2018 Annual Report

End-to-end Supply Chain and Logistics

GWC

Delivering Logistics Innovation

بسم الله الرحمن الرحيم

In the Name of Allah,
The Compassionate, The Merciful

His Highness
Sheikh Tamim bin Hamad Al Thani
Emir of the State of Qatar

His Highness
Sheikh Hamad bin Khalifa Al Thani
Father Emir

REFLECTIONS OF ENDEAVOR

Reflecting on the past year, 2018 will be heralded as a time when GWC made rapid headway in growth and performance, evolution, transformation and expansion. The first half of the year was perhaps a reflection of things to come, with strong growth in net profits and healthy shareholder returns.

The company's continuing investment and development of new product lines resulted in groundbreaking LEDD technologies, transforming logistics capabilities, providing more control and offering more benefits to clients than ever before. In fact, GWC was recognized by Microsoft for these achievements by winning the prestigious Digital Transformation Award, and recognized by the whole industry as setting new, far superior standards of efficiency.

GWC's over 3 million square meters of innovative logistics infrastructure is now leading the way as a shining example of intelligent supply chain solutions and logistics services. It is also foreseen as taking a hugely significant pioneering step toward goals set by the Qatar National Vision 2030.

15 years ago GWC was launched, embarking on a journey that would not only take it to the ends of the earth, but take industries into a new era of supply chain and logistics. It is certainly a journey worth reflecting on.

15 YEARS

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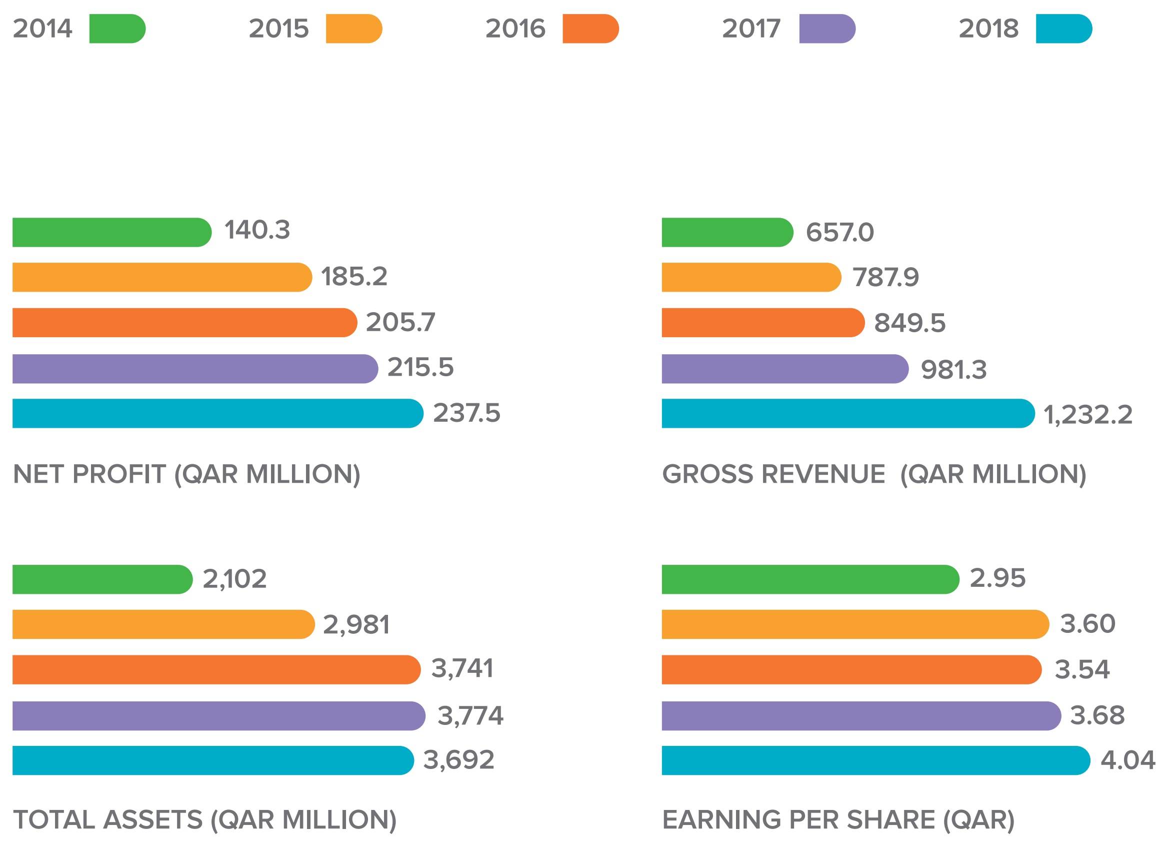
FINANCIAL HIGHLIGHTS 2014 - 2018



Skyline of Doha West Bay

OUR PURPOSE

To set a world-class standard in logistics operations, supporting Qatar in its vision of becoming a sustainable and diverse economy, and to ensure the best possible returns to our shareholders.

OUR PASSION

To achieve our 'Purpose' by fostering the drive and tenacity to innovate and deliver, never letting go of the values that have forged our success, and thereby, become the provider of choice.

SHEIKH ABDULLA BIN FAHAD
BIN JASSEM BIN JABOR AL-THANI
CHAIRMAN

CHAIRMAN'S MESSAGE

Dear Shareholders,

Looking back on the last 15 years, there is much we have to be proud of as a nation – the ability to capitalize on an upward swing in the oil and gas market – developing infrastructure, diversifying economic sectors, and attracting international events and investment during times of plenty. Having the foresight and planning to prepare for the lean times, has also been rewarding and we've come out the other side a stronger economy and country for it.

As we reflect upon the past, it is also a good time to ponder the future, as we look toward delivering the FIFA World Cup 2022 and the actualization of Qatar National Vision 2030, with many infrastructure projects due for delivery and completion, for which the country has begun to draw in more participation from foreign investors in the Qatari market. To achieve these ends, GWC will continue to support the nation's goals and lay foundations and develop strategies in line with the country's vision and ambitions, backed by resilience and preparedness for every contingency.

GWC, in seeking to provide for the business sector's needs, has aimed to show what Qatar, and Qataris are capable of. We are proud to have helped in developing Qatar's capabilities, both in terms of its infrastructure and its human capital, and supported Qatari culture and industry in doing so. Now, as our nation continues in its implementation of the Second National Development Strategy, the company will offer the full support of its developed infrastructure and advanced systems to achieve the nation's aims, and at the same time achieve the company's objective in maintaining our position as the preferred logistics provider in the country.

It is this positive attitude that has led to our leadership role in every service vector we have entered and drawn outside parties to our expertise – as exemplified by the signing of the management agreement for the Bu Fesseela Warehousing Park. Such achievements have resulted in the best possible returns for our shareholders, with net profits for 2018 at 10%, a remarkable rise in the current market.

The same attitude is employed as we continue to support and enable small and medium enterprises, as well as major corporate clients in the private and public sector. We will also continue in the development of new subsidiaries to serve the local market, like LEDD Technologies and GWC Marine. The abilities and expertise gained here in Qatar will be invaluable as we expand regionally and beyond, developing solutions and infrastructure abroad, as we grow inward and outward to become the business investment opportunity of choice in Qatar and beyond.

I would like to express my sincere gratitude for the guiding spirit of His Highness the Emir, His Excellency the Prime Minister, and the Minister of Commerce and Industry, for their continued leadership and support. I also thank the Board of Directors, management and staff of GWC, and our faithful shareholders and clients, for their exceptional contribution and trust in GWC.

Thank you.

Abdulla Fahad J. J. Al-Thani
Chairman

BOARD OF DIRECTORS

Sheikh Abdulla bin Fahad
bin Jassem bin Jabor Al-Thani
Chairman

Sheikh Fahad bin Hamad
bin Jassem bin Jabor Al-Thani
Vice Chairman

Mr. Ahmed Mubarak Al-Ali
Al-Maadid
Member

Dr. Hamad Saad M.
Al-Saad
Member

Mr. Jassim Sultan J.
Al-Rumaihi
Member

Mr. Mohammed Hassan
Al-Emadi
Member

Ms. Hanadi Al-Saleh
Member

Mr. Abdulaziz Mohammed Jabor
Al-Sulaiti
Member

Mr. Faisal Mohammed A. A.
Al Emadi
Member

MR. RANJEEV MENON

GROUP CEO

GROUP CEO'S MESSAGE

Dear Shareholders,

The journey GWC has pioneered over the last 15 years is truly an unparalleled phenomenon in the State of Qatar. From humble beginnings starting with one warehouse in the industrial area, it has taken painstaking effort to develop over 3 million square meters of logistics infrastructure distributed strategically across the nation; to establish and become the market leaders in logistics & supply chain solutions, as well as creating several subsidiaries; to become connected and associated with two of the world's largest freight and courier networks – through acquisition of Agility Qatar, and as the authorized service contractor for UPS in Qatar; to become the managers of the largest fleet of transport vehicles in the nation; to develop and implement a host of dedicated assets and systems specifically designed to ensure our full spectrum of supply chain solutions are technology-driven and in-line with the concepts of LEAN Kaizen under the highest standards of quality, health, safety, and environment. The achievements represented by GWC are so grand and wide-ranging, it is simultaneously overwhelming and humbling.

Our purpose-driven values of innovation and performance continued to propel us forward in 2018, maintaining and developing our position as the preferred logistics provider in the State of Qatar, and thereby ensuring the best possible returns for our shareholders. This strength of purpose is what drove us to enter a management agreement with Al Asmakh Real Estate, placing the Bu Fesseela Warehousing Park under the same expert management that operates the Logistics Village Qatar, the GWC Bu Sulba Warehousing Park, the dedicated logistics hubs and bases in Ras Laffan Industrial City, and the many other facilities and warehouses in the Doha Industrial Area and the Messaieed Industrial City.

As we determinedly moved to ensure the optimal acquisition of new customers and maximized penetration of market share for all divisions, we pursued new ventures by adding LEDD Technologies, the market technology services and solutions provider for business transformation needs. We revitalized our GWC Marine operation, first established in 2015, to offer shipping agency services that meets the economy's growing needs, whilst operations at the country's many ports continued to develop. Meanwhile, as the authorized service contractor for UPS in the State of Qatar, we have capitalized on our partnership with Qatar Post to develop new opportunities among clients in the government and oil and gas sectors.

We have continued to grow our competitive edge, setting records in the delivery of solutions and development of our infrastructure.

Our Contract Logistics, Forwarding, and Projects have made major in-roads in developing contracts with clients in the oil and gas, government, broadcasting, and sports verticals, while our Hazmat team continues to excite by creating and managing dedicated logistics bases for clients in the oil and gas sector.

By diligent management and promotion of our services, we have also managed to consolidate a solid customer base, developing existing contracts with clients within existing services and through cross-promotions with our other services. Our Transport department has played a big role in shifting materials to the new logistics bases for Hazmat oil and gas clients, while expanding our current contracts with healthcare providers. GWC Records has also managed to entrench its foothold among clients in the government and banking sectors, becoming the most widely used provider in both sectors.

We have also seen our departments expand capabilities and offerings, with the Fine Art department entering into 4PL contracts with major museums in Qatar, and providing new restoration and conservation services under its banner. Meanwhile, our Relocations department has diversified its scope to include the handling and transport of a variety of items, from highly delicate technical servers to luxury items and furnishings for elite clientele.

Every business unit has consistently established the mindset of being the leading provider in the eyes of the customer, regardless of whether they serve the public or the private sector, from the largest operators to the latest start-ups, as well as small and medium enterprises. The Sports and Equestrian divisions to stand apart among their competitors, with many annual event organizers relying on these departments for services, and recommending them for future events.

To enable our departments to perform even better, we are exploiting the very latest technology and following the best practices to ensure our operations are the fittest, most profitable operations possible. To this end, our Corporate IT and Continuous Improvement divisions have worked together throughout the year to implement technological and process-oriented enhancements to all departments. With tests undertaken to ensure the viability of new systems such as Salesforce, ePOD, eJobs, and electronic voice picking technology; 2019 promises even better efficiency and enhanced inter-departmental cooperation across the board.

A service company can't perform well without the whole-hearted engagement of its employees. We have therefore always endeavored to provide the best working environment and empowerment to deliver the best for our customers. We have achieved this through QHSSE policies and systems that not only set the high standards in which we provide our services, but also ensure the health and safety of our employees, clients, site visitors, and other stakeholders. In 2018, we have added the FIDI certification for our relocations operations and updated the quality management system, occupational health and safety management system, and the environmental management system, to the latest operational standards.

Our Human Resources division has also implemented a number of upgrades to Its system, while ensuring the soft and hard skills of our employees are up to the latest standards. To develop a sense of unity among our employees, and to reach out to the wider community, the Human Resources and Corporate Social Responsibility divisions have encouraged participation in a variety of initiatives. Among them were the company's Iftar, blood donation drive, and the Annual Sport Leagues within the company and the month-long 7assanat Olympics and many educational initiatives amongst the wider community.

Constantly in step with Qatar, throughout our 15-year history, GWC has become a true partner to the business community, the benchmark, and the investment our shareholders most trust. By continuing our customer focus, increasing our operational efficiencies, enhancing our standing as a technologically-driven solution provider and supporting the country in its strategic initiatives, we achieve our ambition in working with the nation towards a sustainable and diverse economy, while ensuring the best possible returns for our shareholders.

Thank you.

Mr. Ranjeev Menon
Group CEO

Central Canteen at Logistics Village Qatar

MANAGEMENT TEAM

Mr. Ranjeev Menon
Group CEO

Mr. Rajeswar Govindan
Chief Operating Officer

Mr. Nawaf M. Al-Emadi
Executive Director
Legal & Gov. Relations

Mr. Segun Abayomi
Chief Audit Executive

Mr. Wilfried Hugebaert
Executive Director
Strategy & Growth

Mr. Matthew Phelps
General Manager

Mr. Naji Nassar
Senior Director
Commercial Services

Mr. Sunil Kambrath
Senior Director
Contract Logistics & RMS

Mr. Bobby George
Senior Director
Freight Forwarding

Mr. Maged Emil Kamal
Senior Director
Information Technology

Mr. Setrak Khatchikian
Senior Director
Transport

Mr. Abdulaziz M. Al-Sahlawi
Director
Public Relations

Mr. Syed Maaz
Director
Business Transformation

Mr. Hamdan Abdulla Merchant
Director
Business Process Improvement

Mr. Duncan Capp
Director
Fine Art

Ms. Tia Prang
Senior Director
Human Resources

GWC OVERVIEW

A LEADING LOGISTICS POWERHOUSE
NO. 1
3PL and 4PL Service Provider in Qatar

LISTED
2004
EMPLOYEES
2,400+
CUSTOMERS
1,500+
globally

TOTAL ASSETS
QAR 3.69 Billion YTD 2018
1,200+
Trucks, Trailers and Specialised Vehicles

WAREHOUSING FOOTPRINT
830,000 sqm
Warehouses and Distribution Centers
260,000 sqm
Open Yard
32,500 sqm
Container Yard
210,000
3PL Pallet Locations

LOCATIONS ACROSS THE GCC
19

AUTHORISED SERVICE CONTRACTOR FOR UPS IN QATAR

AWARDS RECEIVED

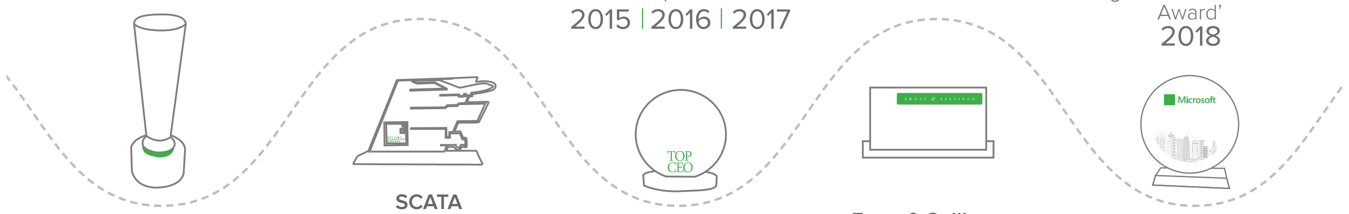
Arabian Business
'Top 30 Qatari Companies'
2014 | 2015 | 2016

SCATA
'Best Logistics Infrastructure in the Middle East'
2012

Trends/INSEAD
'Top CEO'
2015 | 2016 | 2017

Forbes Middle East
'Qatar Success Awards'
2017

Microsoft
'Digital Transformation Award'
2018



Arabian Business
'Best Logistics Company of the Year'
2010 | 2011 | 2012

SCATA
'3PL Service Provider of the Year'
2011

Frost & Sullivan
'Qatar Domestic Logistics Service Provider of the Year'
2013 | 2015 | 2016

Entrepreneur
'Enterprise Agility Award for Logistics Innovation'
2014 | 2016

CERTIFICATIONS

CERTIFIED ISO 9001 • ISO 14001 ISO 27000 • ISO 45001 UKAS MANAGEMENT SYSTEMS 001

TÜV SÜD ISO 22000

IATA

PRISM INTERNATIONAL

IAM International Association of Movers

MEMBER OF FIDI GLOBAL ALLIANCE

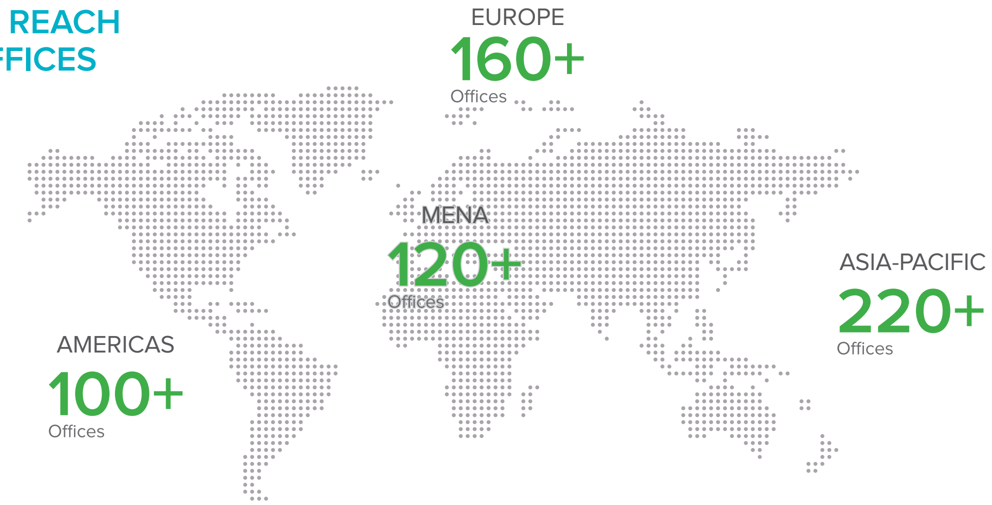
FAIM PLUS FIDI ACCREDITED INTERNATIONAL MOVER

DROPS DROPPED OBJECTS PREVENTION SCHEME

END TO END SUPPLY CHAIN SOLUTIONS

GWC Contract Logistics
GWC Transport
GWC Sports
GWC Relocations
GWC Hazmat
GWC Forwarding
GWC Equestrian
UPS Authorised Service Contractor
GWC Records
GWC Projects
GWC Fine Arts

GLOBAL REACH 600+ OFFICES



GWC IN QATAR

RLIC ESSA Logistics Hub
Ras Laffan Industrial City

RLIC WSSA Warehouse and Distribution Center
Ras Laffan Industrial City

SI03 Laydown Yard
Ras Laffan Industrial City

GWC Al Asmakh Bu Fesseela Warehousing Park
Umm Salal Mohammed

Head Office
D Ring Road - Doha

Street 15 - Warehouse and Distribution Center
Industrial Area

Street 41 - Warehouse and Distribution Center
Industrial Area

Street 43 - Warehouse and Distribution Center
Industrial Area

15K Warehouse and Distribution Center LVQ

25K Warehouse and Distribution Center LVQ

33K Warehouse and Distribution Center LVQ

DWH4A Warehouse and Distribution Center LVQ

Logistics Village Qatar (LVQ)

GWC Bu Sulba Warehousing Park

Mesaieed Logistics Hub
Mesaieed Industrial City

Multipurpose Warehouse at LVQ

INFRASTRUCTURE

LVQ: THE BENCHMARK SETTER FOR QATAR'S LOGISTICS INFRASTRUCTURE

At a glance

- **1,000,000** sqm Site
- **395,000** sqm of Warehouses and Distribution Centers
- **32,500** sqm of Container Depots
- **59,000** sqm Open Yard
- **75,000** sqm of Residential Facilities

"The Logistics Village Qatar is a significant landmark for Qatari achievement; a strong indicator of the skill and responsiveness to the country's needs, built upon the vision of providing regional companies with customizable, instantly operational platforms to meet their logistics needs."

Mr. Ranjeev Menon
GWC Group CEO

A major turning point in GWC's 15-year history, the Logistics Village Qatar (LVQ) continues to stand as the benchmark for logistics operations and infrastructure in the nation. Offering full-range of solutions within one location, LVQ has continued to develop alongside the nation's developing needs as it works towards self-sufficiency, delivering the FIFA World Cup 2022, and fulfilling the aims of the Qatar National Vision 2030.

LVQ played a vital role during the early days of the blockade, converting the 25K multi-temperature warehouse into the main logistics base for immediate food relief operations undertaken in the country. The warehouse has compartmentalized multi-chamber design allowing cargo to be stored and handled in temperatures ranging from -25ºC to + 25ºC depending on the product and client requirements.

LVQ continues to play an important role in the nation's food security plans and has around 100,000 sqm dedicated to the government's subsidized food supplies. The warehousing space at the LVQ is responsible for holding various food staples, such as rice, sugar, and milk, and for keeping them safe for consumption.

LVQ offers its services to all industry verticals, most recently to pharmaceutical companies at 25k warehouse, dedicated and built to the exacting standards of the industry. These industries continue to make use of the support provided by extensive warehousing options, wide-ranging transport services and cutting-edge IT infrastructure.

LVQ is monitored with the latest CCTV security system governed from a control center, with fire prevention assured through a dedicated network of centralized and autonomous safety systems and controlled by the in-house Fire Command Center.

Strategically positioned less than 20 kilometers from every major port, and directly accessible by the nation's major road networks, the one million square meter Logistics Village Qatar (LVQ) offers the most comprehensive supply chain solutions. Organized, structured, integrated, IT-enabled, and communications ready, the LVQ will continue to act as a major national asset, ensuring that GWC will remain an essential cog of Qatar's logistics, freight forwarding, and transport operations.

Masterplan of GWC Bu Sulba Warehousing Park

BU SULBA: THE FIRST PPP to SUPPORT SMES

At a glance

520,000 sqm Site	21,000 sqm of Residential Facilities
200,000 sqm of Warehouses and Distribution Centers	21,000 sqm of Container Depots and Open Yards

"The support of SMEs is directly in line with the governments aims to bolster the economy through the diversification of economic sectors, a factor GWC considers to be an essential part of its purpose."

Sheikh Abdulla bin Fahad bin Jassem bin Jabor Al-Thani
GWC Chairman

With SMEs playing an ever more important role in the nation's economic diversification and self-sufficiency plans, the GWC Bu Sulba Warehousing Park - supported by mansteq - was the direct outcome of the Company's in-depth knowledge of the logistics sector and the government's intent to support and enable SMEs. It stands as an important example of reliability and the highest logistics standards. The first of the country's public-private-partnerships to bear fruit, the Warehousing Park is distinguished by being completed on schedule, offering immediately operational and flexible warehousing capabilities.

GWC has injected a depth of experience in the design and construction of the Park. With hundreds of warehousing units of different specifications optimized for SMEs, a container yard and amenities like staff accommodation, recreational centers, first-aid center and a mosque, the GWC Bu Sulba Warehousing Park is a balanced, self-contained community, allowing work and living areas to be perfectly aligned.

