

# FORWARD TOGETHER

ANNUAL  
REPORT  
2019

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السلام العالمية  
SALAM INTERNATIONAL





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,  
Peace be upon you and Allah's Mercy and Blessings!**

As Chairman of SILL, I address you with a sense of resolute confidence. 2019 brought to a close another ruthless year that lashed out at businesses across the globe including our region. Despite all of the above, my confidence remains unshakable, due to witnessing firsthand, how SILL stood unwaveringly in the face of the challenges, and took the proper remedial action to protect your investments.

SILL Board of Directors, the Executive Management and our staff, guided by their professional and ethical sense of duty, stepped up to the challenges and made every conceivable effort to mitigate the adverse impacts.

Where difficult decisions had to be made, the Management decisively made them. Be it by shutting down retail showrooms or winding up regional business activities, by trimming down staff size or slashing overheads, by scaling down operations or de-scaling risk.

Organizations only fail, when their Management and staff give up. For us at SILL, success means a forward motion, overcome obstacles, in a quest to continuously better ourselves on behalf of our shareholders.

Thank you for your trust in us!

**Issa AbdulSalam Abu Issa  
Chairman**



## **BOARD OF DIRECTOR'S REPORT**

Board of Directors' Report  
to the General Assembly  
Meeting on the Company's  
Performance in 2019  
and its Future Plans

**Dear Esteemed Shareholders,  
Peace be upon you, and Allah's mercy & blessings**

On behalf of myself and the Board of Directors (BoD) of Salam International Investment Limited (SIIL) QPSC, I would like to extend our warm welcome. We also welcome the representatives from Corporate Monitoring Directorate at the Ministry of Commerce & Industry, and Messrs. KPMG, the Company's auditors.

I would like to thank you for participating in this meeting and I am honored to present to you the Company's Annual Report, covering the Company's performance and achievements during the fiscal year 2019, and outlining the Company's future plans.

## FIRST – COMPANY'S ACTIVITIES:

With reference to the BoD's Report submitted to the General Assembly meeting the year before the last year, in which it advised the General Assembly that since early 2017 a new world crisis was raising in the horizon, hitting that time the consumer goods trading. Further economic developments have confirmed that the said crisis has in fact occurred and adversely affected luxurious consumer goods sector. As you would know, this sector is in fact the largest sector within SIIL.

We have witnessed drops in the number of shoppers, and in the average spending per consumer, along with an increase in the number of shopping centers, that are far beyond the total market demand to absorb.

The total effect of these factors has led to a very high drop percentage in the Company's sale of luxurious goods over the past two years, causing unprecedented combined losses of tens of millions of Qatari Riyals.

In addition to the above, the real estate revenues from the Company's properties have also shown a sharp decline due to the excess in the supply of the units in the market, as well as the drop in the rent rates in general. For example but not limited to, the rent rates dropped from QAR 137.5 to QAR 60 per Sqm, that is to say a drop of 129%. Moreover; the Company is still under the impact of the dissolution of the business units that showed poor performance over the past few years.

It is worth to mention that the increase in the interest rate that was applied last year have added additional and new burdens on the Company.

In spite of the efforts, exerted by the executive management, to avoid or mitigate the losses, some of which were successful, the Company, however, has weathered strong economic storms, that caused major losses, within the sector of the durable and luxurious consumer goods and the contracting sector in particular, as has been mentioned earlier.

In order to avoid the recurrence of the losses, and not to let this situation last for several years, and aiming meanwhile at the restructure of the company and its performance, for the purpose of restoring the balance, it was necessary to take drastic measures, to get rid of some of the business activities and companies with poor and negative performance. Therefore; the Executive Management took several steps of which are the following:

1. Close a big number of showrooms, and write off the book value of the interior design assets
2. Stop some business activities, and close several showrooms in UAE and Oman
3. Dissolve some business units under the Contracting Sector, such as international Trading & Contracting Co. (ITC) and Alu Nasa, in addition to writing off the book value of most of their assets

4. The Company faced big problem in dues collection
5. In return, the Company had to decrease the number of its staff along with reducing the management overheads, which were reduced from QAR 221 million in 2018 to QAR 122 million in 2019. Total salaries amount reduced from QAR 270 million in 2018 to QAR 232 million in 2019.

