Equity price risk

The Group is subject to equity price risk in relation to available for sale investments and investment at fair value through profit or loss. The Group evaluates the current market value and other factors including normal volatility in share price for quoted equities and other relevant factors such as investment manager's periodical reports relating to unquoted equities in order to manage its market risk.

A 10% increase in market values of the Group's quoted portfolio of available for sale investment is expected to result in an increase in the asset by QR 8,858,303 (2014: QR 8,315,985) an equal change in the opposite direction would have decreased the equity by QR 8,858,303 (2014: QR 8,315,985).

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A 10% increase in market values of the Group's portfolio of investment at fair value through profit or loss is expected to result in an increase of QR 189,798 (2014: QR 262,102) in the assets and profit of the Group and an equal change in the opposite direction would have decreased the assets and profit by QR 189,798 (2014: QR 262,102)

(b) Interest rate risk

The Group is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates. Management does not hedge its interest rate risk.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying amounts	
	2015	2014
Non-interest bearing instruments		
Bank balances	**81,602,907**	99,213,800
Fixed rate instruments		
Bank balances	240,193,047	247,481,797
Bank loans	(43,535,367)	(98,578,664)
Net financial asset	**196,657,680**	148,903,133
Average interest rate (p.a.)	3.75%-5.22%	3.75% - 5.5%
Variable rate instruments		
Bank balances	29,949,608	32,275,795
Bank loans	(2,050,193,956)	(1,840,552,674)
Bank overdrafts	(79,411,457)	(63,352,687)
Net financial liability	**(2,099,655,805)**	(1,871,629,566)
Average interest rate (p.a.)	2.75% to 4.00%	2.99% to 3.74%

The following table demonstrates the sensitivity of the Group's profit to reasonably possible changes in interest rates, with all other variables held constant. The sensitivity of the profit is the effect of the assumed changes in interest rate on the Group's profit for one year, based on the floating rate financial assets and financial liabilities held at 31 December 2015.

	Profit or (loss)		Profit or (loss)	
	2015		2014	
	50 bps	50 bps	50 bps	50 bps
	Increase	Decrease	Increase	Decrease
Variable rate financial liabilities	**(10,498,279)**	**10,498,279**	**(9,358,147)**	**9,358,147**

(c) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group's functional currency and significant foreign currency transactions are denominated in currencies pegged with United States Dollar ("USD"). Therefore the management is of the opinion that the Group's exposure to currency risk is minimal.

Fair values versus carrying amounts

The fair values of financial instruments, with the exceptions of available-for-sale investments and investments at fair value through profit or loss, carried at cost are not materially different from their carrying values.

Capital risk management

The Group manages its capital to ensure that it will be able to continue on a going concern basis while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged from 2014.

The capital structure of the Group consists of debt, which includes the borrowing disclosed in note 24, net of cash and bank balances and equity, comprising issued share capital, reserves and retained earnings.

Gearing ratio

The Group's management reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

The gearing ratios at the year end are as follows:

	2015	2014
Debt (a)	2,173,140,780	2,002,484,025
Cash and bank balances (Note 20)	(351,746,562)	(378,971,392)
Net debt	1,821,394,218	1,623,512,633
Equity (b)	1,849,562,645	1,830,022,092
Net debt to equity	**98.47%**	88.72%

(a) Debt is defined as long and short term borrowing, as detailed in note 24 and 20.
(b) Equity includes all share capital, reserves and retained earnings of the Group.

39. ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Contracts in progress

In accordance with accounting for contracts, in case the Group expects a loss at the end of the contract, the expected loss should be recorded at the time it becomes known to management. In this respect, management has estimated the cost-to-complete on contracts in progress as of 31 December 2015. Based on the expected cost to complete management is confident that the contracts will result in a profit at completion and accordingly no provision for expected losses is required.

(ii) Impairment of receivables

An estimate of the collectible amount of trade and other receivable and due from related parties is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis.

Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

At the statement of financial position, there was no allowance for impairment of due from related parties or other receivables as the Group does not have collection concern with regards to its receivables from its related parties.

(iii) Provision for slow moving inventories

The Group's management determines the estimated amount of slow moving inventories. This estimate is based on the age of items in inventories. This provision is subject to change as a result of technical innovations and the usage of items.

(iv) Impairment of available-for-sale investments

The Group treats available-for-sale investments as impaired when there has been a significant or prolonged decline in fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires considerable judgment. In addition, the Group evaluates other factors, including normal volatility in share price for quoted equities and the future cash flows and the discount factors for unquoted equities, if any.

(v) Fair value of unquoted equity investments

If the market for a financial asset is not active or not available, the Group establishes fair value by using valuation techniques which include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models refined to reflect the issuer's specific circumstances. This valuation requires the Group to make estimates about expected future cash flows and discount rates that are subject to uncertainty.

(vi) Classification of investment securities

On acquisition of an investment security, the Group decides whether it should be classified as "investments at fair value through profit or loss" or "available-for-sale". The Group follows the guidance of IAS 39 on classifying its investments. The Group classifies investments as "held for trading" if they are acquired primarily for the purpose of short term profit making and cash generation. All other investments are classified as "available-for-sale". The Group accounts for investments in equity securities as investment in associate only when significant influence over the investee's operations can be proved to exercise, else and regardless of the ownership share, the investment is classified as available for sale.

40. LITIGATION

On 4 June 2013, the Court of Cassation overturned the Court of Appeal's verdict issued on 23 January 2013 which invalidated the executive merger procedures involving the Company in 2002 and 2005, without compromising the authenticity and legality of these decisions in terms of subject or form. Furthermore, the Court of Cassation requested the Court of Appeal for a retrial with a new committee of different judges. The new Court of Appeal appointed a committee of experts to study and report about the mergers referred to above. The new committee has set 13 March 2016 as the date for the next session, during which the report is to be presented. Currently, the accompanying consolidated financial statements are prepared on a similar basis, as in prior periods, including its subsidiaries acquired in the mergers referred to above.

41. COMPARATIVE FIGURES

The corresponding figures presented for 2014 have been reclassified where necessary to preserve consistency with the 2015 figures. However, such reclassifications did not have any effect on the consolidated net profit or the total consolidated equity for the comparative year.

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