The role that SMEs play in growing and diversifying the economy has been well established, and government authorities have set out to empower SMEs, providing them with a suitable environment to grow through the establishment of specialized facilities. Backed by the experience gained by the construction of the Logistics Village Qatar, Ras Laffan Logistics Hub (ESSA and WSSA), and Messaieed Logistics Hub, the success of Bu Sulba Warehousing Park has earned the trust of the sector, whilst acting as the catalyst for GWC gaining the management contract for the Bu Fesseela Warehousing Park. This incredible achievement adds to GWC's outstanding track record in developing and managing bespoke logistics hubs.

Aerial view of Bu Fesseela Warehousing Park

INFRASTRUCTURE

BU FESSEELA: COLLABORATION OF GIANTS

"We are honored to enter this Management Agreement with Al Asmakh, the real-estate giants of Qatar, and to extend to them the trust that GWC gained from the Government and private sectors alike. This partnership of expertise ensures success and the maximum utilization of Bu Fesseela Warehousing Park."

Sheikh. Abdulla bin Fahad bin Jassem bin Jabor Al-Thani
GWC Chairman

496,000 sqm Site	**111,000** sqm Dry Warehouses
32,000 sqm A/C Warehouses	**32,000** sqm Chilled Warehouses
14,000 sqm Frozen Warehouses	**18,000** sqm Open Yard

Strategically located in the growing North Doha district, the Bu Fesseela Warehousing Park boasts a number of features specifically tailored to serve the needs of the nation's small and medium enterprise sector (SMEs). With GWC undertaking the management of Bu Fesseela Warehousing Park, the business community will directly benefit from more than a decade of GWC's experience and expertise in logistical support.

The GWC Bu Fesseela Warehousing Park is the result of the property development knowledge and skills of Al Asmakh, the real-estate giants of Qatar, and the joining of forces with the extensive logistics expertise of GWC. The hub supports SMEs with immediate operational and flexible warehousing solutions, offering scalable storage solutions and GWC's professional consultancy on warehousing best practices.

Bu Fesseela offers various storage solutions, including dry, air-conditioned, chilled, and frozen warehousing as well as open yard storage. To ensure the creation of a self-contained, harmonious, business community, The Park also included various amenities, including a community centre, accommodation and a mosque. For ease of access, the park features sufficient parking for clients and guests, as well as active security around the clock.

Blending GWC's knowledge of global logistics models and local business operations, the site offers the best, most flexible warehousing solutions within easy distance of every major urban center in Doha. GWC Bu Fesseela Warehousing Park providing the best opportunities and facilities for SMEs to succeed and prosper.

UPS: STRENGTH IN PARTNERSHIP

Backed by the might of GWC's infrastructure and the span of its influence developed over the last 15 years, UPS has stormed Qatar's courier market. UPS's market share In Qatar has grown by bounds and leaps over the last years since GWC became its authorized service contractor in the State of Qatar in 2015.

GWC has worked both aggressively and strategically to develop this market share and worked with finesse when needed, such as with the ongoing agreement with Qatar Post. The relationship with Qatar Post continues to bring dividends to all involved, with UPS strategically engaging with the ministries and government bodies. For one such government body UPS now provides the courier services for both diplomatic and non-diplomatic mail and parcels. In fact, UPS was able to deliver parcels to recipients in 96 countries worldwide during specific times of the year, such as the Holy Month of Ramadan and National Day, ensuring efficient delivery of 28 tons of Ramadan Gifts during this period alone for these periods alone.

UPS has also signed agreements with clients in the oil and gas and the education sectors, offering a host of courier and shipping services. In the education sector, UPS has won a five-year contract with one of the universities to manage their in-house mail room. This is the first agreement of its kind in the sector, showcasing the company's capabilities to other such institutions and potentially creating new opportunities in this market segment. The company also continued work for a major news network, offering courier activities to move documents, tapes, video equipment, and other essentials to journalists located around the world.

UPS's ongoing standards of excellence in providing these services in Qatar has positioned itself as a strong market player, resulting in continued referrals and growth of operations. To sustain this growth and retain a proactive approach towards enhancing customer experience and service levels, UPS has implemented an internal tool to measure operational activities and identify visible gaps in order to proactively have them addressed. This approach has done much to earn UPS' trust in GWC's capabilities, which is why the courier giant expanded the role of its authorized service contractor to include its UPS Supply Chain Solutions along with the courier services it currently provides, creating better opportunities for bundled services.

This development gave UPS operations in Qatar access to enterprise accounts. One of these concerns a client in the military, for whom UPS now carries 30 – 50 tons of medical shipments on a monthly basis, and has enhanced the infrastructure by adding more fleet and personnel with approved access to the military base. Continuing to improve service and expertise, trainers from UPS regional corporate offices provided specialized training for the sales and back-end teams. This will be supplemented by periodic refresher courses, all of which is intended to benefit the company's clients.

With a strong foundation, UPS intends to develop the advantages it has gained through access to these new supply chain solutions, the UPS enterprise accounts, and the local trust GWC has obtained, while remaining proactive in aligning to ever-changing, dynamic business requirements.

UPS delivery assets

GWC MARINE: MAINTAINING THE FLOW

GWC Marine is a wholly owned subsidiary of GWC (Q.P.S.C), established in 2015 to offer shipping agency services that meet the economy's growing needs. These services include port agency, container yard, cargo brokerage, transport services, liner representation, integrated end to end logistics services, financial management and outsourced solutions managed through our service center hubs.

GWC Marine benefits directly from the mother company's vast experience earned managing freight operations in every port of call throughout the nation. This expertise would embrace the latest technology and software used to manage and keep account of all cargo movement throughout the supply chain, the vast infrastructure located strategically for rapid response and the capacity required to handle projects of any size.

GWC Marine is dedicated to ensuring optimal performance at every level, allowing clients to operate more efficiently by offering timely and effective support services to meet their needs.

Among them are: port agency, providing smooth and efficient handling of all owner's or charterer's husbandry and operational requirements on vessels; liner representation, providing the full range of canvassing, commercial, documentation and operational supervision services required by regular liner operators to ensure profitable calls; cargo brokerage, using an extensive range of global contacts amongst ship owners and operators to arrange shipping for a wide range of non-containerized cargo such as projects, heavy lifts, vehicles, bulk parcels, and so on, moving both into and out of the ports; and crew care, facilitating the smooth, safe, and efficient transfer of on and off signing crew and their baggage between international airports and vessels at ports and anchorages throughout the Middle East.

Making use of the mother company's robust asset base, strong domain knowledge, and solid capabilities, GWC Marine offers specialized shipping agency service options that allows for full visibility for every step of the process.

MSC cruise ship

SUBSIDIARIES

LEDD: YOUR BUSINESS TRANSFORMATION PARTNER

This year has witnessed the establishment of GWC's newest subsidiary, LEDD Technologies. Born from experience gained by delivering smart technology solutions to every industry vertical in the State of Qatar and beyond. LEDD was introduced to assist its clients in achieving their digital transformation objectives and improve their IT agility, delivering business innovation with better cloud platforms and services.

LEDD delivers various enterprise-level solutions including Facility Management System, Visual Asset Management System, Vehicle Tracking Solutions, and Order Management System. These solutions had already been provided and well validated in the market. Offering these solutions while having over 30 technical professionals locally available in Qatar, LEDD ensures immediate response to all requests, with no barrier of time differences or overseas flights.

Keeping pace with rapidly developing technology, LEDD began to offer newer and newer solutions that are added to its portfolio. For a client in the telecommunications industry, we introduced a smart analytics platform which connects multiple systems; providing dashboards, and correlating the data to provide smart and meaningful information that result in more proactive visibility and decision making.

For another telecommunication client, LEDD devised a Facility Management System to manage a large base of client facilities spread across Qatar. By using such systems, the client could manage their corrective and preventive maintenance requests for all their critical sites, and reduced the lead time to resolve the maintenance requests by auto assigning the work orders to the designated contractors – and measure their service level agreements (SLAs) automatically. LEDD also supplied an innovative mobile app to enable the users to raise requests, manage work-orders, review dashboards, manage assets, along with set of push notifications and scheduled tasks.

Such tracking software was also adapted for the food delivery industry and implemented for a popular restaurant chain, for which LEDD provided a turnkey solution including the hardware and software. Installed in the client's vehicles, it offered analytics on tracked vehicle movement, driver behavior, and timeliness of delivery, improving overall efficiency.

Securing its position on the cutting edge, LEDD has entered into a number of partnerships, with a number of strategies to guide its path. Chief among its partnerships is the Gold Partnership it holds with Microsoft. LEDD was distinguished as one of the fastest partners in the region to comply with Gold tier requirements. LEDD had also signed partnership agreements with multiple technology vendors to complement its wide range portfolio.

LEDD Technologies is set to become the leading technology solutions provider in the nation, pushing the digital transformation cycle for its customers ever faster.

Your Business Transformation Partner

RLIC WSSA Warehouse and Distribution Center

GWC SOLUTIONS

GWC Contract Logistics	GWC Hazmat	GWC Records
GWC Transport	GWC Forwarding	GWC Projects
GWC Sports	GWC Equestrian	GWC Fine Art
GWC Relocations		

GWC: ENVISIONED TO SUPPORT QATAR NATIONAL VISION 2030

Qatar's Economic Development Pillar

Partnering with Qatar in its drive to become a sustainable and diverse economy is the raison d'être of GWC's existence. Every aspect of our varied solutions, operations and infrastructure has been conceived to make it a future-ready logistics powerhouse to give our nation a vital edge.

GWC CONTRACT LOGISTICS

GWC Contract Logistics' started in a humble warehouse in Street 15, with only 80 staff members and offering limited services to few key clients. They have since grown precipitously and now span the country with 830,000 square meters of infrastructure offering services to every industry vertical in the nation.

Among them are clients in government, oil and gas, and sports industries, with whom GWC made major inroads in 2018. In addition to providing base operations for a client in the oil and gas industry, the company currently manages their entire supply chain from the base to the oil fields and drill site. The company also expanded its role with the government authority responsible for the nation's basic food requirement and supplies, whilst increasing the capacity of its warehousing to 100,000 sqm enabling more storage of a variety of ration supplies.

Additionally, the company has signed new contracts in the public health and fine art sectors, while continuing to offer support for previous contracts in the telecommunications and retail industries. For a telecommunications client in particular, the company has coordinated with various departments to offer the logistics support required to run the operations for its online store – a major success for the company. Meanwhile, customer satisfaction at an all-time high has led to the expansion of the company's contracts, with one retail group signing a new contract with GWC for services provided to its hardware subsidiary.

To support these expanding operations, the department is in the process of implementing and testing a variety of technologies. Among them is a "pick by voice" tool, which allows for hands-free picking of goods guided by RF technology and linked to the company's warehouse management system. The company has also invested a lot of research into its ongoing development of various robotic assisted systems that will include help assist in cycle counts, dock reception, and order management in the future.

Combined with a dedication towards customer retention, direct cost reduction, and continuous improvement, the company will continue to gain inroads into different market segments.

33K Warehouse at LVQ

GWC HAZMAT

Predicting the market shift toward 3PL and 4PL service provision, GWC Hazmat was the first hazmat 3PL provider, acting as a benchmark for the companies to come, and growing from an extension of the contract logistics services the company provides to a developer and operator for the biggest clients in the oil and gas industry.

To this end, the department has signed two new contracts with two of the biggest names in the oil and gas industry in the world. For the first, the department is currently managing and operating a fully integrated logistics base at the GWC RLIC WSSA facility, supporting off-shore operations in the oil fields. The base spans 127,000 square meters inclusive of a fully managed office facility, with a 15,000 sqm temperature controlled warehouse and 110,000 sqm pipe yard, equipped with a variety of storage systems, ASRS, pipe inspection area, shaded storage area, 24/7 security, and a control center to monitor and control daily operations.

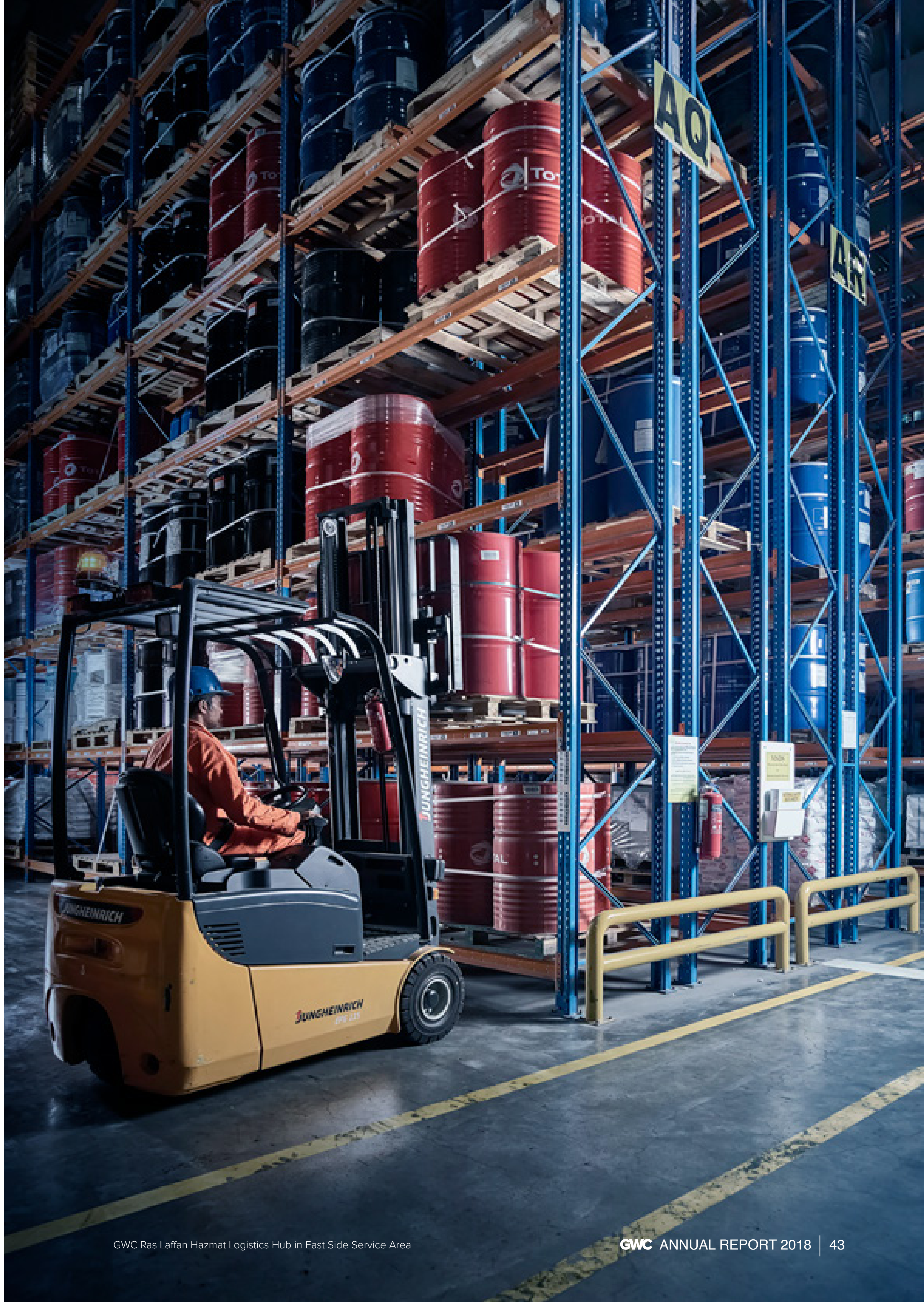
The department is also managing and operating a supply base, jetty operations, and logistics arrangements for on-shore and off-shore drilling support for a second client in the industry.
As part of the contract, the department offers personnel, equipment, base facilities with offices, air-conditioned warehousing, a pipe yard and inspection area, as well as a canteen facility, for full delivery of staff needs and requirements.

The department has rededicated its efforts at the company's Messaieed Hub, which is working on Hamad Port operations and clients requiring special handling for their dangerous goods. Among these are clients in the manufacturing and energy production industries, providing handling for its raw materials, offering 3PL chemical warehousing, and handling distribution to and from their bases of operations.

The department has also integrated its materials management for a client in LNG production, operating and managing end-to-end material movements and logistics. As part of a larger contract providing integrated solutions that include cargo consolidation expediting, freight, shipment tracking, customs clearance, and document control and delivery for this client, the department is specifically involved in day-to-day plant production, maintenance operations support, offshore deliveries and shutdown support.

To ensure the provision of the best possible services, the department has cooperated with the Continuous Improvement division to implement a cbm measurement device, increasing the accuracy of measurements of cubic meters, and immediately uploading the results into the WMS. This improves efficiency and stock accuracy and allocation based on a better understanding of volumes.

GWC Hazmet will provide a strong base of support as the department continues along the path of ongoing logistics base development, and providing the best standard of service for 3PL hazmat services.



GWC Ras Laffan Hazmat Logistics Hub in East Side Service Area

GWC RECORDS

With only one major customer when established in 2006, GWC Records quickly grew to be the most reliable provider of records and asset management solutions in the market. A pioneer in the sector, GWC Records has 100% customer retention, and houses over 1 million boxes, containing almost 18 billion documents and pages.

This strong reputation for excellence and accuracy continued to attract new contracts and projects to the department, particularly among the government, banking, telecommunication, healthcare, and aviation sectors among others. For a public health authority, the company has provided full digitization of documents, health records, birth and death certificates, providing them with an easily accessible catalogue for their requirements. This was particularly sensitive because of the nature of the materials stored and it also required the scanning of some documents over 50 years old, requiring a delicate hand to ensure the safety of the physical documents.

In the banking sector, the department signed an agreement with the remaining banking sector companies to manage the full life-cycle of their documents. The department started with collection, digitization, management of physical and digital records, dispatch and retrieval, and ultimately concluded with the secured destruction of their records. The department also had significant success with the telecommunications market, offering two major providers with fixed asset management services for the full range of their materials.

Records are a company's lifeblood, providing the ability to make decisions based on accurate information and operate effectively. Nowhere is this more evident than in the aviation sector, for whom the department has provided continuous records management services for one client for the last 10 years.

In the future, the department aims to maintain its perfect retention rates by expanding the services offered to existing clients, whilst leveraging its strong market reputation to attract new contracts.

GWC Records Warehouse in SL 15

GWC -40foot reefer box around Doha

GWC TRANSPORT

Launching with a fleet of 50 trailers and offering basic transport services in 2004, GWC Transport has grown to boast the largest fleet in the State of Qatar with over 1200 vehicles, trucks, and trailers, and offers a variety of specialized transport and related services to every industry in the country. GWC Transport has achieved this by following its mission to provide excellence in customized logistics services in an ethical and professional manner, as well as a commitment to protect clients, vendors, stakeholders and employees.

This commitment to excellence allowed the department to complete a logistics base shift for a client in the oil and gas industry, with zero incident in a matter of days. The project required the shifting of materials, pipes, and other oil related equipment from different yards, to the GWC RLIC WSSA facility, while adhering to the high safety standards imposed by the company and the oil and gas industry.

The department also won major contracts for clients in the public health and healthcare industries, moving a variety of items, from food samples to blood samples, medicines, and other medical and non-medical materials. Such items required specialized transportation units that had to be handled with care according to the client requirements. In addition to providing full 3PL support and value added services for the client, the department has also begun transporting nursing and health care personnel required for house visits and critical care at different client facilities.

With word spreading about the services the department provides an oil and gas client moving highly corrosive and dangerous chemicals in specialized tankers, GWC Transport offered a similar contract transporting a client's tanks of solidified sulfur on company trailers. Due to the nature of the materials, the department adheres to the strictest safety standards in planning the route, handling the tankers, and delivering the items. The department has also provided all necessary training for its drivers to ensure proper handling of these goods.

To ensure maximum availability of resources, the department has added two expandable trailers to its fleet. The trailers offer a number of advantages over regular trailers, as they expands up to 21 meters, making it the perfect tool to use in the transport of long and bulk shipments, such as pipes and other extra-large equipment.

In the upcoming year, the department intends to leverage the advantage of its large transportation fleet in addressing market competition, while maintaining the high integrity and standards it has set for the sector.

GWC FORWARDING

GWC Forwarding has formed an important part of the company from its very beginnings. Starting with only a handful of managers to become one of the biggest departments in GWC, it now employs hundreds, offers numerous products, and was responsible for spawning the GWC Projects, Sports, and Equestrian departments. This dramatic growth was only possible through the building of trust and the creation of a solid reputation in the market as a provider capable of handling any challenge, growing and learning from every new operation.

This desire to undertake new challenges continued in 2018, with new contracts signed with various ministries, news networks, oil and gas clients, and sports organizing committees. For these clients, the department has offered the clearance and freight of a variety of items, including; laboratory and testing equipment, printed documents, broadcasting equipment, fuel additives, tubing, spare parts, and oil field equipment for oil and gas clients, as well as stadium models, gift items, and sporting equipment.

The department's abilities and connection to an international partnership network of 600 offices in 125 countries has made it the provider of choice for an oil and gas client. The department has signed a contract with this client to handle the clearance and freight for their European sector, bringing in and returning oil field equipment on their behalf. Oil and gas requirements are often very specific, requiring specialized and delicate handling, involving special freight and transport arrangements each step of the way.

On occasion, such heavy loads must be completed within extremely short periods of time and the department must forgo sea travel and arrange specialized charter flights for transport. One such case was the transportation of 12 – 14 ton engines that needed to be flown to the manufacturer's base in Europe for repairs and flown back to the plant in Qatar, ensuring minimal disruption to the client's operations. Because of such capabilities and expertise, the department has signed contracts with 90% of the major oil and gas companies operating in the country.

Far from being specialized in one sector, the department has also completed several multi-ton shipments on behalf of companies as varied as maritime management, book publishers, and machine manufacturers.

GWC container yard at Logistics Village Qatar (LVQ)

GWC PROJECTS

GWC Projects developed from major projects undertaken by GWC Forwarding, and has now grown into a department in its own right, aiming to always act as the preferred project logistics provider in the State of Qatar.

The year 2018 saw the signing of new contracts with clients in the oil exploration and energy sectors, involving various methods of support, for heavy lifts. For one drilling company specialized in providing rigs, the department has a contract that requires freight, heavy lifts, warehousing and transport, moving engineering equipment, pipes, and walls. To support the nation's electrical infrastructure, the department provides the entire ground support, as well as the transport of cable drums for a client in the energy sector.

The department also continued to provide its support for clients in the oil and gas, ship building, and machine manufacturing sectors. With the opening of the new Hamad International Port, shipping services and related industries have taken on added importance. GWC Projects has also performed heavy lifts on behalf of an oil and gas client, moving two turbine engines, shipping it to the manufacturers location abroad for repairs and returning the item, all while carefully handling the delicate machinery and in accordance with the highest safety standards.

The department's abilities and expertise in handling the movement of very large items have engendered trust with one of the biggest machine manufacturers working for a local energy generation authority in Qatar. The successful delivery of the engines and machines has positioned the department for likely long-term contracts for major projects.

The department has been instrumental in cooperating with the company's internal divisions to implement technologies that improve efficiency and minimize waste, including the new eJobs software intended to make every step of the freight process paperless and direct. The department also ensures that all its employees are aware of the latest safety standards and the standard operating procedures needed to perform any project, big or small.

Major project handled by GWC

The greatest action in sports happens behind the scenes

GWC SPORTS

GWC delivered its first major international event in 2006, working through various organizational challenges and the then limited airport facilities to achieve an extremely successful outcome. From this success, the company slowly developed GWC Sports, now a dedicated business unit providing specialized freight, clearance, transport and storage services needed by the sports and event management industry.

The department offered its services for several successful international events. As a provider of services to the organizing committee for the World Cup, the department helped handle the various transport operations to and from the FIFA World Cup 2022 in Russia, moving stadium models, giveaways and gift items, as part of a traveling exhibition.