## SECOND- FUTURE PLANS OF THE COMPANY:

Although the Company is continuing its conservative financial policies, and the implementation of its future plans that were previously announced, of which comes the cancelation of the business activities with poor performance, the reduction of the management overheads, and the decrease of the number of staff, the Company is trying to focus on the profitable activities along with keeping a rationale expenditure.

However; the Company will closely monitor the economic developments, and will continue to seek to mitigate the effects of the adverse developments, and capture at the same time the opportunities resulting from these developments.

## THIRD – FINANCIAL RESULTS:

The combined closed final accounts for the fiscal year ending 31/12/2019 have shown a net loss of QAR 129.6 million. After deducting the negative minority rights, the loss amounts to QAR 128.4 million. These are net losses after allocation of all provisions. Hence; the loss per share becomes QAR 0.11.

Based on the above results, and due to the losses incurred in 2019, the Board of Directors regretfully informs the esteemed General Assembly that there will be no dividends for distribution for 2019.

On behalf of all of you, and in the name of the Board of Directors of SIIL, and in my name, I would like to take this opportunity to extend all thanks, gratitude and appreciation to His Highness Sheikh Tamim bin Hamad Al Thani the Amir of Qatar, for his wisdom and true sense of leadership towards the challenges that face the State of Qatar. Similarly to His Excellency Sheikh Abdalla Bin Nasser Bin Khalifa Al Thani the Vice Amir, His Excellency Sheikh Khaled Bin Khalifa Bin Abdul Aziz Al Thani, the Prime Minister and the Minister of Interior for their efforts to promote and protect the local product, and to their continued support towards the building, development and progress of our beloved country Qatar, under the leadership of His Highness the Amir.

We also extend our thanks to His Excellency the Minister of Commerce and Industry and all the staff at the Corporate Monitoring Directorate for their relentless efforts to promote and support the private sector, by growing its entities, and strengthening the economic development.

Finally, we would like to thank the members of the Board of Directors and all the company's staff for their devotion and efforts to support the continuity, progress and prosperity of the Company.

**Issa AbdulSalam Abu Issa  
Chairman**



**CONSOLIDATED  
FINANCIAL  
STATEMENTS**

## INDEPENDENT AUDITOR'S REPORT

To  
**The Shareholders**  
**Salam International Investment Limited Q.P.S.C.**

### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### OPINION

We have audited the accompanying consolidated financial statements of Salam International Investment Limited Q.P.S.C. (the 'Company') and its subsidiaries (together the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2019, 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 significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

#### BASIS FOR OPINION

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

#### KEY AUDIT MATTERS

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

Description of key audit matter	How the matter was addressed in our audit
Adoption of IFRS 16 'Leases' effective from 1 January 2019.	
<p>We focused on this area because:</p> <p>IFRS 16 'Leases' which the Group implemented on 1 January 2019;</p> <ul style="list-style-type: none"> <li>requires complex accounting treatments, including use of significant estimates such as lease terms and judgements for the determination of transition options and practical expedients; and</li> <li>the transition of which, gave rise to a right of use assets of QR 80,476,612 and resultant lease liabilities of QR 82,247,239 which are material to the consolidated financial statements.</li> </ul> <p>Accordingly, we have considered this to be a key audit matter.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> <li>Evaluating the appropriateness of the selection of accounting policies based on the requirements of IFRS 16, our business understanding and industry practice;</li> <li>Considering the appropriateness of the transition approach and practical expedients applied;</li> <li>Evaluating the completeness, accuracy and relevance of data used in preparing the transition adjustments;</li> <li>Assessing the completeness of the IFRS 16 lease population by inspecting relevant contracts that may contain a lease and testing the lease payments;</li> <li>Evaluating the reasonableness of management's key judgements and estimates made in preparing the transition adjustments, specifically around estimation of the lease terms; and</li> <li>Evaluating the completeness, accuracy and relevance of the transition disclosures including key judgements and estimate in line with IFRS 16.</li> </ul>