GWC Sports was also commissioned to handle several motorized events held in Qatar towards the end of 2018. Working closely with the event management, the department managed the clearance and freight of various equipment needed for the events, such as motorcycles, cars, spare parts, tires and television transmission equipment, among others.

Due to the specialized and sensitive nature of the equipment to be shipped for the event, special arrangements were made with the relevant government and regulatory authorities to ensure the safe handling and entry of the equipment, as well as to perform the inspections on-site rather than at the entry point. This was possible due to the close bond the department has developed with various authorities over the years.

As always, time is a vital element to be taken into consideration in the sports event sector. Careful strategy and planning is required to ensure that the shipments entering the country are dispatched to the event location at the stipulated time, collected at the end of the event and returned to the point of origin. The department's dedicated team delivers the smooth operation of these tasks, and helps to ensure Qatar's readiness to stage the best international sporting events in the years to come.

GWC EQUESTRIAN

Originally a special project undertaken to complete one bid, GWC Equestrian developed as a result of in-depth research and collaboration. As a result, it has become a dedicated department preferred by major equestrian organizations and individual equestrian enthusiasts and horse owners across the country.

Equestrian logistics is a highly-specialized field requiring careful coordination of all procedures from both ends of the operation to ensure that the horses are transported in safety and comfort. The horses often come from various locations, and must be brought to a single exit point from their point of origin. Clearance must be provided from this departure point and the final destination, which requires the support of health officials in various countries. GWC's close relationship with various health authorities helps keep this process very smooth. The horses are accompanied by veterinarians and professional grooms hired to keep the animals calm, secure and healthy for the duration of the journey. Once the event is completed, the department completes the return of the horses back to their countries of origin.

In addition to transportation operations the department has performed for individual clients, the department has entered into contracts with two other major equestrian events to be held by other organizers, and will provide transport for dozens of horses for each of these events.

As GWC Equestrian's dedication and care for its charges has been firmly established within the nation, and due to its continuing success, the department has taken a view to seek regional expansion in the coming years.

Specialised movement of the finest equestrian stock

GWC FINE ART

The GWC Fine Art department has developed in line with the burgeoning art scene in Qatar. The Fine Art department has matched the art movement's pace as new museums and galleries are built, more artwork being acquired from abroad and increasing tourism creates more interest in Qatar's cultural offerings.

The department has been developing its relationships with current clients in the museum and art sector as well as adding new clients among architectural, cultural and educational institutions. Working on behalf of an architectural firm, and in conjunction with the airport authorities, the Fine Art team were assigned to install some large modern art pieces at Hamad International Airport. The airport is continuing to develop into an art destination in its own right and our expert art technicians were responsible for installing artworks from international artists Jean Michel Othoniel and KAWS. The department worked diligently and efficiently to install the artworks in what is a very busy public space, they did this without obstructing or delaying passengers.

The department continued to work with a major museum authority, assisting with multiple exhibitions at its various sites, including galleries hosting major international artists from Germany, Russia and China, as well as a project showcasing the talent of local artists in residence. The cultural authorities continue a tradition of yearly cooperative initiatives with nations worldwide. This year it held the Qatar-Russia 2018 Year of Culture, with which the department provided invaluable help. Moving artworks between Qatar and Russia, the department completed the transport and installation for a number of exhibitions in both nations, including an exhibition held at the FIFA 2018 World Cup in Russia.

In developing GWC Fine Art to operate in line with international Fine Art standards, the department has also added other services. Now offering a Fine Art standard crate fabrication service, offering locally museum grade crating and packing. Also introduced is a full airport supervision service, meeting incoming artworks on the airport tarmac and supervising every step of their handling from the aircraft to the airline warehouse. This service offers the credentials Qatar needs to become a hub for galleries, exhibitions and artworks.

Looking to the future, the department intends to develop its services in other areas of the Middle East and beyond, emphasizing the importance of the global art trade for local tourism, as well as positioning Qatar as a viable international hub for the movement of art worldwide.

The Richard Serra '7' sculpture in Museum of Islamic Art

GWC RELOCATIONS

GWC Relocations has grown in the last 13 years to a department in its own right, and has gained several international accreditations due to its excellence in service.

The department has benefitted from the constant flow of employees to and from the country, as the nation's booming economy raises the population levels and brings in experts to support its national aims and obligations.

The department has diversified from pure relocation activities to provide a variety of related value added services. The department supports the relocation of servers, a delicate operation that requires the utmost care in packaging and transportation in order to avoid any damage.

The department has also been a key component in numerous event logistics projects, including offering support for exhibitions run by the organizing committee for the upcoming World Cup. The department also assisted the GWC Equestrian team through the transportation and installation of the collapsible stables used in major equestrian events. The department has dedicated itself to ensuring the best possible service levels throughout its history, a trend it continued in 2018 through two key initiatives. The first was gaining FIDI certification and becoming an affiliate of the most prestigious global alliance of partners for relocations companies. This involved submitting to an audit conducted by an international auditing firm, resulting in access to a network of partners worldwide. The department introduced the company's capabilities during the global FIDI conference held earlier in the year, potentially creating new relocation contract opportunities in the future.

The second of these initiatives was the implementation of the Quick Move Services application, which monitors relocation operations from the initial survey stage, to invoicing. Part of the company's drive to go paperless, the application is accessible by computer or smart-phone, allowing all involved parties to access and track the operation with ease.

Always seeking to improve and progress, the department intends to improve overall efficiency and allow the department to do more volume moves per day, a key factor in its ambition to become the relocations industry leader in Qatar and beyond.

West Bay Qatar

Logistics Village Qatar

GWC SUPPORT

Corporate IT	CSR
Continuous Improvement	HR
QHSSE	Internal Audit & Compliance

GWC: Envisioned to support Qatar National Vision 2030

Qatar's Human Development Pillar

A company can only be as good as its people. GWC is committed to building a world-class workforce that's second to none, attracting the best of talent, and harnessing and nurturing it in line with Qatar's visionary human development goals.

Inventory team using handheld picking device

CORPORATE IT

Beginning with 3 employees 15 years ago, the IT division was just as a support service during the company's early years. In 2010, it became a key enabler to the business, with IT becoming essential to certain operations. Today, the Corporate IT Division is GWC's competitive edge, a business differentiator that leads the way in all the solutions offered by the company.

Growing by 1,200%, the division has been the spark for every technology advancement in the company. Starting with the development of the GWC's Primary Data Center in 2010, the division acquired ISO 27001 certification in 2012, as one of the early logistics players in the Middle East to achieve such information security standard.

This division has contributed in every service offered by the company by creating technology driven solutions, a key competitive advantage in the provision of its contract logistics, courier, and freight operations, among many others.

In 2018, the IT drive was manifested in the upgrading of GWC Relocations operations with a software that manages sales inquiries through to final job delivery and customer feedback through a cloud based solution. The division was also responsible for the continued roll-out of GWC's Customer Relationship Management system (CRM), a unified platform for all sales activities across GWC.

Maximizing the potential of the company's vast infrastructure, the IT division has implemented SAP for real estate management, offering real-time status on occupancy and accurate visibility on the company's real-estate portfolio including warehousing and accommodation. By linking this system with the company's ERP, this combined software helps automate the billing process, calculates the maintenance cost, and automatically calculates the profitability of the rental unit.

The IT division has also extended the capabilities of its disaster recovery plan by integrating with Microsoft Azure Cloud solution, and became an example heralded as one of the distinguished business cases in the Middle East for 2018 and demonstrated on Microsoft Worldwide Customer Stories, indicating a level of excellence unparalleled throughout the region.

With technology rapidly advancing, Corporate IT will continue on the path towards a paperless, technology-based environment, aiming to transform the business through the automation and digitization initiatives.

CONTINUOUS IMPROVEMENT

Established in 2015 to help spread and implement the concepts of LEAN Six Sigma, the Continuous Improvement division quickly grew from a modest team to be a department four times its original size. Continuous Improvement department has implemented changes and developments across all company departments and divisions, as well as offered outside consultancy for GWC clients. The division prides itself on going beyond initial recommendations, and following through with sustainment plans and observation periods to ensure all projects provide practical and sustainable solutions.

With rapidly advancing technology, the Continuous Improvement division has worked closely with Corporate IT and applied various systems to ensure that GWC remains at the cutting edge of the industry. These have included the implementation of Salesforce, initially used for GWC Forwarding and Contract logistics, now used by all departments as of the end of 2018. This offers full visibility of cross-department opportunities for various clients. Other systems that were implemented are voice picking technology, found to increase efficiency by 30% after being tested at one of the company's facilities in 2018.

The two divisions have also been working very closely on potentially using robotic process automation for the company's administrative work. The test of one such system for auto ePOD creation, had initial findings of being able to reduce the workload of employees by as much as two hours daily. Another automated system being considered is a Transport Management System intended to be unrolled in 2019, which will result in better utilization of people and assets, and process billing and invoicing more quickly through the system.

In addition to implementing internal changes, the division has delivered pure consulting as well as pre-sales pitches for clients in the furniture retail, healthcare, and electronic sectors amongst others. The division has also offered unbiased recommendations to clients concerning warehousing and distribution processes and designs that can be introduced by the client or by using the company's own facilities and resources.

Creating such proposals requires continual research, study and updating of skills. The division, which is comprised of LEAN six sigma black belts, has added to their abilities by undergoing Prosci certification in change management. Becoming familiar with the ADKAR principles for implementing and accepting change, the division is now fully equipped to help guide the company as it continually develops new processes and incorporates new technologies to achieve its purpose of constantly setting a world-class standard in logistics operations.

15K warehouse and distribution center in Logistics Village Qatar (LVQ)

QHSSE

The Quality, Health, Safety, Security and Environment (QHSSE) team works diligently to ensure that the company and all its clients and subcontractors maintain the highest safety standards for operations conducted in or by the company.

Among the standards and certifications added in 2018 was the “Good Distribution Practices for Pharmaceutical Storage” certification of LVQ 25K Warehouse in accordance with the World Health Organization. This certification covers both storage and distribution of medical products. The QHSSE division also worked on the transition of ISO 9001, 14001, and 45001 to the latest edition of these standards across all sites. With the expansion of the records management operation in LVQ 33K Warehouse, the division ensured that the warehouse was certified for information security management systems according to the ISO 27001:2013.

The QHSSE team also rolled out an extensive audit plan at the beginning of the year to cover all sites within the organization, conducting 155 audits within GWC facilities and 8 vendor audits. Additionally, the team conducted 278 Gemba Walk - a Six-Sigma method to move through a facility and examine all its facets - across all facilities to ensure that all documented standards are effectively implemented. The QHSSE team also assisted in 65 customer audits to ensure that the standards of the services being delivered to them are being maintained.

A major element of the QHSSE team’s 2018 activity, however, was the implementation of a company-wide Enterprise Risk Management register to identify, review and monitor the risks for all departments. The QHSSE team also prepared a Business Continuity plan for the company. The plan has been rolled out, with drills conducted to ensure the company’s preparedness for any disaster.

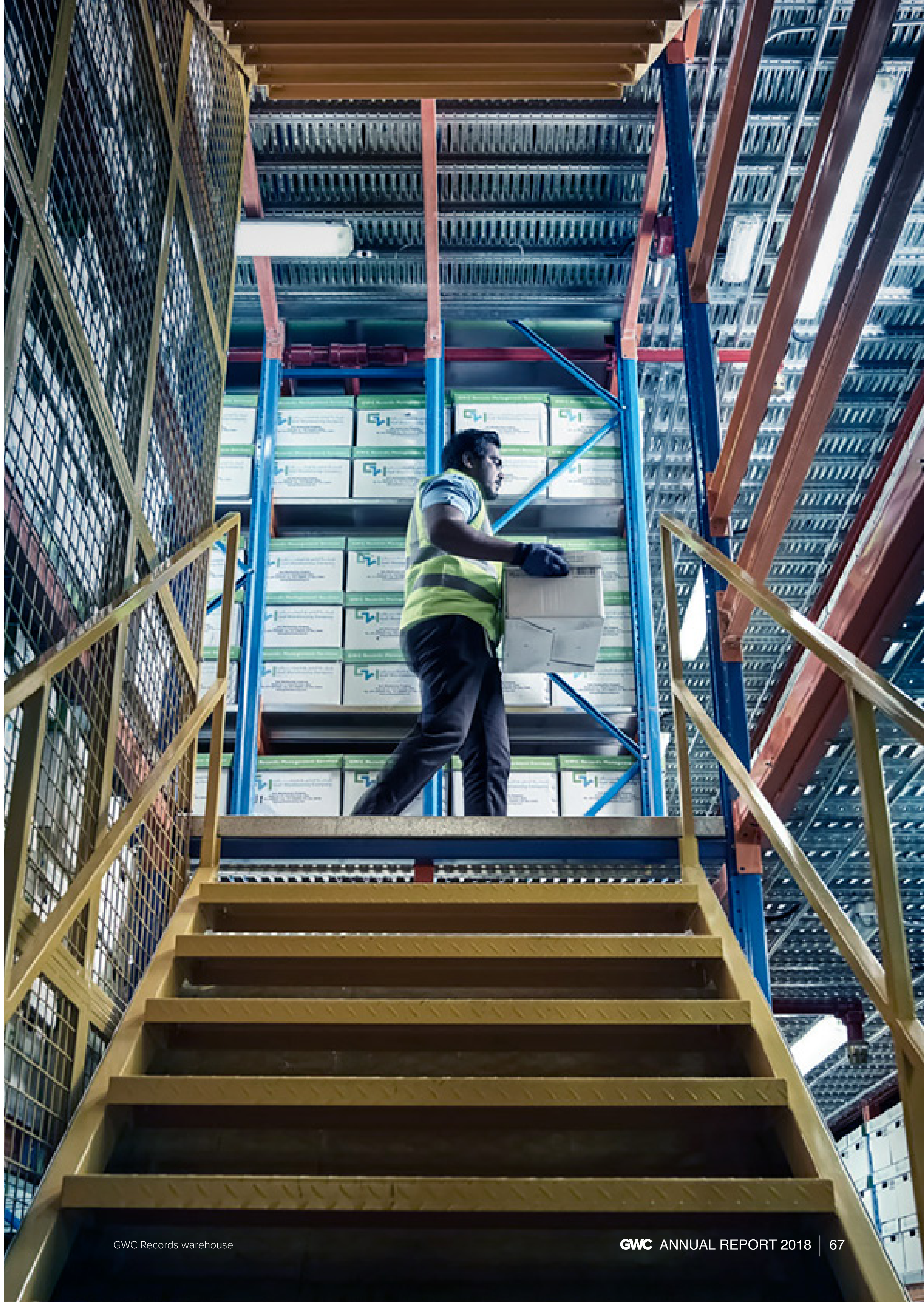
The QHSSE team also conducted 440 person-hours of training, in 2018 to ensure the effective implementation of procedures and that all requirements in the procedures are communicated and understood by all employees.

To safeguard employee health and safety, a hands free and DROPS policy was introduced and fully implemented in the GWC RLIC - West Side Service Area base facility to eliminate physical injuries due to pinched, struck by or falling materials, with the aim to institute this policy to all company sites.

In order to provide a secured and protected facility, GWC security team implemented a visitor management system to register and monitor all visitors. This system provides an easy registration process and also a traceability for future reference.

With its effort to improve environmental sustainability and to comply with applicable environmental requirements, the division has initiated the implementation of 3R’s (reduce, re-use and recycle) and collaborated with other departments for continuous improvement of its environmental programs like Energy Management, Hazardous Materials Management, Hazardous Waste Management, Solid Waste Management and Water Consumption (all programs currently in progress).

The QHSSE team aims to continue to enforce and provide awareness of company policies, providing monitoring and corrective actions whenever new risks arise, involving all stakeholders in the communication and implementation of these policies.


GWC Records warehouse

GWC Ras Laffan Hazmat Logistics Hub in East Side Service Area

CSR

A main driver for the company's purpose and passion over the last fifteen years has been and will continue to be, enthusiastic support for the local communities. Whether by offering solutions and infrastructure that pioneer world class standards in logistics, upholding a strong national orientation, or promoting a sense of belonging, the company fully endorses our nation's ambitions.

To this end, the company has developed a number of partnerships and supported a variety of initiatives that promote the values of entrepreneurship, youth development, heritage and culture that have formed the basis of CSR strategy. The company's commitment extends beyond the services it provides via its various departments, to helping start-up charitable organizations, including 'Embrace Doha' and 'The Youth Company'. Both these organizations reflect the values that GWC cultivates, as witnessed by GWC and Embrace Doha's earlier partnership highlighting Qatar's history and culture, and with 'The Youth Company' to encourage youth volunteerism and social participation.

Among the programs that GWC has supported this year has been the "7asanat Olympics", a partnership with 'The Youth Company' which combines all of these values. The aim of the initiative was to empower the youth with teamwork and leadership skills. All of which will enable and encourage the leaders of tomorrow to carry on similar initiatives on their own, and to prosper in their studies and careers. As part of the month-long event, the volunteers engaged in a number of initiatives including; distributing Iftar boxes at traffic lights at maghreb time, hospital visits for patients who cannot be with their families, targeted clean-ups of Qatar's beaches, as well as visits to orphans, those with special needs, the elderly, and labor camps. The event also included a Garangao children's festival on the 14th night of Ramadan.

Supporting the leaders of tomorrow was also an important factor in a cooperative event with Qatar University, where dozens of students were given a tour and a practical demonstration of the Logistics Village Qatar. The objective of the event was to bridge the gap between theory and practice, with a focus on third party logistics, offering these future business leaders a strong foundation and what to look for in logistics services.

GWC was also honored by the Qatar Green Building Council during the Qatar Sustainability Week 2018, during a ceremony publicly recognizing individuals, institutions, and organizations whose dedicated efforts have contributed to a greener lifestyle, sustainable development, and environmental protection both in Qatar and internationally. The company was recognized for its efforts in generating clean energy through solar power at its GWC Bu Sulba Warehousing Park, as well as an in-house sewage water treatment plant.

HR

Over its fifteen-year history, the Human Resources division has witnessed dramatic changes and growth – initially managing a group of a few dozens, to over 2400 employees today. The key driver of the company culture promotes the phrase, "I STRIVE" that allows an employee to be the change agent advocating integrity, safety, teamwork, respect, innovation, very customer focused, and excellence. The company's culture has significantly influenced decisions affecting recruitment, immigration services, learning and development, and employee welfare initiatives.

In support of GWC's growth and long-term business strategy, the enterprise implements a robust and scalable SAP Human Capital Management (HCM) and SuccessFactors across all divisions to drive performance and business results. The SAP HCM and SuccessFactors enables GWC to win and retain top talent through a more effective and consistent approach to recruiting, hiring, on-boarding, performance management, learning and development, and on-time payroll process.

The year 2018 was a particularly hectic time for recruitment and immigration services with numerous employees recruited throughout the year, all of whom had to be oriented and familiarized with the company's process, policies, and procedures. This was facilitated with the PEG (People, Engage, Grow) group of applications, including SuccessFactors and Fiori, which govern the employment cycle within the company. Online probationary evaluation has been established and now conducted through SuccessFactors, making these apps of particular help with the incoming recruits. The division also strengthened employee engagement by allowing all employees to have access to PEG applications through the establishment of PEG centers at various site locations.

To maintain uniform standards of skills throughout the organization, the Learning and Development section of HR undertook to add safety skills in collaboration with the QHSSE division. This raised the total number of company training programs to 413, including soft skills, safety, and technical training, for a total of nearly 25,000 training person-hours during 2018. Another addition to the program was the competency behavior safety training, ensuring that possible negative behaviors are proactively addressed, and highlighting how individual actions may have a domino effect on corporate aims and goals.

The HR division has undertaken various employee engagement activities and employee welfare to promote interpersonal relationship and professional competency development, with a special emphasis on work-life balance to develop improved social coherence among employees. The division has also successfully held many employee-focused events throughout the year, including the in-house teambuilding "talent bazaar," in which 300 employees participated; the GWC Annual Sport Leagues which brought a spirit of sportsmanship and competition to all divisions of the company; and the annual Ramadan Iftar, which attracted over 1,800 employees of all faiths bringing them together during the holy month.

Maintaining employee safety and well-being is GWC's number one priority, and to this end, the division put on a creative street-theatre inspired safety initiative for World Safety Day. The program ran across all locations and reached around 1,200 employees, highlighting important safety concepts in a fun, light-hearted manner. The division also holds various health camps to offer employees a health check-up at their place of work free of charge, and a shuttle service traveling twice a day back and forth between various company locations and a sponsoring clinic location. Finally, to encourage employees to participate in public health, the division performed its annual blood donation drive in cooperation with a major healthcare provider in the country, receiving donations from 100 employees.

Looking ahead, the division aims to continue acting as a strategic partner to the company, encouraging a high-performance based culture, and emphasizing to the employees the link between their goals, those of their team, their department, and the company at large.

Worker safety is GWC's priority

INTERNAL AUDIT & COMPLIANCE

The year 2018 has brought a dynamic and new approach to the way GWC assesses its internal Control. The Internal Audit, under the direction and approval of the Audit Committee and the Chairman of GWC Board; has adopted and implemented the COSO Framework. The COSO-Committee of Sponsoring Organizations of the Tread-way Commission is a developed model that is widely accepted for evaluating internal controls.

Based on this framework, the Chief Audit Executive has been the primary partner working with management in developing: (1) the process flow documentation which identifies control activities within the process flows; (2) Risk and Control Matrix containing 802 processes, its accompanying risks and applied controls; (3) Determination of materiality threshold; (4) Test of Design effectiveness and test Control effectiveness; (5) Monitoring and evaluation of deficiency and tracking of correctional actions; (6) Entity levels Controls and accompanying RCM; (7) Information Technology Controls including IT general controls, and IT applications Controls; (8) Risk Assessments; (9) Fraud Risk Assessments; (10) Compliance with QFMA Codes and other statutory regulation; and (11) Compliance with Non-statutory guidance.

The Chief Audit Executive-CAE has reviewed and carried out a walk-through of the processes and accompanying controls put in place to manage identified risks associated with identified processes and actions resultant from efforts at achieving goals set by the company's Board of directors. Based on these evaluations, the CAE has concluded that the internal Control over financial reporting was effective as of December 31,2018.

REPORT ON ACTIVITIES OF THE NOMINATION COMMITTEE

Introduction

The responsibility of Nomination Committee as stated in its Committee Charter serves as the corner stone of this report. The primary responsibility of the Nomination Committee (the "Committee") of the Board of Directors (the "Board") of Gulf Warehousing Company (the "Company") is to assist the Board in fulfilling its oversight responsibilities with respect to:

i. Developing general principles and criteria used by the General Assembly members to elect the fittest among the candidates for Board membership.

ii. Nominating whom it deems fit for the Board membership when any seat is vacant.

iii. Developing draft of succession plan for managing the Company to ensure the speed of a suitable alternative to fill the vacant jobs in the Company.

iv. Nominating whom it deems fit to fill any job of the Senior Executive Management.

v. Receiving candidacy requests for the Board membership.

vi. Submitting the list of Board membership candidates to the Board, including its recommendations in this regard, and sending a copy to the Authority.

vii. Submitting an annual report to the Board including a comprehensive analysis of the Board performance to identify the strengths, weaknesses, and proposals in this regard.

Composition of the Nomination Committee

The Nomination Committee consists of three non-executive Board members. The Nomination Committee consist of two (2) Independent and One (1) Non-Independent Board. Mr. Jassam Al Rumaihi is a non-Independent Board Member. The names of the Nomination Committee members include:

1. Mr. Jassim Sultan J. Al-Rumaihi - Chair
2. Mr. Mohammed Hassan Al Emadi – Member
3. Mr. Abdulaziz Mohammed Al Sulaiti - Member

Activities of the Nomination Committee

i. The Nomination Committee reviewed the succession planning program in the company. All critical positions in the company were identified and next-in-line to the office holders were also noted for development.

ii. The Nomination committee submitted Board Members performance evaluation for final review of the Board Chairman.

REPORT ON ACTIVITIES OF THE REMUNERATION COMMITTEE

Introduction

The responsibility of Remuneration Committee as stated in its Committee Charter serves as the corner stone of this report. The primary responsibility of the Remuneration Committee (the "Committee") of the Board of Directors (the "Board") of Gulf Warehousing Company (the "Company") is to assist the Board in fulfilling its oversight responsibilities with respect to:

1. Setting the Company's remuneration policy yearly including the way of identifying remuneration of the Chairman and all Board Members. The Board members' yearly remuneration shall not exceed %5 of the Company's net profit after deduction of reserves, legal deductions, and distribution of the dividends (in cash and in kind) to shareholders.

2. Setting the foundations of granting allowances and incentives in the Company, including issuance of incentive shares for its employees.

Composition of the Remuneration Committee

The Remuneration Committee consists of three non-executive Board members. The Remuneration Committee consist of One (1) Independent and Two (2) Non-Independent Board. Mr. Ahmed Mubarak Al-ali Al-Mahdid is an Independent Board Member. The names of the Committee members include:

1. Mr. Ahmed Mubarak Al-Ali Al-Mahdid - Chair
2. Mr. Jassim Sultan J. Al-Rumaihi - Member
3. Mr. Faisal Al Emadi – Member

Activities of the Remuneration Committee

i. The Remuneration Committee met once during 2 ommend the Cash Dividend to the Board for onward approval of the Shareholders.

REPORT ON ACTIVITIES OF THE AUDIT COMMITTEE

Introduction

The responsibility of Audit Committee as stated in the Audit Committee Charter serves as the corner stone of this report. The primary responsibility of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of Gulf Warehousing Company (the "Company") is to assist the Board in fulfilling its oversight responsibilities with respect to:

i. Making Coordination between External Auditor and the Internal Auditor unit of the Company;

ii. Overseeing and reviewing the accuracy and validity of the financial statement and the yearly, half-yearly and quarterly reports including notes to the company's financial statements;

iii. Making coordination among the Board, Senior Executive Management and the Internal Controls of the Company;

iv. Reviewing the system of financial and internal Control and risk management,

v. The integrity of the Company's financial statements;

vi. The Company's system of internal controls and procedures designed to promote compliance with accounting standards and applicable laws and regulations;

vii. Reviewing the company's dealings with related parties, and making sure such dealing comply with relevant controls;

viii. The appointment and evaluation of the qualifications and independence, of the Company's independent auditors (both Internal & External)

Composition of the Audit Committee

The Audit Committee consists of three non-executive Board members. The Audit Committee consist of two (2) Independent (I) and One (1) Non-Independent (NI) Board. Mr. Jassam Al Rumaihi is a non-Independent Board Member. The names of the Audit Committee members include:

1. Dr. Hamad Saad M. Al-Saad - Chair (I)
2. Mr. Jassim Sultan J. Al-Rumaihi – Member (NI)
3. Mr. Mohammed Hassan Al Emadi – Member (I)

In efforts to fully carry out its oversight of the company, the Committee's oversight function has been partly delegated to the Chief Audit Executive (CAE) in the person of Mr. Segun Abayomi –FCMA, CFE; whose function is directed by the committee.

Activities of the Audit Committee

1. Over-sight Review of accuracy and validity of Financial Statements before Public disclosure:

The Committee ensures critical oversight of the company's financial reporting through the functions of both the Internal & External Auditors. The Committee requires the Chief Audit Executive (CAE) to present quarterly reports on the accuracy and validity of financial statements as well as an assessment of the company's Internal Control, the CAE is also required to report on compliance with all IFRS standards. The External Auditors are also deployed to review and issue quarterly and full year Audit reports.

The committee has carried out a review of all the issued reports of both the Internal and External Auditor including the Control Self-Assessment Report issued by the CAE as well as the Management Report issued by the External Auditor in January 2018. The review of the accuracy and validity of the financial statements including the yearly, half-yearly and quarterly reports have been done with particularly focus on:

i. Any changes to the accounting policies and practices;

ii. Matters subject to the discretion of Senior Executive Management;

iii. The major amendments resulting from the audit;

iv. Continuation of the Company as a viable going concern;

v. Compliance with the accounting standards designated by the Authority;

vi. Compliance with the applicable listing Rules in the Market;

vii. Compliance with disclosure rules and any other requirements relating to the preparation of financial reports; and

viii. Underlying Risks confronting the company and effectiveness of relevant controls put to mitigate them.

2. Review of Company's Policy on Receivable Impairment Accounting:

During the year 2018, the Audit committee reviewed the company's policy on receivable impairments. The old policy was based on IAS 39 which supported the classification of receivables with similar characteristics into same buckets but not as basis for calculating the actual loss due to time difference. The impairment was calculated using the Net Present Value -NPV calculation approach. Incorporating the time value of money was key to this exercise.

With the introduction of the new impairment model in IFRS 9, the International Accounting Standards Board addressed the key concern that the incurred loss model in IAS 39 contributed to the delayed recognition of credit losses which arose as a result of the financial crisis. The new impairment requirements are based on a forward-looking expected credit loss (ECL) model. The model applies to debt instruments measured at amortized cost or at FVOCI, as well as lease receivables, trade receivables, contracts assets (as defined in IFRS 15), and loan commitments and financial guarantee contracts that are not at FVPL.

In applying the IFRS 9 impairment requirements, an entity needs to apply one of the following approaches:

i. The general approach, which will be applied to most loans and debt securities

ii. The simplified approach, which will be applied to most trade receivables

iii. The purchased or originated credit-impaired approach.

GWC have adopted the simplified approach.

3. Sharia Compliance verification with GWC-AOA-Article 2

During the year 2018, the audit committee secure the consultancy service of Bait Al Mashura to verify and provide additional assurance of compliance with the company's article 2 of the company's article of association which mandates the company to "honor its liabilities such as debts or investments and all financial transactions in accordance with the provisions of Islamic sharia".

All findings of Bait Al Mashura have been considered and implemented.

4. Re-Appointment of External Auditors

In fulfillment of its responsibility as dictated in the Committee charter and corporate governance law of Qatar, the committee had in late 2017 recommended; to the Board and shareholders, the selection of KPMG Accounting Firm as the company's external auditors for year 2018. The recommendation was ratified by both the Chairman of the Board and the Share-holders at the General Assembly meeting of February 2018.

The Committee also assessed the performance of the external auditor on the yearly basis while also requesting them to present their proposed fees and scope for the forthcoming year's audit. The reviews of the external auditor have been used to confirm the appropriateness of their reappointment and included assessment of their independence, qualification, expertise and resources, and effectiveness of their audit processes and methodology.

5. Corporate Governance Reporting

The Audit committee has the responsibility of preparing the company's Corporate Governance Report-CGR which is a regulatory requirement of the Qatar Financial Market Authority – QFMA. The governance report for 2018 have been prepared and included in the Company's annual report.

6. Assessment of Fraud Risk Control in GWC

The Audit Committee has reviewed the company's anti- fraud control. The purpose of this is to assure there is effective control that mitigates the risk of fraud occurrence. Critical issues were addressed including control over bank payments, receivable integrity, control over procurement etc. Below is the revised fraud tree for GWC.

7. Risk Management Oversight

During 2018, the Audit Committee carried out a review of the effectiveness and adequacy of the company›s risk management process. The committee mandates the Chief Audit Executive to provide a quarterly report on the adequacy and effectiveness of the company risk management& processes.

During 2018, the Audit committee reviewed the Top 10 Risks to which is the company is exposed. Earlier the committee has ensured the procurement of Symbiant Risk Management suite (software) to help manage the over 800 identified risks in GWC.

8. Approval for Adopting COSO Framework

As a result of changes to the QFMA law on Financial disclosure requirements for publicly listed companies on Qatar Stock Exchange (Specifically Articles 24 & 22,23 ,21 ,20 ,4). The GWC Internal Audit sought and got the approval of the Audit Committee to adopt and implement COSO as the basis for managing the company's Internal Controls.

The *COSO-Committee of Sponsoring Organizations of the Tread-way Commission developed a model for evaluating internal controls. This model has been adopted as the generally accepted framework for internal control and is widely recognized as the definitive standard against which organizations measure the effectiveness of their systems of internal control.

The COSO model defines internal control as "a process, effected by an entity's board of directors, management and other personnel, designed to provide reasonable assurance of the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations;
- Reliability of financial reporting;
- Compliance with applicable laws and regulations"

9. Assessment of Company's Tax compliances

The audit committee have reviewed the Internal Audit Report on with-holding tax of the company for period until the end of Q2018-3. GWC has complied with all tax compliance requirements as at the end Q2018-3. KPMG accounting firm has handled all tax filing during 10 .2018.

10 Meetings of The Audit Committee

The Audit Committee has met Six (6) times and at-least every three months during 2018 and has kept its minutes of the meeting. Specifically; the table below indicates the number of committee meeting and the director›s attendance.

Name	GA	Board Meeting	Audit Committee	Classification	Independence Status
Dr. Hamad Saad M. Al-Saad (Chair)	1/1	8/8	6/6	Non-Executive	Independent
Jassim Sultan J. Al-Rumaihi	1/1	8/8	6/6	Non-Executive	Non-Independent
Mohammed Hassan Al Emadi	1/1	8/8	6/6	Non-Executive	Independent

11. Adoption of Company's Risk and Internal Control and Quarterly Review

The Audit Committee carried out a review of the company's Internal Controls during 2018. The committee received reports on internal controls assessments from both the internal and external auditors. The Internal Auditor is required to summit an updated quarterly report of the internal controls assessment to the committee while the external Auditors submit a yearly assessment of the company›s system of internal control. All submitted reports of controls have been reviewed by the committee up-till Q2018 3 and all necessary actions have been discussed with related parties concerned for effective and necessary actions.

12. Approval of acquisition of AuditBot Software

During the year 8/2017, The Internal Audit acquired AuditBot. AuditBot is SAP partnered Segregation of Duty – SOD Analyzer. The AuditBot ensures that SAP user access is appropriately given and free from segregation conflict. The features of the SAP SOD solution include:

(i) SAP SOD risk analysis at the transaction and authorization object level

(ii) Daily job scheduled in the background to analyze all users and roles

(iii) SAP risk analysis on the critical transaction level

(iv) SAP risk analysis on the critical object level

(v) Ability to simulate user or role additions without making the change

(vi) Update the rule set with upload or manually

(vii) Detailed report on the rule set

(viii) Mitigation Controls at the user and role levels

13. Approval & Review of Audit Plan for period 2019-2021

The Audit committee has approved and reviewed an audit plan that guides the depth and scope of audit of the company for period 2019 through 2021. The audit plan is risked based plan that has prioritized and planned audit based on processes with the highest risks to the company. The Audit plan also narrates the resources and time being used to implement the audit works. The initial audit plan was reviewed and updated to assure its effectiveness. The Audit Committee has reviewed all issued audit reports and its findings and recommendations. The Committee also reviewed the timeline for closing track issues (Audit findings).

GWC CORPORATE GOVERNANCE REPORT 2018

Summarized Information on the Company's Board of Directors

Company Name	Gulf Warehousing Company Q.P.S.C
Date of election/assignment of the current Board of Directors	5th of February 2018
End date of the current Board of Directors	2020
Number of Board of Directors	Nine (9)
Number of Independent Directors	Three (3)
Number of Non-Independent Directors	Six (6)
Number of Executive Directors	Nil
Number of Non-Executive Directors	Nine (9)
Number of the Board Meetings held during the year of the CGR	eight (8)
Number of the Audit Committee Members	Three (3)
Number of the Audit Committee Independent Members	Two (2)
Number of the Audit Committee Non-Independent Members	One (1)
Number of the Audit Committee Executive Members	Nil
Number of the Audit Committee Non-Executive Members	Three (3)
Number of the Audit Committee Members outside the Board	Nil
Number of Remuneration Committee Directors	Three (3)
Number of Remuneration Committee Independent Directors	Two (2)
Number of Remuneration Committee Non-Independent Directors	One (1)
Number of Remuneration Committee Executive Directors	Nil
Number of Remuneration Committee Non-Executive Directors	Three (3)
Number of Remuneration Committee Members outside the Board	Nil
Number of Nomination Committee Directors	Three (3)
Number of Nomination Committee Independent Directors	One (1)
Number of Nomination Committee Non-Independent Directors	Two (2)
Number of Nomination Committee Executive Directors	Nil
Number of Nomination Committee Non-Executive Directors	Three (3)
Number of Nomination Committee Members outside the Board	Nil
Number of Board Membership Shares Guarantee	20,000
Total number of shares for the Board of Directors as of end the last financial	Appendix 1.3
Total number of shares for the Company as of end of the last financial year	58,603,148 shares
Number of the invitations for Extraordinary General Meeting as of end of the last financial year – 2018	Nil

Board Committees Membership:

The Board of GWC has established three Board Committees to which it has delegated certain power and authorities. The Board Committees are operating in GWC are as follows:

Table1.1; Board Committee Membership:

#	Board Membership	Nomination Committee	Remuneration Committee	Audit Committee
1.	**Sheikh Abdulla Fahad J. J. Al-Thani** Chairman			
2.	**Sheikh Fahad Hamad J. J. Al-Thani** Vice Chairman			
3.	**Ahmed Mubarak Al-Ali Al-Maadid** Member		Committee-Chair	
4.	**Dr. Hamad Saad M. Al-Saad** Member			Committee-Chair
5.	**Abdulaziz Mohamed J. A. Al-Sulaiti** Member	Committee-Member		
6.	**Jassim Sultan J. Al-Rumaihi** Member	Committee-Chair	Committee-Member	Committee-Member
7.	**Mohammed Hasan Al-Emadi** Member	Committee-Member		Committee-Member
8.	**Faisal Mohamed A. A. Al-Emadi** Member		Committee-Member	

Table1.2; Directors attendance of Meetings:

#	Board Membership	AGM	Board Meeting	Nomination Committee	Remuneration Committee	Adult committee	Classification	Independence Status
1.	**Sheikh Abdulla Fahad J.J. Al-Thani** Chairman	1/1	8/8				Non-Executive	Non-Independent
2.	**Sheikh Fahad Hamad J. J. Al-Thani** Vice Chairman	1/1	8/8				Non-Executive	Non-Independent
3.	**Ahmed Mubarak Al-Ali Al-Maadid** Member	1/1	8/8		1/1		Non-Executive	Independent
4.	**Dr. Hamad Saad M. Al-Saad** Member	1/1	8/8			6/6	Non-Executive	Independent
5.	**Abdulaziz Mohamed J. A. Al-Sulaiti** Member	1/1	7/8	1/1			Non-Executive	Non-Independent
6.	**Jassim Sultan J. Al-Rumaihi** Member	1/1	8/8	1/1	1/1	6/6	Non-Executive	Non-Independent
7.	**Faisal Mohamed A. A. Al-Emadi** Member	1/1	7/8		1/1		Non-Executive	Non-Independent
8.	**Hanadi Al-Saleh** Member	1/1	6/8				Non-Executive	Non-Independent
9.	**Mohammed Hasan Al-Emadi** Member	1/1	8/8	1/1		6/6	Non-Executive	Independent

Table 1.3 Directors' Shareholding

Name of board Member	Department / Position	Company/Personal	Owned Share Balance@ Dec-2017	Changes in Shares within the Year	Owned Share Balance@ Dec-2018
Sheikh Abdulla Fahad J.J. Al-Thani	Chairman	Personal	0	0	0
		Al Masar Services Co.	376,502	0	376,502
Sheikh Fahad Hamad J. J. Al-Thani	Vice-Chairman	Personal	200,000	0	200,000
		Al Mirqab Capital	12,489,660	(73,753)	12,415,907
Ahmed Mubarak Al-Ali Al-Maadid	Director	Personal	0	0	0
		Al Bateel Commercial Co.	20,000	0	20,000
Dr. Hamad Saad M. Al-Saad	Director	Personal	0	0	0
		El Shameel Group Ltd	20,000	0	20,000
Abdulaziz Mohamed J. A. Al-Sulaiti	Director	Personal	0	0	-
		Al Sinaam Commercial Co.	1,860,000	0	1,860,000
Jassim Sultan J. Al-Rumaihi	Director	Personal	0	0	0
		Al-Riwaq Company	1488000	0	1488000
Faisal Mohamed A. A. Al-Emadi	Director	Personal	0	20,000	20,000
		Company	0	0	0
Hanadi Al-Saleh	Director	Personal	0	0	0
		Agility - Kuwait	10,857,840	0	10,857,840
Mohammed Hasan Al-Emadi	Director	Personal	0	0	0
		Ismail Bin Ali Group	25,999	0	25,999
Ranjeev Menon	GCEO	Personal	0	0	0
		N/A	0	0	0

Article Number	Provision Number	Compliance	Non Compliance	Not Applicable	Governance Implementation
Article (2) Scope of Implementation	The principles and provisions of this Code shall apply to companies, legal entities listed on the main Market unless there is a special provision on this regard stipulated in any of the Authority's Legislations. The Company shall, in its annual report, disclose its compliance with provisions of this Code. In case of non-compliance with any principle or provision for reasons accepted by the Authority- taking into account the public interest, the Market interest or the protection of investors-the Company shall specify the article or articles that have not been complied with as well as to mention in the Governance Report the justifications of non-compliance- as the case might be.	☑			GWC has comply with provisions of this QFMA CG code. Compliance has been indicated article-wise to provide assurance of full compliance with all the requirements of the QFMA governance codes. The Corporate Governance Report is included in the company's annual report that is circulated to all shareholders.
Article (3) Compliance with Governance Principles	The Board shall commit to implement Governance principles set out in this Code, which are: Justice, Equality among Stakeholders without discrimination among them on basis of race, gender, and religion; and transparency, disclosure and providing Information to the Authority and Stakeholders at the right time and in the manner that enables them to make decisions and undertake their duties properly. The principles also include upholding the values of corporate social responsibility and providing the public interest of the Company and Stakeholders over the personal interest as well as performing duties, tasks and functions in good faith, integrity, honor and sincerity and taking the responsibility arising therefrom to the Stakeholders and society. The Board shall constantly and regularly review and update Governance applications, and apply the highest principles of Governance when listing or trading any securities in the Foreign Market, and uphold fair-trading principle among shareholders. The Board shall also update professional conduct rules setting forth the Company's values and shall constantly and regularly review its policies charters, and internal procedures of which shall be binding upon the Company's Board members, Senior Executive Management, advisors, and employees. These professional conduct rules may include the Board Charters and committees, the policy of its dealings with related parties, and the Insiders' the trading rules.	☑			GWC have adopted and implemented the COSO internal Control framework. COSO has established a common internal control model against which companies and organizations may assess their control systems. GWC have implemented the principles of governance contained in the governance code, which are justice, equality among stakeholders, non-discrimination, transparency and disclosure of all essential information in a timely manner. The Board of Directors are regularly reviewing and updating Governance applications, and applying the highest principles of Governance when listing or trading any securities in the Foreign Market. GWC also provides corporate social responsibility and assure public interest of the Company and Stakeholders over the personal interests in its decision making. The GWC Board has issued a written commitment to complying with all QFMA issued governance principles and guidelines. The Board through the Board Audit Committee also requires the Company's Chief Audit Executive to review and update the Board and Committee charters on annual basis to assure they are up-to-date with relevant regulatory laws. This review has been done for 2018. The company as a standard routine; reviewed and updated professional conduct rules setting forth the Company's values; This includes the reviews of Do's and Don'ts in the company as well as the various board related charters.

<table>
<tr><th>Article Number</th><th>Provision Number</th><th>Compliance</th><th>Non Compliance</th><th>Not Applicable</th><th>Governance Implementation</th></tr>
<tr><td rowspan="8">Article (4) Governance Report</td><td>The Governance Report is an integral part of the Company's annual report and shall be attached with it and signed by the Chairman. Without prejudice to the provision of Article (2) of this Code, the Governance Report must include Company's disclosure on its compliance with the provisions of this Code. It must also include all the information regarding the implementation of its principles and provisions, which include, but not limited to:</td><td></td><td></td><td></td><td rowspan="8">i. The GWC annual Governance Report for 2018 has been signed-off by the Company's Chairman and is included in the published Annual Report that is being distributed to all Shareholders;
ii. Gulf Warehousing Company has not been subjected to any violations or sanctions during the current year for not complying with any of the principles or provisions of this law. The Company is keen to adhere to the principles and provisions of the Qatar Financial Markets Authority and all related legislations;
iii. GWC has disclosed all information related to the Board Members and Executive Management responsibilities, Committees and their works, as well as their remunerations;
iv. The Corporate Governance (CG) report of GWC included all procedures of risk management and Internal Control of the Company including the supervision of the financial affairs, investments and full implementation of the COSO framework for internal control assurances;
v. The Corporate Governance Report includes summary of the Committees work and the number of meetings and their recommendations;
vi. This Corporate Governance Report Contains a summary of the procedures followed by the Company in determining, evaluating and managing risks, a comparative analysis of the Company's risk factors and discussion of the systems in place to confront drastic or unexpected market changes;
vii. The Chairman has carried out a performance assessment of Board members during 2018 to determine that board members are optimally productive and in their best possible assigned area of expertise.
viii.The Chairman also has carried out a performance assessment of Board Committees and because of their active role and due to their attendance of committees' meetings, the committees were evaluated as follows:
<table><tr><th>Committee</th><th>Good</th><th>Excellent</th></tr><tr><td>Audit Committee</td><td></td><td>✓</td></tr><tr><td>Nomination Committee</td><td></td><td>✓</td></tr><tr><td>Remuneration Committee</td><td></td><td>✓</td></tr></table>
ix. RISK MANAGEMENT PROCESS
The objective of the company's risk management process is to assess, treat, monitor and communicate the material risks that could impact the achievement of GWC›s strategic objectives. An overview of the risk management process for GWC is provided below:
• Establish the Context
The assessment is carried out in the context of the environment in which GWC operates, the company's strategic objectives and business plans.</td></tr>
<tr><td>1. The procedures followed by the Company in implementing the provisions of this Code.</td><td>☑</td><td></td><td></td></tr>
<tr><td>2. The disclosure of any violations committed during the Year including violations and sanctions imposed because of non-compliance with implementation of any of principles or provisions of this Code, their reasons, the remedial measures taken and measures to avoid the same in the future;</td><td>☑</td><td></td><td></td></tr>
<tr><td>3. The disclosure of the information relating to Board members and its Committees, Senior Executive Management in the Company, their responsibilities, powers and activities during the Year, as well as their remunerations;</td><td>☑</td><td></td><td></td></tr>
<tr><td>4. The disclosure of the procedures of risk management and Internal Control of the Company including the supervision of the financial affairs, investments, and any relevant information;</td><td>☑</td><td></td><td></td></tr>
<tr><td>5. The committees' works, including number of meetings and their recommendations.</td><td>☑</td><td></td><td></td></tr>
<tr><td>6.Disclosure of the procedures followed by the Company in determining, evaluating and managing risks, a comparative analysis of the Company's risk factors and discussion of the systems in place to confront drastic or unexpected market changes;</td><td>☑</td><td></td><td></td></tr>
<tr><td>7. Disclosure of the performance assessment of the Board, compliance of its members in achieving the Company's interest, doing the committee's works, and their attending of the Board and Committees. Disclosure of the performance assessment of the Senior Executive Management in implementing the Internal Controls system and risk management including identification of number of appeals, complaints, proposals, notifications and the way used by the Board to handle the regulatory issues;</td><td>☑</td><td></td><td></td></tr>
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<table>
<tr><th>Article Number</th><th>Provision Number</th><th>Compliance</th><th>Non Compliance</th><th>Not Applicable</th><th>Governance Implementation</th></tr>
<tr><td rowspan="4"></td><td>8. Disclosure of the Internal Controls failures, wholly or partly, or weaknesses in its implementation, contingencies that have affected or may affect the Company's financial performance, and the procedures followed by the Company in addressing Internal Controls failures (especially such problems as disclosed in the Company's annual reports and financial statements);</td><td>☑</td><td></td><td></td><td rowspan="4">• Risk Identification
New and emerging risks that are material to the company are identified through structured interviews and workshops with key GWC stakeholders. A risk is characterized by an event or condition and its potential impact, with consideration given to what, where, when, why and how risks could impact the achievement of GWC's strategic business objectives.
• Risk Analysis
Risk analysis is performed by determining the likelihood and impact of each risk according to GWC's risk assessment criteria after considering the effectiveness of existing controls. The risk rating is determined by the product of the impact and likelihood using GWC's corporate risk matrix.
• Risk Evaluation
Risk evaluation is performed by comparing the results of the risk analysis with GWC's risk appetite to determine whether or not the risk is acceptable or further treatment is required.
• Risk Treatment
Where the risk evaluation determines that further treatment is required, a decision must be made whether to:
i. reduce the risk by instigating a risk action plan;
ii. share the risk with another party or parties (e.g. through contracts, insurance or risk financing);
iii. avoid the risk altogether by discontinuing the activity that gives rise to the risk.
• Action Plan
Action plans includes specific actions to be completed, accountability for their completion and timeframes for completion. Executive Management have ownership for GWC's top risks and are ultimately responsible for updating risk assessments and implementing action plans.
• Risk Monitoring & Review
Internal Audit are responsible for monitoring progress against these action plans and for appropriate escalation through to the management and the BAC where necessary. The Internal Audit also perform detailed reviews of GWC's top risks in accordance with the Internal Audit plan and report the outcomes to the Board Audit Committee. They carry out and monitor the implementation of action plans and their effectiveness in mitigating the identified risks and consider how risk management activities have affected the achievement of GWC's strategic objectives.
x. Gulf Warehousing Company has disclosed the cases and litigation in favor of or against the Company for the Qatar Financial Markets Authority which is as the following;
<table><tr><th>Cases raised by GWC or its subsidiaries</th><th>Cases raised against GWC or its subsidiaries</th></tr><tr><td>19</td><td>4</td></tr></table></td></tr>
<tr><td>9. Disclosure of the Company's compliance with applicable market listing and disclosure rules and requirements;</td><td>☑</td><td></td><td></td></tr>
<tr><td>10. Disclosure of any conflict or dispute in which the Company is a party including arbitration and lawsuits.</td><td>☑</td><td></td><td></td></tr>
<tr><td>11 Disclosure of operations and transactions entered into by the Company with any "Related Party".</td><td>☑</td><td></td><td></td></tr>
</table>