Description of key audit matters	How the matter was addressed in our audit
IFRS 15 “Revenue from contracts with customers” and revenue recognition.	
<p>We focused on this area because:</p> <ul style="list-style-type: none"> <li>The Group has entered various new contracts during the year in multiple revenue streams which could lead to inappropriate assessment of performance obligations and recognition of revenue under IFRS 15.</li> <li>The Group makes significant assumptions / judgements to measure and recognise revenue (e.g. estimating costs to complete) and corresponding contract assets, hence we considered this as a key audit matter.</li> </ul>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> <li>Evaluating the appropriateness of the selection of accounting policies for the new contracts entered during the year based on the requirements of IFRS 15 and our understanding of the different sources of revenue of the Group;</li> <li>Assessing the appropriateness of management’s revenue recognition under IFRS 15 across significant revenue streams for a sample of new contracts entered during the year;</li> <li>Assessing the appropriateness of the key inputs and assumptions used by the management to allocate contract revenue over performance obligations for a sample of new contracts entered during the year;</li> <li>Assessing the appropriateness of assumptions and judgements made to measure and assess the transaction price and its allocation over performance obligations for a sample of new contracts entered during the year based on our experience and industry practice;</li> <li>Challenging the reasonableness of estimates made regarding the cost of completion, profit margins for each contracts based on our experience and industry benchmarks;</li> <li>Assessing whether the Group’s policies and processes for making these estimates are appropriate and are applied consistently to all contracts of a similar nature; and</li> <li>evaluating the adequacy of the financial statement disclosures including key assumptions and judgements.</li> </ul>

## OTHER INFORMATION

The Board of Directors is responsible for the other information. The other information comprises the information included in the Company’s 2019 Annual Report (the ‘Annual Report’) but does not include the consolidated financial statements and our auditor’s report thereon. Prior to the date of this auditor’s report, we obtained the report of the Board of Directors which forms part of the Annual Report, and the remaining sections of the Annual Report are expected to be made available to us after that date.

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

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

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

### Responsibilities of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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.

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

### Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentations.

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

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

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

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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. Furthermore, the physical count of inventories was carried out in accordance with established principles. We have read the report of the Board of Directors to be included in the Annual Report, and 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 Qatar Commercial Companies Law No. 11 of 2015 or the terms of the Company's Articles of Association and any amendments thereto having occurred during the year which might have had a material effect on the Company's consolidated financial position or performance as at and for the year ended 31 December 2019.

13 February 2020  
Doha  
State of Qatar

Yacoub Hobeika  
KPMG  
Audit Registration No.289  
Licensed by QFMA: External Auditor's  
license No. 120153

SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C.  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2019

In Qatari Riyals

	2019	2018
<b>Assets</b>		
Right-of-use assets	80,476,612	-
Property, plant and equipment	384,614,380	457,474,867
Intangible assets and goodwill	96,293,049	108,524,617
Investment properties	1,535,515,926	1,564,076,952
Equity-accounted investees	141,058,081	142,114,589
Other investments	168,514,493	182,622,386
Retention receivables	114,501,360	131,325,656
Loans to associate companies	18,447,057	20,977,414
Other assets	77,497,023	80,721,974
<b>Non-current assets</b>	<b>2,616,917,981</b>	2,687,838,455
Inventories	359,517,299	455,253,483
Other assets	169,476,794	167,368,623
Due from related parties	246,302,302	250,365,734
Retention receivables	94,717,437	108,029,725
Contract assets	706,888,185	652,910,715
Other investments	294,699	1,187,214
Trade and other receivables	450,485,159	452,430,935
Cash and bank balances	97,982,958	171,089,432
<b>Current assets</b>	<b>2,125,664,833</b>	2,258,635,861
<b>Total assets</b>	<b>4,742,582,814</b>	4,946,474,316

SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C.  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)  
AS AT 31 DECEMBER 2019