Article Number	Provision Number	Compliance	Non Compliance	Not Applicable	Governance Implementation
Article (5) Requirements for the Board Member	The Board member must be qualified with sufficient knowledge of administrative matters and relevant experience to perform its duties effectively, and must devote enough time to do its job with integrity and transparency to achieve the Company›s interest, goals and objectives. The Board member must:				All GWC Board Members have given a written assurance that they have not received any sentence to criminal penalty, or a crime against honor or integrity or any of the crimes stipulated in Article (40) of Law No. 8 of 2012 concerning the Qatar Financial Markets Authority, and articles (334) and (335) of law No. (11) Of 2015 Promulgating Commercial Companies Law.
	1. Not be under twenty-one years old with full capacity.	☑			All Board members are above 21 years old and are with full capacity.
	2. Not have been sentenced to criminal penalty, or a crime against honor or integrity, or any of the crimes stipulated in Article (40) of Law No. (8) Of 2012 concerning the Qatar Financial Markets Authority, and articles (334) and (335) of law No. (11) Of 2015 Promulgating Commercial Companies Law, or be prevented from practicing any work in the entities subject to the Authority's jurisdiction under Article (35 paragraph 12) of law No. (8) Of 2012 referred to, or have been bankrupted, unless been rehabilitated.	☑			All Board members own the minimum shares required in the company's Article of Association as specified by article 26 of GWC article of association which is 20,000 shares. The existing Board Members have provided written acknowledgment stating of not undertaking any legally prohibited job position that should not be combined with the Board Membership. The current Board is constituted with experienced and qualified members with sufficient knowledge of administrative matters and relevant experience to perform its duties effectively.
	3. Be a shareholder owning, when elected, or within thirty days from its election date, a number of the Company's shares determined by Article of Association. Such shares shall be deposited to the Depository within sixty days from starting date of membership with prohibition from trading, mortgage or seize until the end of membership period, approved on the last budget of financial Year of doing business. Such shares shall also be allocated to ensure the rights of the Company, shareholders, creditors and third parties for the responsibility of the Board members. If the member does not provide the guarantee as mentioned, its membership becomes invalid. The Independent Member shall be exempted from this requirement.	☑			Below are the profiles of the board members and the Board Committees to which they belong: **Sheikh Abdulla bin Fahad bin Jassem bin Jabor Al-Thani** Sheikh Abdulla has been a member of GWC's board of directors since 2009, holding seats on the Board's Tender and Nominations Committee, prior to his election to Chairman of the Board in 2014. He brings about 10 years of experience to the position, having previously worked with QAFCO and currently holding a position at Muntajat. Sheikh Abdulla is a non-independent, non-executive member of the board.
	4. The candidate for Board membership shall provide written acknowledgment stating not undertaking any legally prohibited job position to combine it with the Board membership.	☑			**Sheikh Fahad bin Hamad bin Jassem bin Jabor Al-Thani** Sheikh Fahad has a wide variety of experience in various fields spanning over 8 years. He is currently Deputy General Manager for business development at the International Bank of Qatar. Sheikh Fahad has earned a bachelor's in business administration from the European University in Geneva, Switzerland, and a banking and financial science training from the Arab Academy in Amman, Jordan. Sheikh Fahad is currently GWC's Board Vice Chairman. Sheikh Fahad is a non-independent, non-executive member of the board.
	5. In all cases, the Company shall commit to send a list of names and data of Board membership candidates attached with each candidate's curriculum vitae and original copies of candidacy requirements to the Authority at least two weeks before the date specified for Board election.	☑			

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					Mr. Ahmed Mubarak Al-Ali Al-Maadid Mr. Ahmed is a highly successful figure in the Qatari retail arena, and has over 25 years of experience developing various retail outlets and companies. He is currently a Partner and Managing Director of the Al-Bateel Group, and was also one of the founders of Gulf Warehousing Company. He has earned various military and management training certificates in business and management science from the State of Qatar, Jordan, UK, and the US. Mr. Ahmed is serving as the Chairman of the Board Remuneration Committee. Mr. Ahmed is an independent, non-executive member of the board. **Dr. Hamad Saad M. Al-Saad** Dr. Hamad is a highly respected figure in the Qatari environmental field, and has more than 34 years of experience in environmental affairs with various companies and ministries. He has extensive experience in agricultural investment companies and in the field of internal auditing. He was the head consultant at Hassad Food Company, as well as serving on a number of committees and boards. He earned his doctorate in Botany from Nottingham University in the UK. Dr. Hamad is serving on as Chairman for the Board Audit Committee. Dr. Hamad is an independent, non-executive member of the board. **Mr. Abdulaziz Mohamed Jaber Al-Sulaiti** Mr. Abdulaziz is a member of the board since 2018. He is the chief of staff of the former prime minister and Minister of Foreign Affairs. He earned his Diploma in business administration at the Raffles BICT College in Chine, and his Bachelor degree in Marketing at Angela Ruskin UK. He has over 5 years of experience in marketing and management. Mr. Abdulaziz is an independent, non-executive member of the board, serving on the nominations committee. **Mr. Jassim Sultan J. Al-Rumaihi** Mr. Jassim is a well-recognized figure in the Qatar sports field, and has over 40 years of experience in sports and Logistics for various sports clubs and in the Qatari Armed Forces. He is currently the general secretary of the Al-Sadd Sports Club, and has earned a bachelor's degree in marketing from Metro State College in Denver, Colorado and an MBA from Grambling State University, from Rustin, Louisiana, in the United States. Mr. Jassim is serving on the Board Audit, Remuneration and Nomination Committees. Mr. Jassim is non-independent, non-executive member of the board and is the chairman of the Nomination committee.

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					Mr. Mohammed Hasan Al-Emadi Mr. Mohammed is a rising figure in the financial sector, with over 7 years of experience in the banking and Financial fields. Currently, he is an executive manager with Masraf Al Rayan deputy head of private banking with Masraf Al Rayan UK. He earned a bachelor's in business administration with a concentration on marketing from the Arab Academy of Science, Technology and Maritime Transport in Egypt, as well as becoming a certified professional manager through the Institute of Professional Managers at the College of Business in James Madison University in the United States of America. Mr. Mohammed is an independent, non-executive member of the board, Mr. Mohammed is serving on both the Board Audit Committee and Board Nomination Committee. **Ms. Hanadi Al-Saleh** Ms. Hanadi is the Chairperson of Agility, a major international logistics company, with experience in leadership positions providing financial planning and investor relation services. Ms. Hanadi has a bachelor's degree from Tufts University in the US. Ms. Hanadi is a non-independent, non-executive member of the board. **Mr. Faisal Mohamed A. A. Al-Emadi** Mr. Faisal is a member of the board since 2018. He is the executive director of programs at Silatech HQ. He earned his Bachelor in business administration at Al-Isra University in Jordan, and his Master's in business administration at Arab Academy for Science, Technology & Maritime Transport in Egypt. He has nearly 20 years of experience. Mr. Faisal is an independent, non-executive member of the board, serving on the remuneration committee.
Article (6) The Board Composition	The Board shall be composed pursuant to the Law and the Company's Articles of Association. At least one-third of the Board Members shall be Independent Board Members, the majority of the Board members shall be Non-Executive Board Members; and a seat or more of seats may be allocated to represent the Minority and another to represent the Company employees. In all cases, the Board composition shall ensure that one member or more do not dominate issuing the Board decisions.	☑			**Structure and composition** The Board Structure is described in the Articles of association of GWC. As currently defined it provides for a Nine (9) elected Board membership all of whom were elected by the General Assembly by ballots. Three (3) Boards are independent by the definition of the Corporate Governance Codes. All Board members are non-executive members.

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Article (7) Prohibition of Combining Positions	Without prejudice to the Law provisions in this regard, it is prohibited for any one, whether in person or in capacity, neither to be a Board Chairman or a vice-chairman for more than two Companies which their headquarters located in the State, nor to be a Board member for more than three shareholding companies which their headquarters located in the State, nor to be a Managing Director in more than one Company which its headquartered located in the State, nor to combine two memberships of two Companies exercising a homogenous activity. It is also prohibited to combine the position of the Chairman with any other executive position in the Company. The Chairman shall not to be a member of any of the Board committees set out in this Code. The Chairman and the members of the Board must provide an annual acknowledgment that no one of them shall combine the prohibited positions according to the Law and this Code provisions. The Secretary shall keep such acknowledgment in the file prepared for this purpose.	☑			GWC Board members have provided acknowledgement letters assuring of compliance with the law that: • Prohibit for any one, whether in person or in capacity, neither to be a Board Chairman or a vice-chairman for more than two Companies which their headquarters located in the State, nor to be a Board member for more than three shareholding companies with headquarters located in the State, nor to be a Managing Director in more than one Company which its headquartered located in the State, nor to combine two memberships of two Companies exercising a homogenous activity. • Prohibit to combine the position of the Chairman with any other executive position in the Company. The Chairman shall not to be a member of any of the Board committees set out in this Code.
Article (8) Key Functions and Tasks of the Board	The Board shall prepare a Charter called «Board Charter» detailing the Board's functions, and rights, duties and responsibilities of the Chairman and members, according to the provisions of the Law and this Code, and shall be published at the Company's website. The Board Charter shall include the Board's key functions and responsibilities including, at least the following: 1. Approving the Strategic Plan and main objectives of the Company and supervising their implementation, including: 1.1 Setting a comprehensive strategy for the Company and key business plans and risk management policy, reviewing and directing them. 1.2 Determining the most appropriate capital structure of the Company, its strategies and financial objectives and approving its annual budgets. 1.3 Supervising the main capital expenses of the company and acquisition/disposal of assets. 1.4 Setting the performance objectives and monitoring the implementation thereof and the overall performance of the Company. 1.5 Reviewing and approving the organizational structures of the Company on periodic basis to ensure distinct distribution for the functions, tasks and responsibilities of the Company especially internal control units.	☑			GWC Board and its Committees has prepared charters that details its functions and duties as well as the responsibilities of the Chairman and its members. The charters contain all the relevant items required by the code. Copies of these charters have been published on the company's website. The roles and responsibilities of the GWC Board broadly covers reviewing and approving corporate mission and broad strategies; overseeing and evaluating the conduct of the group's businesses; identifying principal risks and ensuring the implementation of appropriate measures and control systems to manage these risks; and reviewing and approving important matters such as financial results, investments and divestments and other material transactions. The function of the Board also includes the following: • Approving the company's strategic plan & objectives and monitoring implementation of same; • Reviewing of the company's Risk management to assure effective control; • Approval of the company's annual Financial Plans as well as the company's capital structure; • Monitoring of implementation of approved Budget plans including Financial, Capital, Marketing, and Cash-flow plans;

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	1.6 Approving the procedures manual needed to implement the strategy and objectives of the Company, prepared by senior executive management. The manual shall include determining ways and means of the quick contact with the Authority and other regulatory authorities as well as all parties concerned to governance, including the appointment of a communication officer.				• Setting of performance threshold as well as rewards and monitoring of the implementation of same; • Assuring that Developing a written policy that regulates the relationship among the Stakeholders in order to protect them and their respective rights; in particular, such policy must cover the following: i. Indemnifying mechanisms of the Stakeholders in case of contravening their rights pursuant to the Law and their respective contracts, ii. Mechanisms of complaints or disputes that might arise between the Company and the Stakeholders, iii. Suitable mechanisms for maintaining good relationships with customers and suppliers and protecting the confidentiality of Information related to them, iv. Put a code of conduct for the Company's executives and employees compatible with the proper professional and ethical standards, and regulate their relationship with the Stakeholders and mechanisms for supervising this Code and ensuring compliance there with, v. The Company's social contributions, vi. Establish a clear policy of contracting with relevant parties and submitting them to the General Assembly for approval. • Setting the rules and procedures for Internal Control and supervising them, that includes: i. Developing a written policy that would regulate conflict of interest and remedy any possible cases of conflict by Board members, Senior Executive Management and shareholders. This includes misuse of the Company's assets and facilities and the mismanagement resulting from transactions with Related Parties. ii. Developing full disclosure system as to achieve justice and transparency and to prevent conflicts of interest and exploiting the insider Information. Such system shall include procedures followed when dealing in securities by Insiders, and identify prohibited periods of their trading in securities of the Company or any company of its group, as well as preparing and updating a list of Insiders to provide a copy to the Board and the Market upon adoption or update. iii. Ensuring the integrity of the financial and accounting rules, including rules related to the preparation of financial reports.
	1.7 Approving the annual plan of training and education in the Company that includes programs introducing the Company, its activities and Governance, according to this Code.				
	2. Setting the rules and procedures for Internal Control and supervising them, that includes:	☑			
	2.1 Developing a written policy that would regulate conflict of interest and remedy any possible cases of conflict by Board members, Senior Executive Management and shareholders. This includes misuse of the Company's assets and facilities and the mismanagement resulting from transactions with Related Parties.				
	2.2 Developing full disclosure system as to achieve justice and transparency and to prevent conflicts of interest and exploiting the insider Information. Such system shall include procedures followed when dealing in securities by Insiders, and identify prohibited periods of their trading in securities of the Company or any company of its group, as well as preparing and updating a list of Insiders to provide a copy to the Board and the Market upon adoption or update.				
	2.3 Ensuring the integrity of the financial and accounting rules, including rules related to the preparation of financial reports.				
	2.4 Ensuring the implementation of control systems appropriate for risk management by generally forecasting the risks that the Company may encounter and disclosing them transparently.				
	2.5 Reviewing annually the effectiveness of the Company's Internal Control procedures.				
	3. Drafting a Governance code for the Company that does not contradict the provisions of this Code, supervising and monitoring in general the effectiveness of this Code and amending it whenever necessary	☑			
	4. Setting forth specific and explicit policies, standards and procedures for the Board membership and implementing them after approval by the General Assembly.	☑			
	5. Developing a written policy that regulates the relationship among the Stakeholders in order to protect them and their respective rights; in particular, such policy must cover the following:	☑			

Article Number	Provision Number	Compliance	Non Compliance	Not Applicable	Governance Implementation
	5.1 Indemnifying mechanisms of the Stakeholders in case of contravening their rights pursuant to the Law and their respective contracts.				iv. Ensuring the implementation of control systems appropriate for risk management by generally forecasting the risks that the Company may encounter and disclosing them transparently. v. Reviewing annually the effectiveness of the Company's Internal Control procedures. vi. Drafting a Governance code for the Company that does not contradict the provisions of this Code, supervising and monitoring in general the effectiveness of this Code and amending it whenever necessary. vii. Setting forth specific and explicit policies, standards and procedures for the Board membership and implementing them after approval by the General Assembly. The Board has delegated the day-to-day management and operation of the group's businesses to the management of the Company headed by the Group Chief Executive Officer (GCEO). All management compensations structures have been approved by the board prior to implementation.
	5.2 Mechanisms of complaints or disputes that might arise between the Company and the Stakeholders.				
	5.3 Suitable mechanisms for maintaining good relationships with customers and suppliers and protecting the confidentiality of Information related to them.				
	5.4 Put a code of conduct for the Company's executives and employees compatible with the proper professional and ethical standards, and regulate their relationship with the Stakeholders and mechanisms for supervising this Code and ensuring compliance there with.				
	5.5 The Company's social contributions.				
	6. Setting policies and procedures to ensure the Company's compliance with the laws and regulations and the Company's obligation to disclose material Information to shareholders, creditors and other Stakeholders.	☑			
	7. Inviting all shareholders to attend the General Assembly Meeting in the way charted by Law. The invitation and the announcement shall include a thorough summary of the General Assembly agenda, including the item of discussing and approving the Governance Report.	☑			
	8. Approving the nominations for appointment in functions of Senior Executive Management, and the succession planning concerning the management.	☑			
	9. Developing a mechanism for dealing and cooperation with providers of financial service, financial analysis, credit rating and other service providers as well as the entities that identify standards and indices of financial markets in order to provide their services for all shareholders in a quick manner with integrity and transparency.	☑			
	10. Developing awareness programs necessary for spreading the culture of self- control and risk management of the Company.	☑			
	11. Setting a clear and written policy that defines the basis and method of granting remuneration for the Board members, in addition to incentives and rewards of Senior Executive Management and the Company's employees in accordance with the principles of this Code without any discrimination based on race, gender or religion. Such policy shall be submitted yearly to the General Assembly for approval.	☑			

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	12. Developing a clear policy for contracting with the Related Parties and presenting it to the General Assembly for approval. 13. Setting foundations and standards for evaluating the performance of the Board and the Senior Executive Management.	☑ ☑			
Article (9) Board Responsibilities	The Board represents all shareholders; therefore, the Board must exert more due diligence and care in managing the Company in an effective and productive manner to achieve the interest of the Company, partners, shareholders and Stakeholders, and to achieve the public interest and investment development in the State as well as community development. The Board shall also bear the responsibility to protect shareholders from illegal or abusive practices and business, or any acts or decisions that may be harmful to them, discriminate among them, or let a group dominate another. The responsibilities of the Board must be clearly stated in the Company's Articles of Associations and in «the Board Charter» referred to in the previous article. Without violating the provisions of the Law, the Board must carry out its functions and duties, and bear responsibility according to the following: 1. The Board must carry out its duties in a responsible manner, in good faith and with due diligence. Its decisions should be based on sufficient Information from the executive management, or from any other reliable source. 2. A Board member represents all shareholders; shall undertake to carry out whatever might be in the interest of the Company, but not in the interests of the group it represents or that which voted in favor of its appointment to the Board. 3. The Board shall determine the powers to be delegated to the executive management and the procedures for taking any action and the validity of such delegation. It shall also determine matters reserved for decision by the Board. The executive management shall submit to the Board periodic reports on the exercise of the delegated powers. 4. The Board shall ensure that procedures are laid down for orienting the new Board members of the Company's business and, in particular, the financial and legal aspects, in addition to their training, where necessary.	☑ (1) ☑ (2) ☑ (3) ☑ (4)			1. The Chairman has approved a Power of attorney delegating specific responsibility to the Group Chief Executive Officer. 2. The responsibilities of the Board are clearly stated in the Company's Articles of Associations. 3. All loans taken by the company are in compliance with laid down requirement of the company's AOA. The responsibilities of directors include but are not limited to: • Review and approve the company›s strategies, plans and objectives; • Oversee the selection of senior management of the company in the appropriate and fair manner; • Review the effectiveness of the company›s internal control framework; • Maintain updated information received from the Board Committees and the Senior Management; • Ensure that the company complies with the rules and regulations issued by the Qatar Financial Markets Authority; • And, in general, to ensure compliance in accordance with the rules and legislations in force in Qatar, whether directly or through the delegated authorities; • Convening of the Annual General Assembly; • Develop procedural rules related to governance practices in order to ensure their implementation continuously; • Keep Board members informed of recent developments in governance and best practices; • There are instances whereby the management has disposed of the company assets after approval from Tenders committee which is headed by a Board Member. The Company's Articles of Association includes provisions to enter into loans that spans more than three years, or sell or mortgage real estate of the Company, or drop the Company's debts and as such the Board are allowed to do as such.

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	5. The Board shall ensure that sufficient Information about the Company is made available to all Board members, generally, and, in particular, to the Non-Executive Members, to enable them to discharge their duties and responsibilities in an effective manner. 6. The Board shall not enter into loans that spans more than three years, and shall not sell or mortgage real estate of the Company, or drop the Company's debts, unless it is authorized to do so by the Company's Articles of Association. In the case where the Company's Articles of Association includes no provisions to this respect, the Board should not act without the approval of the General Assembly, unless such acts fall within the normal scope of the Company's business.	☑ ☑			
Article (10) Tasks Delegation	Without prejudice to the competences of the General Assembly, the Board shall assume all the necessary competencies and powers for the Company's management. The Board may delegate to its committees to exercise some of such powers, and may form a special committee or more to carry out specific tasks to be stipulated in the decision of formation the nature of those tasks. The ultimate responsibility for the Company rests with the Board even if it sets up committees or delegates some of its powers to a third party. The Board shall avoid issuing a general or an open-ended delegation.	☑			The GWC's Board has adopted and approved a charter. The GWC board consists of several committees which includes: 1. Board Remuneration Committee; 2. Board Audit Committee; and 3. Board Nomination Committee. The Board and each of the committees have an approved charter that specifies each committee roles, responsibilities and functions. All board committee charter has been distributed to all shareholders and is also published on the company's website and are constantly updated as required. The GWC's Board of Directors' role is regulated by a well-defined Board Charter that specifies the duties of directors as well as their fiduciary responsibilities. The charter also lists out the details of the Board's mission and responsibilities. The responsibilities of the Board as narrated in the board charter and the article of association broadly meets the requirement of the QFMA governance code Especially Article 32. The role and responsibilities of the GWC Board broadly covers reviewing and approving corporate mission and broad strategies; overseeing and evaluating the conduct of the group's businesses; identifying principal risks and ensuring the implementation of appropriate measures and control systems to manage these risks; and reviewing and approving important matters such as financial results, investments and divestments and other material transactions. The Board has delegated the day-to-day management and operation of the group's businesses to the management of the Company headed by the Group Chief Executive Officer (GCEO).

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Article (11) Duties of the Board Chairman	The Chairman: is the president of the Company, represents it before the others and before the judiciary and is primarily responsible for ensuring the proper management of the Company in an effective and productive manner and working to achieve the interest of the Company, partners, shareholders and Stakeholders. The Board Charter must include tasks and responsibilities at least the following:				11.1 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. 11.2 The Chairman may not be a member of any of the Board committees prescribed in this Code.
	1. Ensuring that the Board discusses all the main issues in an efficient and timely manner;	☑			11.3 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:
	2. Approving the agenda of the Board meeting taking into consideration any matter proposed by any other Board member;	☑			a) To ensure that the Board discusses all the main issues in an efficient and timely manner;
	3. Encouraging all Board members to collectively and effectively participate in dealing with the Board affairs for ensuring that the Board is working with its responsibilities to achieve the best interest of the Company;	☑			b) 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;
	4. Making available for the Board Members all data, Information, documents and records of the Company, and of the Board and its committees.	☑			c) 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;
	5. Creating effective communication channels with shareholders and making their opinions heard to the Board;	☑			d) To ensure effective communication with Shareholders and communication of their opinions to the Board of Directors;
	6. Allowing effective participation of the Non-Executive Board Members in particular and promoting constructive relations between Executive and Non- Executive Board Members; and	☑			e) To allow effective participation of the Non-Executive Board Members in particular and to promote constructive relations between Executive and Nonexecutive Board Members;
	7. Keeping the members constantly informed about the implementation of the provisions of this Code, the Chairman may authorize Audit Committee or other committee in this mission. The vice-chairman shall replace the Chairman during his absence, and the Chairman may authorize another of the Board members in some of his/her powers.	☑			f) To ensure the conducting of an annual evaluation to the board's performance. 11.4 The vice chairman of GWC is representing the chairman in his absence.
Article (12) Board Members Obligations	The Board members shall comply with the following:				1. The Company's article of association clearly defines the roles of the Board. In interpreting these functions Board members generally follow a clear direction in the way the Board carries out its major functions, and delegates detail or other functions to management.
	1. Attending meetings of the Board and committees regularly, and not withdrawing from the Board except for the need at the right time.	☑			
	2. Giving priority to the interest of the Company, shareholders and all Stakeholders over their own interest;	☑			2. Board members have generally complied and met with board and committee meeting attendant requirements
	3. Providing opinion on the Company's strategic matters, policy of projects implementation, staff accountability systems, resources, key appointments and operation standards;	☑			3. Management have reported back to the board on a quarterly basis on the status of the achievement of goals and targets for the year during 2018.

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	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;	☑			4. The Board members have used their diversified and specialized skills to administer the company; providing opinions and guidance that have made differences in critical decisions and bottom-lines during the year.
	5. Supervising the development of the procedural rules for the Company's Governance to ensure their implementation in an optimal manner in accordance with this Code.	☑			5. The Board Members have had effective participation in the Company's 2018 general assemblies.
	6. Using their diversified skills and experience with diversified specialties and qualifications through an effective and productive management of the Company, and working to achieve the interests of the Company, partners, shareholders and other Stakeholders.	☑			6. All Board members are required by standard practice to clear with the Chairman before making any public statement about the company.
	7. Effective participation in the Company's general assemblies, and achieving its members' demands in a balanced and fair manner.	☑			7. During the year 2018, GWC have met all the timely disclosure of financial and trade relations, and litigants, including the judicial, which may have financial impacts on GWC shares.
	8. Not to make any statements, data or Information without prior written permission from the Chairman, and the Board shall appoint an official spokesperson for the Company.	☑			8. The Company after the Board approval has designated The chief executive officer GCEO, executive operation officer, and the public relations director, are authorized spokespersons for the GWC.
	9. Disclosure of financial and trade relations, and litigants, including the judicial, which may affect negatively on carrying out the tasks and functions assigned to them. The Board members, at the Company's expense, may request an opinion of an independent external consultant in issues relating to any of the Company's affairs.	☑			
Article (13) Invitation for Meeting	The Board shall meet upon an invitation by the Chairman, and pursuant to what is stipulated in the Company's Articles of Associations. The Chairman may call the Board for the meeting upon a request by at least two of its members. The invitation, accompanied with the agenda, shall be sent to each member at least one week prior to the meeting date; the member may request to add an item or more to the agenda.	☑			All Board meetings have been called and chaired by chairman and invitations, accompanied with the agenda have been sent to each member at least one week prior to the meeting date.
Article (14) Board Meetings	The Board shall convene at least six meetings during the year and three months must not elapse without convening a meeting. The Board meeting shall be deemed valid if attended by the majority of the members provided that either the Chairman or the vice-Chairman attends the meeting. The absent member may, by written request, delegate any other Board member to represent it in attendance and voting. A Board member cannot represent more than one member. If the Board member is absent from attending three consecutive meetings or four non-consecutive meetings without an excuse acceptable to the	☑			The Board have convened more than six meetings during the year and three months have not elapsed between meetings. Meetings have been attended by majority of members. No Board member have not been absent from attending three consecutive meetings without an excuse acceptable by the Board.

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	Board, the Board member shall be deemed as resigned. Participation in the Board meeting may be done by any secure and known of new technologies that enable the participant to hear and actively participate in the Board agenda discussions and make decisions.				
Article (15) Board Decisions	Without violating the provisions of the Law in this regard, the Board shall pass its decisions by majority votes of attendants and representatives. In case of a tie votes, the Chairman shall cast the deciding vote. A minute shall be prepared for each meeting, including names of the attending and absent members, as well as the meeting discussions. The Chairman and Secretary shall sign on the minute and if there is any member, who does not agree on any decision taken by the Board, may prove his objection in the meeting minute. The Board, if necessary or urgent, may issue some decisions by passing subject to written approval of all its members to those decisions, and to be presented at the next Board meeting to include them in its minutes.	☑			All Board decisions have been passed by majority of votes of attendants and representatives. A minute of meetings have been prepared for each Board meeting, including names of the attending and absent members. The Chairman and Secretary have sign on the minutes.
Article (16) Secretary	The Board shall issue a decision naming the Board Secretary. A priority shall be for a person who holds a university degree in law or accounting from a recognized university or equivalent, and for who has at least three years' experience in handling the affairs of a listed company. The Secretary may, upon the Chairman approval, requires the assistance of any employee of the Company to perform its duties.	☑			The Company have a Board approved Secretary. The Secretary has more than three years' experience in handling the affairs of the company.
Article (17) Tasks and Duties of the Secretary	The Secretary shall provide assistance for the Chairman and all members in conducting their duties and shall comply to conduct all Board functioning, including: 1. Recording the minutes of the Board meetings setting out names of the attending and absent members and the meeting discussions and prove members' objections to any decision issued by the Board. 2. Recording the Board decisions in the register prepared for this regard as per issuance date. 3. Recording the meeting held by the Board in a serial numbered register prepared for this regard arranged as per the holding date setting out names of the attending and absent members, the meeting discussions and the member's objections, if any	 ☑ ☑ ☑			**The Function of the Secretary includes:** i. Recording the minutes of the of the Board meetings and setting out names of the attending and absent members as well as the meeting discussions; ii. Recording the Board decisions in the register prepared for the purpose according to issuance date; iii. Recording the meeting held by the Board in a serial numbered register prepared for this regard arranged as per the holding date setting out names of the attending and absent members, the meeting discussions and the member's objections, if any; iv. Safekeeping the Board meetings' minutes, decisions, reports, all Board records and correspondence, and its writings in paper and electronic records;

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	4. Safekeeping the Board meetings' minutes, decisions, reports, all Board records and correspondence, and its writings in paper and electronic records. 5. Sending to the Board members and participants - if any – the meeting invitations accompanied with the agenda at least one week prior to the meeting specified date, and receiving members' requests to add an item or more to the agenda with submission date. 6. Making full coordination between the Chairman and the members, among members themselves, as well as between the Board and the Related Parties and Stakeholders in the Company including shareholders, management, and employees. 7. Enabling the Chairman and the members to have timely access to all Information, documents, and data pertaining to the Company. 8. Safekeeping the Board members' acknowledgments of not combining prohibited positions pursuant to the Law and the provisions of this Code.	☑ ☑ ☑ ☑ ☑			v. Sending to the Board members and participants - if any – the meeting invitations accompanied with the agenda at least one week prior to the meeting specified date, and receiving members' requests to add an item or more to the agenda with submission date; vi. Making full coordination between the Chairman and the members, among members themselves, as well as between the Board and the Related Parties and Stakeholders in the Company including shareholders, management, and employees; vii. Enabling the Chairman and the members to have timely access to all Information, documents, and data pertaining to the Company; viii. Safekeeping the Board members' acknowledgments of not combining prohibited positions pursuant to the Law and the provisions of this Code.
Article(18) Board Committees	The Board, immediately after election and at its first meeting, shall constitute at least three committees as follows: First: Nomination Committee, chaired by one of the Board members and a membership of at least two. When selecting the Committee members, the Board shall take into account the experience necessary for exercising the committee's functions, which are – at least - the following: 1. Developing general principles and criteria used by the General Assembly members to elect the fittest among the candidates for Board membership. 2. Nominating whom it deems fit for the Board membership when any seat is vacant. 3. Developing draft of succession plan for managing the Company to ensure the speed of a suitable alternative to fill the vacant jobs in the Company. 4. Nominating whom it deems fit to fill any job of the Senior Executive Management. 5. Receiving candidacy requests for the Board membership. 6. Submitting the list of Board membership candidates to the Board, including its recommendations in this regard, and sending a copy to the Authority.	 ☑ ☑ ☑ ☑ ☑ ☑			The Board, immediately after election and at its first meeting constituted three (3) committees; namely: I. Board Nomination Committee; II. Board Remuneration Committee; III. Board Audit Committee. **Board Nomination Committee** The Board constituted a Nomination Committee consisting of three (3) Board Membership and chaired by a Board Member. In selecting the membership of Nomination Committee, the Board has taken into account the experience necessary for exercising the committee's functions which includes: I. Development of guideline and criteria used by the General Assembly to elect the fittest candidates for the Board membership; II. Nominating whom it deems fit for the Board membership when any seat is vacant; III. Review and approve succession plan for managing the Company to ensure the speed of a suitable alternative to fill the vacant jobs in the Company; IV. The Nomination Committee's role includes conducting an annual self-assessment of the Board's performance as well as receiving and reviewing candidacy requests for the Board membership;

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	7. Submitting an annual report to the Board including a comprehensive analysis of the Board performance to identify the strengths, weaknesses, and proposals in this regard.	☑			V. The Nomination Committee's role also includes Submitting the list of Board membership candidates to the Board and the QFMA; VI. Submitting an annual report to the Board including a comprehensive analysis of the Board performance to identify the strengths, weaknesses, and proposals in this regard.
	Second: Remuneration Committee, chaired by one of the Board members and a membership of at least two. When selecting the Committee members, the Board shall take into account the experience necessary for exercising the Committee's duties, which are – at least - the following: 1. Setting the Company's remuneration policy yearly including the way of identifying remuneration of the Chairman and all Board Members. The Board members' yearly remuneration shall not exceed 5% of the Company's net profit after deduction of reserves, legal deductions, and distribution of the dividends (in cash and in kind) to shareholders. 2. Setting the foundations of granting allowances and incentives in the Company, including issuance of incentive shares for its employees.	☑ ☑			**Board Remuneration Committee** The Board Remuneration Committee is comprised of three (3) Board Membership and chaired by one of the three members. Upon its constitution, the Remuneration Committee adopted and made available its terms of reference explaining its role and main responsibilities. The Remuneration Committee's main role includes setting the remuneration policy of the Company including remuneration of the Chairman and all Board Members as well as Senior Executive Management on yearly basis. The Board members' remuneration have not exceeded 5% of the Company's net profit after deduction of reserves, legal deductions, and distribution of the dividends (in cash and in kind) to shareholders in the current Financial year. Remuneration has taken 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 includes fixed and performance-related components, noting that such performance related components are being based on the long-term performance of the Company.
	Third: Audit Committee, chaired by an Independent Board Member and a membership of at least two. When selecting the Committee members, the Board shall take into account that: the majority of them shall be Independent Board Members; any person who has previously conducted audit for the Company within the previous two Years shall not be a candidate, directly or indirectly, for the Committee membership; and they shall have the experience necessary for exercising the committee's duties, which are – at least - the following: 1. Preparing and presenting to the Board a proposed Internal Control system for the Company upon constitution, and conducting periodic audits whenever necessary	☑			**Board Audit Committee** The Board of Directors established an Audit Committee that is chaired by an Independent Board Member and comprised of three Board membership the majority of whom are Independent. No member of the Audit Committee has been an employee of the Company's external auditors within the previous 2 years. The Audit Committee members have the experience necessary for exercising the committee's duties, which are – at least - the following: I. Preparing and presenting to the Board a proposed Internal Control system for the Company upon constitution, and conducting periodic audits whenever necessary;

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	2. Setting the procedures of contracting with and nominating External Auditors, and ensuring their independence while performing their work. 3. Overseeing the Company's Internal Controls, following the External Auditor's work, making coordination between them, ensuring their compliance with the implementation of the best International Standards on Auditing and preparing the financial reports in accordance with International Financial Reporting Standards (IFRS / IAS) and (ISA) and their requirements; verifying that the External Auditor's report include an explicit mention if it had obtained all the necessary Information and the Company's compliance with international standards (IFRS / IAS), or whether the audit was conducted based on International Standards on Auditing (ISA) or not. 4. Overseeing and reviewing the accuracy and validity of the financial statements and the yearly, half-yearly and quarterly reports. 5. Considering, reviewing and following up the External Auditor's reports and notes on the Company financial statements. 6. Ensuring the accuracy about and reviewing the disclosed numbers, data and financial statements and whatever submitted to the General Assembly. 7. Making coordination among the Board, Senior Executive Management, and the Internal Controls of the Company. 8. Reviewing the systems of financial and Internal Control and risk management; 9. Conducting investigations in financial control matters requested by the Board. 10.Making coordination between the Internal Audit Unit in the Company and the External Auditor. 11. Reviewing the financial and accounting policies and procedures of the Company and expressing an opinion and recommendation to the Board on this regard. 12. Reviewing the Company's dealings with the Related Parties, and making sure whether such dealings are subject to and comply with the relevant controls. 13. Developing and reviewing regularly the Company's policies on risk management, taking into account the Company's business, market changes, investment trends and expansion plans of the Company. 14. Supervising the training programs on risk management prepared by the Company, and their nominations	☑ ☑ ☑ ☑ ☑ ☑ ☑ ☑ ☑ ☑ ☑ ☑ ☑			II. The Audit Committee has the power to consult at the Company's expense any independent expert or consultant; III. The Audit Committee as met as needed and regularly at least once every three months and has kept minutes of its meetings; IV. There has not been any 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; V. Upon its establishment, the Audit Committee adopted and made public its terms of reference explaining its main role and responsibilities in the form of an Audit Committee Charter; VI. Audit committee provides an oversight for the GWC external auditor's work, Set the procedures of contracting with and nominating External Auditors, and ensuring their independence while performing their work; VII. Oversee the Company›s Internal Controls and following the External Auditor's work to ensure their compliance with the implementation of the International Standards on Auditing -ISA and preparing the financial reports in accordance with International Financial Reporting Standards –IFRS; VIII. Ensure the accuracy about and review the disclosed numbers, data and financial statements and whatever submitted to the General Assembly; IX. Make coordination among the Board, Senior Executive Management, and the Internal Controls of the Company; X. Review the systems of financial and Internal Control and risk management; XI. Conduct investigations in financial control matters as may be requested by the Board; XII. Make coordination between the Internal Audit Unit in the Company and the External Auditor; XIII. Review the financial and accounting policies and procedures of the Company and expressing an opinion and recommendation to the Board on this regard; XIV. Review the Company's dealings with the Related Parties to assure whether such dealings are subject to and comply with the relevant controls; XV. Prepare and submit periodic reports about risks and their management in the Company to the Board - at a time determined by the Board - including its recommendations, and prepare reports of certain risks at the behest of the Board or the Chairman;

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	15. Preparing and submitting periodic reports about risks and their management in the Company to the Board - at a time determined by the Board - including its recommendations, and preparing reports of certain risks at the behest of the Board or the Chairman. 16. Implementing the assignments of the Board regarding the Company's Internal Controls. 17. Conducting a discussion with the External Auditor and Senior Executive Management about risk audits especially the appropriateness of the accounting decisions and estimates, and submitting them to the Board to be included in the annual report.	☑ ☑ ☑			XVI. Develop and review regularly the Company›s policies on risk management, taking into account the Company›s business, market changes, investment trends and expansion plans of the Company; XVII. Conduct discussion with the External Auditor and Senior Executive Management about risk audits especially the appropriateness of the accounting decisions and estimates, and submitting them to the Board to be included in the annual report.
Article (19) Committees' Work	The Board shall issue a decision to nominate the chairman and members of each committee, identifying its responsibilities, duties and work provisions and procedures. Audit Committee shall meet at least six meetings a year. It is prohibited to chair more than one committee composed by the Board, and it is not permissible to combine the chair of the Audit Committee and the membership of any committee. The Nomination Committee and Remuneration Committee may be combined together in one committee called «Nomination and Remuneration Committee». The committee's meeting shall be deemed valid if attended by its chairman and the majority of the members. A minute shall be prepared for each meeting including the meeting discussions signed by the committee's chairman. Each committee shall submit an annual report to the Board including its work and recommendations. The Board shall review and evaluate the committees' achievements, and include it in the Governance Report.	☑			The Current Board, upon its election in 2018, at its first meeting issued a decision nominating the Chairman of the Board and nominating Board Members into the three (3) existing Committees as well. The Three (3) committees includes: Board Audit Committee, Board Nomination Committee, and Board Remuneration Committee. Each committee; upon inauguration have issued its charter identifying its responsibilities, duties as well as procedures. Audit Committee have held Six (6) meetings during 2018 and we have ensured the Chair of Audit Committee is not a member of any other Committee. None of the Board Member has chaired more than one committee at the same time. All Committee meetings have been attended by the relevant committee Chair and the majority of the committee members and a minute of meeting have been kept for each of the committee meeting. Each committee has also prepared an annual report of its work during the year. The Board of Directors has evaluated all the committees of the Board and accordingly the remuneration of each member has been determined.
Article (20) Internal Control	The Board shall adopt a proposal submitted by the Audit Committee on the Company's Internal Control. The proposal shall include control mechanism, duties and functions of the Company's departments and sections, its provisions and procedures of responsibility, and awareness and education programs for employees about the importance of self-control and Internal Controls. The above-mentioned proposal shall include the Company's plan in risk management that at least includes identifying major risks that may impact the Company especially those related to new technology, the Company's ability to take	☑			As a result of changes to the QFMA law on Financial disclosure requirements for publicly listed companies on Qatar Stock Exchange. The GWC Internal Audit sought and got the approval of the Audit Committee in 2018 to adopt and implement COSO as the basis for managing the company's Internal Controls. The **COSO-Committee of Sponsoring Organizations of the Tread-way Commission** developed a model for evaluating internal controls. This model has been adopted as the generally accepted framework for internal control and is widely recognized as the definitive standard against which organizations

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	risks, put in risks identification mechanisms to ensure its qualification and implement awareness programs and ways to mitigate them.				measure the effectiveness of their systems of internal control. The COSO model defines internal control as a process, effected by an entity's board of directors, management and other personnel, designed to provide reasonable assurance of the achievement of objectives in the following categories: • Effectiveness and efficiency of operations; • Reliability of financial reporting; • Compliance with applicable laws and regulations. Scope of Assurance This assessment of adequacy and effectiveness of Internal Control in GWC is only limited to those controls over Financial Reporting for 2018. It is also subject to materiality considerations. The Internal Audit have also excluded The Nedair BV, Netherlands, GWC Marine, Prime Shipping and Qontrac Shipping entities; These entities are those that are less than One (1) year old as GWC subsidiary. Basis of Assurance Assurance on the Design and operating effectiveness of internal Control over Financial Reporting has been carried out using the following steps: 1. Process Flow Design Establishment The Internal Audit has worked with the Finance and QA Team to establish a very detailed process flow of how the operations runs. The Key control points in process flow has been indicated on all process flow document. The Process flow design is concluded as detailed, extensive and adequate. 2. Risk and Control Matrix (RCM) The Internal Audit have documented Risks and control Matrixes that links identified risks to existing controls across board. There are 647 business process activities (including control activities) and 155 IT Process. The RCM also contains data narrating if the Controls are preventive or Detective and the periodic implementation of the controls. The RCM also assess the effectiveness of the controls using the C.V.A.R criteria. C=Complete, V=validity, A=Accuracy. R=Restricted Access. The RCM is considered appropriate and adequate. 3. Design Testing and Test of Operating Effectiveness The Internal Audit have completed the walkthrough of all the company's controls as is running as well as the operating effectiveness of the applicable controls. The CAE assessed that the internal control over financial reporting as on 31 December 2018 was effective.

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					4. Monitoring and Evaluation of Deficiencies The Internal Audit has carried out extensive monitoring issuing 105 Audit reports between 2013 – 2018 and raising 1450 tracked issues with all recommendation having been accepted. 88% of these recommendations have been implemented, 5% are under-going implementation, superseded or not applicable, while the remaining 7% are outstanding. **5. Entity Level Controls** Entity Level Controls are defined as those controls that operate throughout the entire company (both at the departmental and cost center/management unit level). This includes the "tone at the top," the organization's culture, values and ethics, governance and accountability. These controls also consider risk assessment and management, controls to monitor the results of operations, the internal audit function, and self-assessment programs. Accordingly, Entity Level Controls affect all areas of an organization's internal control framework: from the control environment to the monitoring of controls, financial management and financial reporting controls. GWC Internal Audit has reviewed all entity level Control activities across the company. **6. Risk Assessment and Scoping of Assessment Coverage** The Internal Audit assessment of materiality is based on 2018 Board approved budget. The materiality threshold for Revenue is QAR 7.7M while it is QAR 7.3M for Expense. **Risk Management Process** GWC has a developed Risk profile that is approved. The objective of the entity's risk assessment process is to establish and maintain an effective process to identify, analyze, and manage risks relevant to the preparation of reliable financial statements. The guiding principles of risk assessment include: • Specifying relevant objectives; • Identifying and analyzing risk; • Identifying and analyzing significant change; and • Assessing fraud risk
Article (21) Internal Control Unit	Internal Control system of the Company shall include establishing one or more effective and independent unit (s) for assessment and management of risk, financial audit and overseeing the Company's compliance with the controls of financial Transactions, especially those done with any Related Party This unit shall be managed by one or more internal auditor (s) who has qualification and experience in financial audit, performance assessment and risk management, and has an access to all Company's departments to follow-up the unit work. The Board shall issue a decision	☑			The Board has established an Internal Audit Department Headed by the Chief Audit Executive – CAE. The CAE is being supervised by the Board Audit Committee. The Audit Committee is responsible for determining and assessment of CAE remuneration. The Internal Audit is sub-divided into the following independent units: i. Financial Control Unit; ii. Compliance Control Unit iii. Operations and Information Tech. Control Unit; iv. Risk Management Control Unit.