In Qatari Riyals

	2019	2018
<b>Equity</b>		
Share capital	1,143,145,870	1,143,145,870
Legal reserve	431,181,937	431,181,937
Fair value reserve	(20,986,023)	(18,664,340)
Accumulated losses	(550,383,318)	(417,838,216)
<b>Equity attributable to owners of the Company</b>	<b>1,002,958,466</b>	1,137,825,251
Non-controlling interests	171,825,782	172,121,511
<b>Total equity</b>	<b>1,174,784,248</b>	1,309,946,762
<b>Liabilities</b>		
Borrowings	1,605,169,988	1,518,020,300
Lease liabilities	52,524,680	-
Employees' end of service benefits	72,703,458	78,052,087
Retention payables	25,483,478	32,547,161
Other liabilities	10,476,593	7,545,667
<b>Non-current liabilities</b>	<b>1,766,358,197</b>	1,636,165,215
Due to related parties	3,827,875	3,606,765
Bank overdrafts	101,329,601	127,683,776
Borrowings	935,972,166	1,005,457,768
Lease liabilities	29,722,559	-
Notes payable	27,822,576	39,666,294
Retention payables	28,172,596	35,108,291
Advances from customers	89,337,231	111,591,634
Contract liabilities	23,720,889	49,622,035
Other liabilities	266,382,349	325,970,346
Trade and other payables	295,152,527	301,655,430
<b>Current liabilities</b>	<b>1,801,440,369</b>	2,000,362,339
<b>Total liabilities</b>	<b>3,567,798,566</b>	3,636,527,554
<b>Total equity and liabilities</b>	<b>4,742,582,814</b>	4,946,474,316

These consolidated financial statements were approved by the Board of Directors and were signed on its behalf by the following on 13 February 2020.

**Abdul Salam Issa Abu Issa**  
Chief Executive Officer & Board Member

**Hekmat Abdel Fattah Younis**  
Chief Financial Officer

SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C.  
CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED 31 DECEMBER 2019

In Qatari Riyals

	2019	2018
Operating revenue	2,220,018,002	2,646,393,436
Operating cost	(1,735,715,755)	(2,076,405,211)
<b>Gross profit</b>	<b>484,302,247</b>	569,988,225
Investment income	3,748,841	3,508,660
Other operating income	8,180,770	3,758,431
Service and consultancy income	1,527,691	1,797,424
Other income	57,577,726	38,973,601
Salaries and staff benefits	(232,900,849)	(270,262,110)
General and administrative expenses	(122,049,113)	(221,054,206)
Allowance for impairment of financial assets and contract assets	(61,101,470)	(8,196,187)
Depreciation of right-of-use-assets	(53,545,261)	-
Depreciation of property, plant and equipment	(71,513,100)	(75,813,713)
Amortisation of intangible assets	(3,230,968)	(2,859,565)
Property, plant and equipment written off	(7,062,945)	(8,227,115)
Goodwill written off	(10,850,481)	(4,845,447)
Finance costs	(117,417,744)	(111,873,938)
Investment in equity-accounted investees written off	-	(2,744,949)
Share of result from equity-accounted investees, net	(1,860,938)	(7,476,728)
Loss before executive managers' bonus	(126,195,594)	(95,327,617)
Executive managers' bonus	(3,458,553)	(1,584,016)
<b>Loss</b>	<b>(129,654,147)</b>	(96,911,633)

<b>Attributable to:</b>		
Owners of the Company	(128,452,258)	(99,403,701)
Non-controlling interests	(1,201,889)	2,492,068
<b>Loss</b>	<b>(129,654,147)</b>	(96,911,633)
<b>Basic and diluted earnings per share</b>	<b>(0.11)</b>	(0.08)

SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C.  
CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019

In Qatari Riyals

	2019	2018
<b>Loss</b>	<b>(129,654,147)</b>	(96,911,633)
<b>Other comprehensive income:</b>		
<b>Item that will not be reclassified to profit or loss</b>		
Net movement in cumulative changes in fair value and loss on sale of equity investments - FVOCI	(7,890,574)	(11,070,318)
<b>Other comprehensive income</b>	<b>(7,890,574)</b>	(11,070,318)
<b>Total comprehensive income</b>	<b>(137,544,721)</b>	(107,981,951)

<b>Attributable to:</b>		
Owners of the Company	(136,342,832)	(110,474,019)
Non-controlling interests	(1,201,889)	2,492,068
<b>Total comprehensive income</b>	<b>(137,544,721)</b>	(107,981,951)

**SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

In Qatari Riyals

	Attributable to owners of the Company					
	Share capital	Legal reserve	Fair value reserve	Accumulated losses	Total	Non-controlling interests
<b>31 December 2019</b>						
Balance at 1 January 2019	1,143,145,870	431,181,937	(18,664,340)	(417,838,216)	1,137,825,251	172,121,511
<b>Loss</b>	-	-	-	(128,452,258)	(128,452,258)	(1,201,889)
<b>Other comprehensive losses</b>						
Net movement in cumulative changes in fair value and loss on sale of equity securities – FVOCI	-	-	(7,890,574)	-	(7,890,574)	-
Total comprehensive losses	-	-	(7,890,574)	(128,452,258)	(136,342,832)	(1,201,889)
<i>Transactions with owners of the Company</i>						
<i>Contribution and distribution</i>						
Net movement in non-controlling interests	-	-	-	-	-	916,589
Total contribution and distribution	-	-	-	-	-	916,589
<i>Changes in ownership interests</i>						
Acquisition of non-controlling interests without a change in control	-	-	-	51,373	51,373	(200,346)
Acquisition of non-controlling interests	-	-	-	99,998	99,998	-
Incorporation of subsidiary with non-controlling interests	-	-	-	-	-	48,000
Disposal of equity share of a subsidiary to non-controlling interest without a change in control	-	-	-	1,324,676	1,324,676	141,917
<b>Total change in ownership interest</b>	-	-	-	1,476,047	1,476,047	(10,429)
<b>Total transactions with owners of the company</b>	-	-	-	1,476,047	1,476,047	906,160
<i>Other movement</i>						
Reclassification of loss on sales of equity security – FVOCI	-	-	5,568,891	(5,568,891)	-	-
<b>Balance at 31 December 2019</b>	<b>1,143,145,870</b>	<b>431,181,937</b>	<b>(20,986,023)</b>	<b>(550,383,318)</b>	<b>1,002,958,466</b>	<b>171,825,782</b>

**SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

In Qatari Riyals

	Attributable to owners of the Company					
	Share capital	Legal reserve	Fair value reserve	Accumulated losses	Total	Non-controlling interests
<b>31 December 2018</b>						
Balance at 1 January 2018 (Audited)	1,143,145,870	431,181,937	(11,861,086)	(82,967,488)	1,479,499,233	165,985,666
<i>Adjustment on initial application of IFRS 9</i>						
– Equity investments at FVOCI (AFS investments under old IAS 39)	-	-	(11,988,307)	31,097,384	19,109,077	1,317,322
– Financial assets and contract assets	-	-	-	(235,535,245)	(235,535,245)	(542,355)
Adjustment on initial application of IFRS 15	-	-	-	(14,773,795)	(14,773,795)	-
Adjusted balance as at 1 January 2018	1,143,145,870	431,181,937	(23,849,393)	(302,179,144)	1,248,299,270	166,760,633
Loss	-	-	-	(99,403,701)	(99,403,701)	2,492,068
Other comprehensive losses						
Net movement in cumulative changes in fair value and loss on sale of equity securities – FVOCI	-	-	(11,070,318)	-	(11,070,318)	-
Total comprehensive income / (losses)	-	-	(11,070,318)	(99,403,701)	(110,474,019)	2,492,068
<i>Transactions with owners of the Company</i>						
<i>Contribution and distribution</i>						
Net movement in non-controlling interests	-	-	-	-	-	3,635,492
Dividend distributed to non-controlling interests	-	-	-	-	-	(766,682)
Total transactions with owners of the company	-	-	-	-	-	2,868,810
<i>Other movement</i>						
Loss from sale of equity security – FVOCI	-	-	16,255,371	(16,255,371)	-	-
<b>Balance at 31 December 2018</b>	<b>1,143,145,870</b>	<b>431,181,937</b>	<b>(18,664,340)</b>	<b>(417,838,216)</b>	<b>1,137,825,251</b>	<b>172,121,511</b>

SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C.  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2019