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	on appointing and determining functions and remuneration of the internal auditor, and shall be responsible before the Board.				These Units are being managed Auditors with relevant specialized skills. In All Cases, Company's Internal Auditors have unfettered access to all departments in the company.
Article (22) Internal Control Reports	Every three months, the internal auditor shall submit to the Audit Committee a report on the Internal Control achievements in the Company. Based on the Audit Committee recommendation, the Board shall determine the data that the report should include, which are at least the following:				The Chief Audit Executive (CAE) has submitted a report of Internal Control achievement to the Audit Committee every three (3) months. At the minimum, the reports contain the following: i. Financial Analysis and report on the accuracy of the financial reports being published; ii. Internal Control assessments report; iii. Statements on the state of the company's risk management by functions and activity and remedy to identified lapses; iv. Extract report from review of company's compliance with both statutory and non-statutory guidance.
	1. Procedures of control and supervision in respect of financial affairs, investments, and risk management.	☑			
	2. Review of the development of risk factors in the Company and the appropriateness and effectiveness of the systems in the Company to face the drastic or unexpected changes in the Market.	☑			
	3. Comprehensive assessment of the Company's performance regarding its implementation of the Internal Control system in compliance with provisions of this Code.	☑			
	4. The Company's compliance with applicable market listing and disclosure rules and requirements.	☑			
	5. The Company's compliance with Internal Control systems when determining and managing risks.	☑			
	6. The risks faced the Company, their types, causes and the actions taken in this regard.	☑			
	7. The suggestions for addressing the violations and mitigating the risks.	☑			
Article (23) External Control	The Audit Committee shall review and consider offers of External Auditors registered in the external auditors list of the Authority, and then submit to the Board a recommendation with reasons to choose one offer or more for appointment of the Company's external auditor. Immediately, after the Board's approval of the recommendation, it shall be included in the Company's General Assembly agenda. The General Assembly shall appoint an External Auditor or more for one Year, renewable for a similar period or other similar periods up to a maximum of five consecutive Years, provided that the re-appointment shall not be before passing two consecutive Years. The External Auditor and its employees are prohibited neither to reveal the Company secrets, nor to combine between its assigned business, functions and duties and any other business in the Company, nor to work at the Company before at least one Year from the date of relations end with such Company.	☑			For the period in consideration; after a successful bidding process, the Audit committee recommended the KPMG to the Board. The Board; upon approval of Audit Committee recommendation, have presented KPMG to the General Assembly of the Shareholders for Appointment. The General Assembly appointed the KPMG as the company's External Auditor for the year 2018. The company has not employed any employee of the external Audit firm during 2018.

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Article (24) Functions and Responsibilities of the External Auditor	The External Auditor shall inform the Board - in writing – about any risk to which the Company exposed or expected to be exposed, and about all of the violations immediately upon identification, as well as send a copy of that notice to the Authority. In this case, the External Auditor shall have the right to invite the General Assembly to convene pursuant to the Law provisions in this regard, provided that informing the Authority thereof. The External Auditor – even if they are more - shall submit one report to the General Assembly and read it, as well as shall send a copy to the Authority with responsibility for the validity of data contained therein. Each shareholder of the General Assembly has the right to discuss with the External Auditor and seek clarification in any matter of the report. The External Auditor's report must include whatever informs shareholders with the control works and performance assessment in the Company, especially relating to the following:	☑			The 2018 Financial Report which is signed-off by the External Auditors together with both the Chairman and the Vice Chairman of the Board have been included in the Company's annual Report and made available to the shareholders and the Authority. A copy of this annual report is also available on the company's website. GWC has also carried out a test of design and operating effectiveness of its internal control. The assessment also contains varieties of risk assessments and the appropriateness of controls to manage them. The external Auditor normally issues a management report on a yearly basis that contains lapses in internal control (if any). No Control Failure has been reported in 2018. The External Auditor has provided disclosure notes in the financial report. These notes includes statements of compliance or otherwise to the International accounting and Auditing Standards –ISA/IFRS as well as the company's ability to continuous engage in its business activities.
	1. Appropriateness and effectiveness of Internal Control systems implemented in the Company.	☑			
	2. The Company's ability in continuous of engaging activities and implementation of its obligations; that is evaluated independently of what shown by the Board.	☑			
	3. The Company's compliance to develop all types of internal policies and procedures, and the appropriateness of them with the Company 'status, as well as its compliance with their implementation.	☑			
	4. The Company's compliance with its Articles of Associations and its compliance with the provisions of the Law and the Authority 's relevant legislations, including the provisions of this Code.	☑			
	5. The Company's compliance with the implementation of the best international standards in auditing and the preparation of financial reports as well as its compliance with international audit and accounting standards (IFRS / IAS) and (ISA) and their requirements.	☑			
	6. The Company's cooperation with the External Auditor in providing access to the necessary Information to complete its duties.	☑			
Article (25) Disclosure	The Company must comply with disclosure requirements, including the financial reports, the number of shares owned by each of the Chairman and the Board members, Senior Executive Management, and major shareholders or controlling shareholders. The Company must also comply with disclosure about information related to the Chairman,	☑			The company has complied with disclosure requirements including the financial reporting disclosures, the number of shares owned by each of the Chairman and the Board members, Senior Executive Management, and major shareholders or controlling shareholders etc. The company have also disclosed information

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	members, and committees of the Board as well as their scientific and practical experiences as in the Curriculum Vitae, and whether one of them is a Board member, Senior Executive Management of another Company or a member of any of their Board committees. The Company must determine its policy on dealing with rumors by denying or proving, and on how to disclose clearly in writing without inconsistence with the Authority's relevant legislations. The Board must ensure the accuracy and truth of the Company's disclosure and its compliance with all disclosure rules.				related to the Chairman, members, and committees of the Board as well as their scientific and practical experiences as in the Curriculum Vitae, and whether one of them is a Board member, Senior Executive Management of another Company or a member of any of their Board committees. The Company's Chairman has designated both the Group Chief Executive Officer - GCEO and the Public Relations Manager as the Company's Spokesperson that may clarify issues with the public media and the GCEO with all other Authorities.
Article (26) Conflicts of Interest	Without prejudice to the provisions of the Law in this regard, the Board shall comply with the principles of this Code and with the disclosure for dealings and transactions, which the Company enters into with any "Related Party" and in which such Related Party has an interest that may conflict with the Company's interest. Prior at least a week from the date of holding the General Assembly called for considering the Company's budget and the Board's report, the Board must disclose in details for the shareholders about the abovementioned dealings and transactions, and must disclose them in the Company's annual report. In all cases, the Company must not carry out any dealing or enter into any transaction with any "Related Party" only after the approval of the General Assembly of the Company, and must be included in the agenda of the next General Assembly to complete the procedures.	☑			During 2018, GWC carried out Related Parties Transactions totaling QAR48,986,846/-. The Related Parties Transactions are broken into two components: (i) Trade Components (QAR 35.78m) and Non-Trade Components (QAR 13.2m). The trade components are mostly Freight Services related transactions with Agility PWC, Kuwait (network). All Non-Trade Related Parties transactions have been processed through the tenders bidding.
Article (27) Transparency and Upholding the Company's Interest	Any Related Party, which is a party, has a relation with a business dealing, or has a relation with or a transaction entered into by the Company, shall not attend the Board meeting while discussing that dealing, relationship or transaction. Such Related Party shall not be entitled to vote on what issued by the Board regarding these relationships or transactions. In all cases, all relationships held by the Company with others must serve the Company's interest, as well as all transactions shall be made according to market prices and on arm's length basis and shall not involve terms that are contrary to the Company's interest.	☑			The Gulf Warehousing Company's control systems are setup with a focus in knowing the details of sponsors of companies it transacts business with. During 2018, GWC carried out Related Parties Transactions totaling QAR48,986,846/-. The Related Parties Transactions are broken into two components: (i) Trade Components (QAR35.78m) and Non-Components (QAR13.2m). The trade components are mostly Freight Services related transactions with Agility PWC, Kuwait (network). All Non-Trade Related Parties transactions have been processed through the Tenders Bidding. The full list of these transactions will be brought to the attention of the general assembly. The company will always ensure strict compliance to requirements of excluding interested parties when the board discusses related party's transaction.

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					During the fiscal year 2018; there is no evidence of violation of the company's guidelines on the company's securities trading policy by the board members and executive management staff. Management and board have complied with all QFMA instructions on quiet time as well as the guidelines on securities trading.
Article (28) Disclosure of Securities Trading	The Board members, Senior Executive Management, all Insiders, their spouses and minor children must disclose any trading and transaction they carry out involving the Company's shares and any other securities, and the Board shall adopt clear rules and procedures regulating trading of the Insiders in securities issued by the Company.	☑			The Company has issued out a clear policy that requires Board members, Senior Executive Management, all Insiders, their spouses and minor children to disclose any trading and transaction they carry out involving the Company's shares and any other securities within the fiscal year. All Insiders have filed information on the number of GWC securities traded where applicable.
Article (29) Shareholders Equality in Rights	Shareholders are equal and have all the rights arising from share ownership in accordance with the provisions of the Law, regulations and relevant decisions. The Company's Articles of Associations and by-laws shall include procedures and guarantees needed for all shareholders to exercise their rights. The rights, in particular, rights to dispose of shares, obtain the determined dividends, attend the General Assembly and participate in its deliberations and voting on decisions, as well as the right to access to Information and request it with no harm to the Company's interests.	☑			GWC has included in its Article of Association procedures and guarantees needed for all shareholders to exercise their rights. GWC's article of Association article 44,52 & 57 cover issues that includes the rights, in particular, rights to dispose of shares, obtain the determined dividends, attend the General Assembly and participate in its deliberations and voting on decisions, as well as the right to access to Information and request it with no harm to the Company's interests.
Article (30) Access to Ownership Register	The Company shall submit, monthly, an application to the Depositary to get an updated copy of shareholders register and keep it.	☑			The Company is getting monthly an updated copy of shareholders register from QCSD and kept it.
Article (31) Shareholder's Right to Access to Information	The Company's Articles of Associations and by-laws shall include procedures of access to Information that enable the shareholder to exercise full rights without prejudice to other shareholders' rights or harm the Company's interest. The Company shall comply to check and update the Information regularly, and to provide the shareholders with all Information they deemed important and enable them to exercise their rights fully, using new and modern technologies.	☑			The Company's shareholders have equal access to information on request if that information are not already available on the company's website. The secretary of the Board and the GCEO can be reached on the following email addresses: 1- info@gwclogistics.com 2- ranjeev.menon@gwclogistics.com Reply to enquiries are handled within Five (5) working days as a policy.
Article (32) Shareholders' Rights Related to General Assembly	The Company's Articles of Associations shall include regulating the shareholders' rights related to the General Assembly Meeting, including: 1. The shareholder(s) who owns at least (10%) of the Company's capital shall, for serious	☑ ☑			Various Articles in the company's article of association including Article 55, 52 & 49 ensures the following: i. That shareholders who owns at-least 10% of the company's capital can, on serious grounds, request an invitation to convene a general

Article Number	Provision Number	Compliance	Non Compliance	Not Applicable	Governance Implementation
	grounds, be entitled to request an invitation to convene General Assembly. The shareholders representing at least (25%) of the Company's capital shall be entitled to invite Extraordinary General Assembly to convene pursuant to the procedures prescribed by the Law and the regulations in this regard. 2. The right to request including certain issues in the General Assembly's agenda to be discussed in the meeting if the Board do not include such issues and the Assembly decided that. 3. The right to attend meetings of the General Assembly, and to allow the opportunity to effectively participate in them and in its deliberations as well as discuss matters listed in the agenda, and to facilitate knowing date and place of the Assembly and the issues listed in the agenda as well as the rules governing the discussions and asking questions. 4. A shareholder shall – in writing and upon a power of attorney- be entitled to appoint another shareholder who is not a Board member to attend the General Assembly on his behalf; provided that shareholder by proxy shall not own more than (5%) of the Company's capital shares. 5. The right of minors and shareholders restricted to attend the General Assembly meeting, to be represented by their legal attorneys. 6. The shareholder shall be entitled to ask questions to the Board members and shall be answered in a manner that does not prejudice the Company's interests and shall be entitled to appeal to the General Assembly if the answer considered as not sufficient. 7. The right to vote on General Assembly decisions, and to facilitate all information about the rules and procedures governing the voting process. 8. The shareholder shall be entitled to object to any decision deemed for the interest or harm of a certain group of shareholders; or brings a special benefit for Board members or others without regard to the Company's interests, and be entitled to demonstrate this in the meeting minutes and to invalidate the objection according to the provisions of the Law in this regard.	 ☑ ☑ ☑ ☑ ☑ ☑ ☑			assembly while shareholders representing at least 25% of the company's capital can request to invite Extraordinary General Assembly; ii. That shareholders have the right to include certain issues in the General Assembly's agenda if the Board have not included such items in the agenda of the meeting; iii. That Shareholders have the right to attend meetings of General Assembly and participate in its deliberations as well as discuss matters listed in the agenda as well as be notified of the date and place the assembly will be holding and the agenda of the meeting together with the rules governing the discussions and asking questions; iv. That shareholders can – in writing and upon a power of attorney- be entitled to appoint another shareholder who is not a Board member to attend the General Assembly on his behalf; provided that shareholder by proxy shall not own more than (5%) of the Company's capital shares; v. That Shareholders who are minors and others restricted to attend the General Assembly meeting can be represented by their legal attorneys; vi. That Shareholders have the right to vote on General Assembly decisions, and to facilitate all information about the rules and procedures governing the voting process; vii. That the shareholders are entitled to object to any decision deemed for the interest or harm of a certain group of shareholders; or brings a special benefit for Board members or others without regard to the Company's interests and such objection shall be noted in the minutes of the meeting.
Article (33) Facilitating Effective Participation in General Assembly	The Company shall choose the most appropriate place and time of the General Assembly, and shall use new and modern technologies in communicating with shareholders in order to facilitate the effective participation of the greatest number of them in the General Assembly. and shall use new	☑			To hold its annual General Assembly, the Company always choose the most appropriate place and time for the General Assembly, and we also use new and modern technologies in communicating with shareholders in order to facilitate the effective participation of the greatest number of them in the General Assembly.

<table>
<tr><th>Article Number</th><th>Provision Number</th><th>Compliance</th><th>Non Compliance</th><th>Not Applicable</th><th>Governance Implementation</th></tr>
<tr><td></td><td>and modern technologies in communicating with shareholders in order to facilitate the effective participation of the greatest number of them in the General Assembly.

The Company shall enable shareholders to know the matters listed on the agenda and any new matters accompanied by sufficient Information that enable them to make their decisions and shall also enable them to purse the General Assembly minutes. The Company shall disclose the results of the General Assembly immediately upon finishing and send a copy of such minutes to the Authority immediately upon approval.</td><td></td><td></td><td></td><td>The Company have published agendas, where necessary, in newspapers and have announced General Assembly meeting times in the newspapers close to the day of the meetings.

The Company have also disclosed the results of the General Assembly on the Company's Website as well as to Qatar Exchange and QCSD with a copy of such minutes sent to the Authority immediately upon approval.</td></tr>
<tr><td>Article (34) Shareholders' Rights Related to Voting</td><td>Voting is a shareholder's right – can be exercised in person or by a legal representative – which shall not be waived or denied. The Company is prohibited to put any limitations or take any action might hamper the use of the shareholder's voting right. The shareholders shall be afforded all possible assistance as may facilitate to exercise of the right to vote, using the new and modern technologies.</td><td>☑</td><td></td><td></td><td>Shareholders' voting right is not in any way restricted, waived or denied by the Company procedure of convening General Assembly. The Company employs the use of technology and other tools to enable all shareholder freedom of voting.</td></tr>
<tr><td>Article (35) Shareholders' Rights Related to Board Members Election</td><td>The Company shall comply with disclosure requirements relating to Board members' candidates and shall inform in sufficient time the shareholders all the information of all candidates and their knowledge and practical experiences as in their Curriculum Vitae before the date determined for convening the General Assembly. The General Assembly shall elect the Board members by secret ballot in accordance with the Cumulative Voting method.</td><td>☑</td><td></td><td></td><td>The company will publish details of Board Members' candidates including all information of their knowledge and practical experiences as in their Curriculum Vitae before the date determined for convening the General Assembly for electing Board Members.

Election of Board Members is by secret ballot in accordance with the Cumulative Voting method.</td></tr>
<tr><td>Article (36) Shareholders' Rights Regarding Dividends Distribution</td><td>The Company's Articles of Associations shall determine - without prejudice to the Company's ability to fulfill its obligations to third parties - the minimum percentage of net dividends that should be distributed to shareholders. The Board shall lay down a clear policy for the distribution of such dividends, in a manner that may realize the interests of the Company and shareholders; shareholders shall be informed of that policy during the General Assembly and reference thereto shall be made in the Board report.

The dividends approved by the General Assembly for distribution, whether they be in cash or bonus shares shall be given, as of right, to shares owners who are listed in the register kept at the Depository at the end of trading session on the day on which the General Assembly is convened.</td><td>☑</td><td></td><td></td><td>The Company's Article of Association provides guidance on dividend distribution. According to the Company's AOA Article 40 the dividend shall be distributed as follows:

The general assembly shall fix the bonus for the directors and this bonus should not be more than (5%) of the net profit, after deducting the reserves and legal deductions. The dividends not less than (5%) of the company's paid capital shall be distributed to the shareholders.

The dividend to the Shareholders for each year is approved by the General Assembly meeting.</td></tr>
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<table>
<tr><th>Article Number</th><th>Provision Number</th><th>Compliance</th><th>Non Compliance</th><th>Not Applicable</th><th>Governance Implementation</th></tr>
<tr><td>Article (37) Shareholders' Rights Regarding to Major Transactions</td><td>The Company's Articles of Associations shall include a specific mechanism for the protection of shareholders' rights in general and Minorities in particular in the event that the Company conducted Major Transactions that might harm their interests or prejudice the ownership of the Company's capital. In all cases, the Company must disclose its capital structure, any agreement concluded thereto, and the shareholders who own, directly or indirectly, (5%) or more of the shares.</td><td>☑</td><td></td><td></td><td>The Company's Articles of Associations has included a specific mechanism for the protection of shareholders' rights in general and Minorities in particular in the event that the Company conducted Major Transactions that might harm their interests or prejudice the ownership of the Company's capital.

The Company has also disclosed its capital structure in the financial Reports as published in the Annual Report. The list of Shareholders owning more than 5% is listed below:
<table><tr><th>Company Code</th><th>NIN</th><th>Name</th><th>Nationality</th><th>Shares</th><th>%</th></tr><tr><td>GWCS</td><td>60187</td><td>Al Mirqab Capital</td><td>Qatar</td><td>12,489,660</td><td>21.31%</td></tr><tr><td>GWCS</td><td>256551</td><td>Agility</td><td>Kuwait</td><td>10,857,840</td><td>18.53%</td></tr></table></td></tr>
<tr><td>Article (38) The Stakeholders' Rights (non-shareholders)</td><td>The Company shall maintain and respect the Stakeholders' rights. Each Stakeholder in the Company may request the Information related to his interest with attaching a proof of capacity, and the company shall provide the requested Information in a timely manner and in a way that does not threaten the others' interests or prejudice the Company's interests.

The Board shall establish, in writing, a mechanism that defines procedures of the Stakeholders' appeals against the decisions and actions of the Company's officials and Senior Executive Management, and other procedures to receive and consider their complaints, proposals and notifications regarding all aspects affecting the Company's interests and funds. The mechanism shall state the confidentiality of content of such complaint, proposal or notification, and shall protect the applicant, and deadlines to decide on appeals and response to complaints and proposals.</td><td>☑</td><td></td><td></td><td>The company maintains equal access right to company's information by Stakeholders 'upon proof of relevance and right'. The Company has also established, in writing, a mechanism that defines procedures of the Stakeholders' appeals against the decisions and actions of the Company's officials and Senior Executive Management, and other procedures to receive and consider their complaints, proposals and notifications regarding all aspects affecting the Company's interests and funds. The mechanism also states the confidentiality of content of such complaint, proposal or notification, and shall protect the applicant, and deadlines to decide on appeals and response to complaints and proposals.</td></tr>
<tr><td>Article (39) The Community's Right</td><td>The Company shall do its part in community development and promotion, and the environment preservation through effective and meaningful participation system of corporate social responsibility.</td><td>☑</td><td></td><td></td><td>The Company has committed to contributing 2.5% of its annual profit to Corporate social responsibility fund as required by Qatar Government law. During the year, GWC has made a payment QAR 5,386,550 being 2.5% of GWC profit for 2018 (QAR 215,462,012).

Also GWC has supported several activities that aimed to increase awareness of best business practices, governance, and cultural exchange during the year ended 31 December 2018.</td></tr>
<tr><td>Article (40) Final Provisions</td><td>The Authority shall monitor the Company's compliance with implementation of this Code principles and provisions, which are considered as minimum of Governance principals if the Company is subject to other Governance rules or code according to its jurisdiction. The Authority may issue rules to supplement or explain the principles and provisions of this Code, and is considered an integral part thereof.</td><td></td><td></td><td>☑</td><td>Not Applicable.</td></tr>
</table>

Article Number	Provision Number	Compliance	Non Compliance	Not Applicable	Governance Implementation
Article (41)	The Market shall include its issued rules (QSE Rulebook) with principles and provisions relating to trading, disclosure, and their relevant Information set forth in this Code, and shall notify the Authority of any violations of those principles and provisions. The Market shall publish this Code on its website.			☑	Not Applicable.
Article (42)	In the case of any violation of the principles and provisions of this Code, the Authority may take any of the actions mentioned in Article (35) of Law No. (8) Of 2012 concerning the Qatar Financial Markets Authority.	☑			The company strives to comply with all the principles and provisions of the principles of corporate governance in particular and all the legislations and laws of the Authority in general.

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018

Contents

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Gulf Warehousing Company Q.P.S.C. Doha, State of Qatar

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Gulf Warehousing Company Q.P.S.C. (the "Company") and its subsidiaries (together with the Company, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including 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 2018, 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 Standards 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 (IESBA Code) and the ethical requirements that are relevant to our audit of the 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 matters that, in our professional judgment, 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 statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Goodwill	
Refer to Note 8 to the consolidated financial statements.	
Key Audit Matter	How the matter was addressed in our audit
As at 31 December 2018 the Group had on its consolidated financial position goodwill of QR 115,662,532 (2017: QR 98,315,463). The goodwill is derived from two Cash Generating Units (CGUs): Logistics services QR 53,090,350 (2017: QR 53,090,350) and Freight forwarding services QR 62,572,182 (2017: QR 45,225,113). The carrying value of goodwill in each of the above CGUs is subject to an annual impairment evaluation, which entails complex accounting calculations and significant judgements. In particular, the calculation of the recoverable amount of goodwill through the "value in use" guidance in the International Accounting Standard 36 "Impairment of Assets" is derived from discounted cash flow models which use several key assumptions, including estimates of future cash flows (that require estimates of future sales volumes and prices and relevant operating costs, as well as the timing of those future cash flows) to be derived from the underlying asset, and estimates about the discount rate to be used to bring those future cash flows at present value and the terminal growth rates. Thus, the annual impairment testing was considered a key audit matter.	Our audit procedures in this area included, among other things: • evaluating the competence and capabilities of the people within the Group who performed the impairment evaluation of the goodwill; • inquiring the people within the Group who performed the impairment evaluation of the goodwill so that we get a good understanding of the process followed; • involving our own valuation specialists to assist in evaluating the appropriateness of the key assumptions used in the report provided by the Group on which management has based its reported amounts of the Group's goodwill in the consolidated financial statements; and • evaluating the adequacy of the relevant disclosures in line with the relevant accounting standards in the consolidated financial statements.

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Implementation of IFRS 9 "Financial Instruments"	
Refer to Note 2 (e) and Note 9 to the consolidated financial statements.	
Key Audit Matter	**How the matter was addressed in our audit**
We focused on this area because: IFRS 9 "Financial Instruments" (hereafter "IFRS 9"), which the Group implemented on 1 January 2018: • requires complex accounting treatments, including use of significant estimates and judgements for the determination of adjustments on transition; and • resulted in significant changes to processes, data and controls that needed to be tested for the first time. The adjustment made to the Group's retained earnings upon transition to IFRS 9 was a QAR 34,550,064 million debit, which represents 2% of the total equity of the Group as at 31 December 2018, and thus had a significant impact on its consolidated statement of financial statements.	Our audit procedures in this area included, among other things: • Evaluating the appropriateness of the selection of accounting policies. • Considering the appropriateness of the transition approach and practical expedients applied. • Evaluating management's process for selection of the "expected credit loss" methodology. • Considering management's processes and controls implemented to ensure the completeness and accuracy of the transition adjustments. • Identifying and testing relevant controls. • Evaluating the reasonableness of management's key judgements and estimates made in preparing the transition adjustments, specifically relating to the adjustment for the forward looking factor. • Involving financial risk management specialist to challenge key assumptions/judgements relating to forward looking adjustments, definition of default and calculation of probability of default using net flow rates method. • Evaluating the completeness, accuracy and relevance of data used in preparing the transition adjustments. • Evaluating the completeness, accuracy and relevance of the transition disclosures. • Assessing the adequacy of the Group's disclosures.