In Qatari Riyals

	2019	2018
<b>Cash flows from operating activities</b>		
Loss	(129,654,147)	(96,911,633)
Adjustments for :		
– Depreciation of right-of-use-assets	58,829,388	-
– Depreciation of property, plant and equipment	84,421,845	89,100,723
– Amortisation of intangible assets	3,230,968	2,859,565
– Property, plant and equipment written off	7,062,945	8,227,115
– Intangible assets written off	280,867	22,754
– Goodwill written off	10,850,481	4,845,447
– Depreciation of investment properties	39,469,160	36,735,865
– Provision for slow moving inventories	26,855,307	40,528,536
– Allowance for impairment of financial assets and contract assets	61,101,470	8,196,187
– Provision for employees' end of service benefits	20,709,620	19,302,603
– Unrealised loss on investments at FVTPL	9,437	192,122
– Net finance costs	134,181,159	133,397,246
– Interest income	(636,131)	(1,843,131)
– Dividend income	(1,147,645)	(1,857,651)
– Loss / (gain) on sale of property, plant and equipment	765,406	(357,665)
– Write off of an equity-accounted investee	-	2,744,949
– Share of results of equity-accounted investees	1,860,938	7,476,728
– Gain on disposal of an equity-accounted investees	(1,974,502)	-
<b>Operating profit before working capital changes</b>	<b>316,216,566</b>	<b>252,659,760</b>
Changes in:		
– Inventories	68,880,877	78,474,029
– Other assets	1,116,780	(50,501,192)
– Due from related parties	4,063,432	(49,696,015)
– Retentions receivables	30,136,584	(24,398,939)
– Contract assets	(53,977,470)	(2,215,270)
– Trade and other receivables	(59,155,694)	95,222,389
– Due to related parties	221,110	759,685
– Notes payable	(11,843,718)	35,518,150
– Retention payables	(13,999,378)	4,380,671
– Advances from customers	(22,254,403)	(24,646,872)
– Contract liabilities	(25,901,146)	(11,811,251)
– Trade and other payables and other liabilities	(63,179,043)	21,358,373
Cash generated from operating activities	170,324,497	325,103,518
Employees' end of service benefits paid	(26,058,249)	(16,586,282)
<b>Net cash from operating activities</b>	<b>144,266,248</b>	<b>308,517,236</b>

SALAM INTERNATIONAL INVESTMENT LIMITED Q.P.S.C.  
CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019

In Qatari Riyals

	2019	2018
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(30,300,003)	(34,364,843)
Proceeds from sale of property, plant and equipment	449,628	732,069
Acquisition of investment properties	(538,001)	(8,274,581)
Acquisition of other investment	(8,267,559)	(10,385,710)
Proceeds from sale of other investment	15,367,958	9,984,740
Acquisition of intangible assets	(2,040,217)	(6,960,174)
Acquisition of shares in equity-accounted investees	-	(123,763)
Payment for acquisition of a subsidiary	-	(2,582,737)
Proceeds from disposal of equity-accounted investee	1,000	-
Dividends received from equity accounted investees	1,386,139	2,772,277
Dividends received	1,147,645	1,857,651
Interest received	636,131	1,843,131
<b>Net cash used in investing activities</b>	<b>(22,157,279)</b>	<b>(45,501,940)</b>
<b>Cash flows from financing activities</b>		
Net movement in borrowings	5,915,148	(181,499,188)
Net movement in non-controlling interests	916,589	2,868,810
Acquisition of non-controlling interests without a change in control	(148,973)	-
Incorporation of subsidiary with non-controlling interests	48,000	-
Acquisition of non-controlling interests	(98,000)	-
Disposal of equity share of a subsidiary to non-controlling interest without a change in control	1,466,593	-
Finance costs paid	(117,863,719)	(133,397,246)
Payment of lease liabilities	(61,627,263)	-
Movement in loan to associate companies	2,530,357	1,261,963
<b>Net cash used in financing activities</b>	<b>(168,861,268)</b>	<b>(310,765,661)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(46,752,299)</b>	<b>(47,750,365)</b>
Cash and cash equivalents at 1 January	43,405,656	91,156,021
<b>Cash and cash equivalents at 31 December</b>	<b>(3,346,643)</b>	<b>43,405,656</b>
<b>Non cash transactions:</b>		
Acquisition of subsidiary	-	13,357,275