Report on the Audit of the Consolidated Financial Statements (continued)

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Group's Annual Report of year 2018 ("Annual Report"), but does not include the consolidated financial statements and our auditor's report thereon. Prior to the date of our auditor's report, we obtained the report of the Board of Directors which forms part of the Annual Report; the Annual Report is 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 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. We have nothing to report in respect of the report of the Board of Directors.

When we read the remaining sections of the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors.

Responsibilities of the Board of Directors

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 the 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 Company'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 Company 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 misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. "Reasonable assurance" is a high level of 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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

- Identify and assess the risks of material misstatement 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor'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 Company 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 presentation.
- 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 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 to 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 the Audit of the Consolidated Financial Statements (continued)

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 the 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 2018.

16 January 2019
Doha
State of Qatar

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

Consolidated statement of financial position

As at 31 December 2018 — In Qatari Riyals

	Note	2018	2017*
Assets			
Non-current assets			
Property, plant and equipment	5	2,589,984,829	1,960,097,114
Capital work-in-progress	6	57,453,637	769,326,117
Investment property	7	37,522,065	37,397,470
Intangible assets and goodwill	8	131,191,476	118,906,733
Refundable deposit		18,251,000	-
		2,834,403,007	2,885,727,434
Current assets			
Inventories		11,001,248	10,829,337
Trade and other receivables	9	420,217,284	525,147,090
Cash and cash equivalents	10	426,840,672	351,816,004
		858,059,204	887,792,431
Total assets		**3,692,462,211**	3,773,519,865
Equity and liabilities			
Equity			
Share capital	11	586,031,480	586,031,480
Legal reserve		552,506,803	552,506,803
Retained earnings		593,663,204	497,017,101
Equity attributable to owners of the Company		1,732,201,487	1,635,555,384
Non-controlling interests		(2,926,021)	(3,681,223)
Total equity		1,729,275,466	1,631,874,161
Liabilities			
Non-current liabilities			
Bank loans	12	1,462,338,906	1,525,481,830
Provision for employees' end of service benefits	13	36,986,130	30,895,993
		1,499,325,036	1,556,377,823
Current liabilities			
Bank loans	12	221,587,069	261,436,825
Trade and other payables	14	242,274,640	323,831,056
		463,861,709	585,267,881
Total liabilities		1,963,186,745	2,141,645,704
Total equity and liabilities		**3,692,462,211**	3,773,519,865

These consolidated financial statements were approved by the Company's Board of Directors on 16 January 2019 and were signed on its behalf by:

Abdulla Fahad J J Al-Thani
Chairman

Fahad Hamad J J Al-Thani
Vice Chairman

* The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information has not been restated.

The notes on pages 126 to 165 form an integral part of these consolidated financial statements.

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2018 — In Qatari Riyals

	Note	2018	2017*
Revenue	17	1,232,203,810	981,363,673
Direct costs	19	(814,238,946)	(617,004,237)
Gross profit		417,964,864	364,359,436
Other income	18	2,904,603	1,589,653
Administrative and other expenses	19	(112,979,219)	(104,355,604)
Provision for impairment of trade receivables reversed / (made)	9	5,900,000	(2,336,475)
Operating profit		313,790,248	259,257,010
Finance costs, net	20	(76,165,202)	(43,794,998)
Profit before tax		237,625,046	215,462,012
Income tax expense	21	(110,460)	-
Profit		237,514,586	215,462,012
Other comprehensive income		-	-
Total comprehensive income		237,514,586	215,462,012
Profit and total comprehensive income attributable to:			
Owners of the Company		236,759,384	215,462,012
Non-controlling interests		755,202	-
		237,514,586	215,462,012
Earnings per share			
Basic and diluted earnings per share	22	**4.04**	3.68

* The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information has not been restated.

The notes on pages 126 to 165 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2018 In Qatari Riyals

	Share capital	Legal reserve	Retained earnings	Total	Non-controlling interests	Total equity
	Attributable to owners of the Company					
Balance at 1 January 2017	586,031,480	552,506,803	380,706,676	1,519,244,959	(3,681,223)	1,515,563,736
Total comprehensive income:						
Profit	-	-	215,462,012	215,462,012	-	215,462,012
Transactions with owners of the Company:						
Dividend relating to year 2016 (Note 23)	-	-	(93,765,037)	(93,765,037)	-	(93,765,037)
Total transactions with owners of the Company	-	-	(93,765,037)	(93,765,037)	-	(93,765,037)
Other movement:						
Transfer to social and sports development fund (Note 14)	-	-	(5,386,550)	(5,386,550)	-	(5,386,550)
Balance at 31 December 2017* / 1 January 2018	586,031,480	552,506,803	497,017,101	1,635,555,384	(3,681,223)	1,631,874,161
Adjustment on initial application of IFRS 9 (Note 2.e.)	-	-	(34,550,064)	(34,550,064)	-	(34,550,064)
	586,031,480	552,506,803	462,467,037	1,601,005,320	(3,681,223)	1,597,324,097
Total comprehensive income:						
Profit	-	-	236,759,384	236,759,384	755,202	237,514,586
Transactions with owners of the Company:						
Dividend relating to year 2017 (Note 23)	-	-	(99,625,352)	(99,625,352)	-	(99,625,352)
Total transactions with owners of the Company	-	-	(99,625,352)	(99,625,352)	-	(99,625,352)
Other movement:						
Transfer to social and sports development fund (Note 14)	-	-	(5,937,865)	(5,937,865)	-	(5,937,865)
Balance at 31 December 2018	**586,031,480**	**552,506,803**	**593,663,204**	**1,732,201,487**	**(2,926,021)**	**1,729,275,466**

* The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information has not been restated.

The notes on pages 126 to 165 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2018 In Qatari Riyals

	Note	2018	2017*
Cash flows from operating activities			
Profit before tax		237,625,046	215,462,012
Adjustments for:			
Fair value gains on investment property	18	(124,595)	(281,637)
Gain on sale of property, plant and equipment	18	(440,884)	(1,259,670)
Depreciation of property, plant and equipment	19	157,882,558	120,545,836
Amortisation of intangible assets	19	7,672,516	7,346,242
Provision for impairment of trade receivables (reversed) / made	9	(5,900,000)	2,336,475
Provision for employees' end of service benefits	19	9,056,023	7,665,410
Interest expense on bank loans	20	84,199,374	54,098,225
Interest income on bank deposits	20	(8,034,172)	(10,303,227)
		481,935,866	395,609,666
Changes in:			
- Inventories		(171,911)	(2,112,095)
- Trade and other receivables		62,757,854	(7,658,093)
- Trade and other payables		(103,527,921)	28,443,759
Cash generated from operating activities		440,993,888	414,283,237
Tax paid		(110,460)	-
Employees' end of service benefits paid	13	(2,965,886)	(3,276,890)
Net cash from operating activities		**437,917,542**	411,006,347
Cash flows from investing activities			
Acquisition of a subsidiary, net of cash acquired	16	(10,132,832)	-
Acquisition of property, plant and equipment	5	(43,930,167)	(41,796,848)
Payments towards capital work-in-progress	6	(31,764,392)	(249,344,578)
Proceeds from sale of property, plant and equipment		466,000	1,779,558
Interest received		10,377,605	11,798,435
Net cash used in investing activities		**(74,983,786)**	(277,563,433)
Cash flows from financing activities			
Proceeds from bank loans	12	60,949,282	113,192,467
Repayment of bank loans	12	(163,941,962)	(202,197,564)
Interest paid		(85,291,056)	(87,493,693)
Dividends paid to the Company's shareholders	23	(99,625,352)	(93,765,037)
Net cash used in financing activities		**(287,909,088)**	(270,263,827)
Net increase / (decrease) in cash and cash equivalents		**75,024,668**	(136,820,913)
Cash and cash equivalents at 1 January		351,816,004	488,636,917
Cash and cash equivalents at 31 December	10	**426,840,672**	351,816,004

* The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information has not been restated.

The notes on pages 126 to 165 form an integral part of these consolidated financial statements.

1. LEGAL STATUS AND PRINCIPAL ACTIVITIES

Gulf Warehousing Company Q.P.S.C. (the "Company") is incorporated in accordance with the provisions of the Qatar Commercial Companies Law No. 11 of 2015 as a Qatari Public Shareholding Company, and was registered at the Ministry of Economy and Commerce of the State of Qatar with the Commercial Registration number 27386 dated 21 March 2004. The Company's shares are listed on the Qatar Stock Exchange since 22 March 2004. The Company's name has changed from Gulf Warehousing Company Q.S.C. to Gulf Warehousing Company Q.P.S.C. during the year ended 31 December 2016 so as to comply with the Article 16 of the Qatar Commercial Companies Law No. 11 of 2015. The Company is domiciled in the State of Qatar, where it also has its principal place of business. The Company's registered office is at D Ring Road, Building number 92, Doha, State of Qatar.

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

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

The details of the Group's operating subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Nature of business	Group effective shareholding %	
			2018	2017
Agility W.L.L.	State of Qatar	Logistics and transportation	100%	100%
GWC Global Cargo & Transport L.L.C.	United Arab Emirates	Warehousing and transportation	100%	100%
GWC Logistic S.P.C.	Kingdom of Bahrain	Operation and management of general warehouse	100%	100%
GWC Logistics Holding L.L.C.	State of Qatar	Logistics and freight forwarding	100%	100%
GWC Marine Services W.L.L	State of Qatar	Marine services	100%	100%
Qontrac Global Logistics B.V.	Netherlands	Logistics and freight forwarding	100%	-
LEDD Technologies W.L.L.	State of Qatar	Information technology services	100%	-

The Group also has following non-operational subsidiaries:

Name of subsidiary	Country of incorporation	Nature of business	Group effective shareholding %	
			2018	2017
GWC Chemicals W.L.L.	State of Qatar	Chemical trading and transportation	100%	100%
GWC Food Services W.L.L.	State of Qatar	Trading food	100%	100%
Imdad Sourcing & Logistic Group W.L.L.	State of Qatar	Trading food and other consumables	51%	51%
GWC Saudi Arabia –Branches in Riyadh, Dammam & Jeddah	Kingdom of Saudi Arabia	Preparation, development and management of warehouses	100%	100%
Gulf Warehousing Company Limited	Republic of Nigeria	Warehousing and transportation	100%	100%
GWC Express W.L.L.	State of Qatar	Courier services	100%	100%

These consolidated financial statements were authorised for issue by the Board of Directors on 16 January 2019.

Notes to the consolidated financial statements

For the year ended 31 December 2018

2. BASIS OF PREPARATION

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

b) Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property.

This is the first set of the Group's annual financial statements in which IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" have been applied. Changes to significant accounting policies are described in Note 2 (e).

c) Functional and presentation currency

These consolidated financial statements are presented in Qatari Riyals (QR), which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

d) Use of judgments and estimates

In preparing these consolidated financial statements, management has made judgments, 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 significant areas that involve a higher degree of judgment or complexity, or areas where assumptions or estimates have a significant risk of resulting in a material adjustment to the amounts recognised in the consolidated financial statements are as follows:

Depreciation of property, plant and equipment

Items of property, plant and equipment are depreciated over their estimated individual useful lives. The determination of useful lives is based on the expected usage of the asset, physical wear and tear, technological or commercial obsolescence and impacts the annual depreciation charge recognized in the consolidated financial statements. Management reviews annually the residual values and useful lives of these assets. Future depreciation charge could be materially adjusted where management believes the useful lives differ from previous estimates. No such adjustments were considered necessary at the end of the current year or the comparative year.

Classification of transfers between property, plant and equipment, and investment property

Judgement is needed to determine whether a property qualifies as investment property. Based on an assessment made by management, some properties of the Group comprising land and buildings were classified into investment property on the grounds that the buildings are not occupied substantially for use by or in the operations of the Group nor are for sale in the ordinary course of business, but are held primarily to earn rental income. This classification required judgement because the relevant buildings have dual purposes whereby part of the building is used for own-use activities that would result in the property being considered to be property, plant and equipment and part of the property is used as an investment property. Management has concluded that the entire property is classified as investment property because the portion of the buildings held for own use is insignificant.

2. BASIS OF PREPARATION (continued)

d) Use of judgments and estimates (continued)

Fair valuation of investment property

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment property portfolio on yearly basis.

Impairment of non-financial assets (other than inventories)

The carrying amounts of the Group's non-financial assets other than goodwill (property, plant and equipment, and capital work-in-progress) are reviewed at each reporting date to determine whether there is any indication of impairment. The determination of what can be considered impaired requires judgement. As at the reporting date, management did not identify any evidence from internal reporting indicating impairment of an asset or class of assets. Goodwill is tested annually for impairment. The determination of the recoverable amount of goodwill requires management to make significant judgments, estimations and assumptions. These are disclosed in Note 8.

Impairment of receivables

On 1 January 2018 IFRS 9 "Financial Instruments" replaced the 'incurred loss' impairment model in IAS 39 "Financial Instruments: Recognition and Measurement" with an 'expected credit loss' (ECL) impairment model. The new impairment model requires forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. It also requires management to assign probability of default to various categories of receivables. Probability of default constitutes a key input in measuring an ECL and entails considerable judgement; it is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. In the previous year, the impairment review on trade receivables was performed only for receivables for which management had an indication for impairment. That also entailed significant judgement. It was determined by reference to past default experience of a counterparty and an analysis of the counterparty's financial situation, but the "incurred loss" model disregarded entirely the current and expected future conditions. As a result, it is expected that under the new impairment model credit losses will be recognised earlier.

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (refer to the accounting policy "Financial instruments" in Note 3). The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the year.

2. BASIS OF PREPARATION (continued)

e) New and amended standards and interpretations adopted by Group

During the current year, the below new and amended International Financial Reporting Standards ("IFRS" or "standards") and an interpretation to a standard became effective for the first time for financial years beginning on 1 January 2018:

- IFRS 9 "Financial Instruments"
- IFRS 15 "Revenue from Contracts with Customers"
- Amendments to IFRS 2 "Share Based Payment" on classification and measurement of share based payment transactions
- Amendments to IFRS 4 "Insurance Contracts" in applying IFRS 9 Financial Instruments
- Amendments to IAS 40 "Investment property" on transfers of investment property
- Amendments to IFRS 1 "Adoption of International Financial Standards" and IAS 28 "Investments in Associates and Joint Ventures" based on the Annual Improvements to IFRSs 2014-2016 Cycle
- Interpretation made by the International Financial Reporting Interpretation Council (IFRIC) 22 "Foreign Currency Transactions and Advance Consideration"

The adoption of the above new and amended standards and the interpretation to a standard had no significant on the Group's consolidated financial statements, except for the IFRS 15 "Revenue from Contracts with Customers" and the IFRS 9 "Financial Instruments" whose effects on the Group's consolidated financial statements are explained below.

Due to the transition methods chosen by the Group in applying these standards, comparative information throughout these consolidated financial statements has not been restated to reflect the requirements of the new standards.

IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 "Revenue from Contracts with Customers" (hereafter "IFRS 15) introduced a 5-step approach to revenue recognition, which establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 "Revenue", IAS 11 "Construction Contracts" and related interpretations.

Management reviewed and assessed the Group's existing contracts with customers at 1 January 2018 and concluded that, apart from more extensive disclosures for the Group's revenue transactions (Note 17), the initial application of IFRS 15 had no significant impact on the Group's consolidated statement of financial position as at 31 December 2018 and its consolidated statement of profit or loss and other comprehensive income for the year then ended. Consequently, there were no adjustments as at 1 January 2018.

IFRS 9 "Financial instruments"

IFRS 9 "Financial instruments" (hereafter "IFRS 9"), which replaced the IAS 39 "Financial Instruments: Recognition and Measurement" (hereafter "IAS 39"), introduced new requirements for:

- The classification and measurement of financial assets and financial liabilities;
- Impairment of financial assets, and
- General hedge accounting.

Details of these new requirements as well as their impact on the Group's consolidated financial statements are described below.

2. BASIS OF PREPARATION (continued)

e) New and amended standards and interpretations adopted by Group (continued)

Classification and measurement of financial assets and financial liabilities

Financial assets

IFRS 9 eliminated the previous IAS 39 categories of financial assets (a) loans and receivables; (b) available-for-sale; (c) held-to-maturity, and (d) Fair Value Through Profit or Loss, and replaced them with the classification categories (a) amortised cost; (b) Fair Value Through Other Comprehensive Income (FVOCI); and (c) Fair Value Through Profit or Loss (FVTPL).

The IFRS 9 classification of a financial asset is done on the basis of the business model in which a financial asset is managed and its contractual cash flow characteristics. Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding, are measured subsequently at amortised cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI on the principal amount outstanding, are measured subsequently at FVTOCI;
- equity instruments that are not held for trading, on initial recognition, the Group may irrevocably elect to present subsequent changes in their fair value in OCI. This election is made on an investment-by-investment basis; and
- all other debt investments and equity investments are measured subsequently at FVTPL.

Management reviewed and assessed the Group's existing financial assets at 1 January 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the Group's financial assets as regards their classification and measurement: Financial assets classified as loans and receivables (Trade receivables, other receivables, deposits and cash at bank) under IAS 39 that were measured at amortised cost continue to be measured at amortised cost under IFRS 9 as they are held within a business model to collect contractual cash flows and these cash flows consist SPPI on the principal amount outstanding. Therefore, the change in the classification has had no impact on the Group's financial position, profit or loss, other comprehensive income or total comprehensive income in the year.

Financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. Therefore, the application of IFRS 9 has had no impact on the classification and measurement of the Group's financial liabilities.

Impairment of financial assets

IFRS 9 replaced the 'incurred credit loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The ECL model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

IFRS 9 requires the Group to recognise a loss allowance for expected credit losses on debt instruments measured subsequently at amortised cost or at FVTOCI, but not to other debt investments and equity investments that are measured subsequently at FVTPL.

2. BASIS OF PREPARATION (continued)

e) New and amended standards and interpretations adopted by Group (continued)

Classification and measurement of financial assets and financial liabilities (continued)

Impairment of financial assets (continued)

As at 1 January 2018 and during the year, the Group only had debt instruments measured subsequently at amortised cost. Specifically, these were (a) trade and other receivables; and (b) cash and cash equivalents. With respect to the trade and other receivables, the Group applied the simplified approach which recognises lifetime ECL for these assets which reflects an increased credit risk. All bank balances are assessed to have low credit risk as they are held with reputable banking institutions.

Management has determined that the Group's existing trade and other receivables at 1 January 2018 required an additional impairment loss of QR 34,550,064 based on the IFRS 9 requirements. The following table summarises the impact of transition to IFRS 9 on the opening balance of retained earnings.

Line item impacted in the financial statements	As reported at 31 December 2017	Estimated adjustments due to adoption of IFRS 9	Estimated adjusted opening balances as at 1 January 2018
	QR	QR	QR
Provision for impairment of trade receivables (Note 9)	24,493,445	34,550,064	59,043,509
Retained earnings	497,017,101	(34,550,064)	462,467,037

The consequential amendments to IAS 1 "Presentation of Financial Statements", as a result of the adoption of IFRS 9, require impairment of financial assets to be presented as a separate line item in the statement of profit or loss and OCI. Previously, the Group's approach was to include the provision for impairment of trade receivables within the administrative and other expenses. Consequently, the Group reclassified the provision for impairment losses amounting to QR 2,336,475, recognised under IAS 39, from 'administrative and other expenses' to 'provision for impairment on trade receivables' on the face of the statement of profit or loss and OCI for the year ended 31 December 2017.

The consequential amendments to IFRS 7 "Financial Instruments: Disclosures" have also resulted in more extensive disclosures about the Group's exposure to credit risk in year 2018 (see Note 4), but these were not applied to disclosures in relation to comparative information.

General hedge accounting

The Group did not have any qualifying hedging relationships in place as at 1 January 2018 or during the year.

f) New and amended standards and an interpretation to a standard not yet effective, but available for early adoption

The below new and amended International Financial Reporting Standards ("IFRS" or "standards") and an interpretation to a standard that are available for early adoption for financial years beginning after 1 January 2018 are not effective until a later period, and they have not been applied in preparing these consolidated financial statements.

2. BASIS OF PREPARATION (continued)

f) New and amended standards and an interpretation to a standard not yet effective, but available for early adoption (continued)

Effective for year beginning 1 January 2019	• IFRS 16 "Leases" • Interpretation made by the International Financial Reporting Interpretation Council (IFRIC) 23 "Uncertainty over Tax Treatments" • Amendments to IFRS 9 "Financial Instruments" on prepayment features with negative compensation • Amendments to IAS 28 "Investments in Associates and Joint Ventures" on long-term interests in associates and joint ventures • Amendments to IAS 19 "Employee Benefits" on plan amendment, curtailment *or settlement* • Amendments to various standards based on the Annual Improvements to IFRSs 2015-2017 Cycle
Effective for year beginning 1 January 2020	• Amendments to references to conceptual framework in IFRS standards
Effective for year beginning 1 January 2021	• IFRS 17 "Insurance Contracts"
Effective date deferred indefinitely / available for optional adoption	• Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" on sale or contribution of assets between an investor and its associate or joint venture

Management does not expect that the adoption of the above new and amended standards and the interpretation to a standard will have a significant impact on the Group's consolidated financial statements, except for the IFRS 16 "Leases" whose effects on the Group's consolidated financial statements are explained below.

IFRS 16 "Leases"

The Group is required to adopt IFRS 16 – Leases from 1 January 2019. The Group has assessed the estimated impact that initial application of IFRS 16 will have on its consolidated financial statements, as described below.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

IFRS 16 replaces existing leases guidance, including IAS 17- Leases, IFRIC 4 – Determining whether an Arrangement contains a Lease, SIC - 15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

(i) Leases in which the Group is a lessee

The Group will recognise new assets and liabilities for its operating leases of land, office and staff accommodation. The nature of expenses related to those leases will now change because the Group will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

2. BASIS OF PREPARATION (continued)

f) New and amended standards and an interpretation to a standard not yet effective, but available for early adoption (continued)

IFRS 16 "Leases" (continued)

(i) Leases in which the Group is a lessee (continued)

Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

Based on the information currently available, the Group estimates that it will recognise right-of-use assets amounting to QR 358,554,768 (excluding ROU amounting to QR 105,989,967 that will be reclassified from Property, plant and equipment) and lease liabilities amounting to QR 422,388,058 as at 1 January 2019 with an impact on the retained earnings amounting to QR 63,833,291 as the Group plans to follow the modified retrospective transition method for initial application of IFRS 16 and will recognize the right-of-use assets based at the present value of the remaining lease rentals from 1 January 2019.

(ii) Leases in which the Group is a lessor

The Group will reassess the classification of sub-leases in which the Group is a lessor. Based on the information currently available, the Group expects no significant impact in which group is a lessor.

(iii) Transition

The Group plans to apply IFRS 16 initially on 1 January 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply IFRS 16 to all contracts entered into before 1 January 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies of the Group applied in the preparation of these consolidated financial statements are set out below. The accounting policies have been applied consistently to both years presented in these consolidated financial statements, except for the changes in accounting policies described under Note 2 (e).

a) Basis of consolidation

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.

Non-controlling interests (NCI)

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Basis of consolidation (continued)

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.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI 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.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated.

b) Property, plant and equipment

Recognition and measurement

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

Cost includes expenditure that is directly attributable to the acquisition of an asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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.

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 recognised in profit or loss.

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

Buildings and lease hold land rights	25 years
Office equipment	3 to 5 years
Furniture & fixtures	4 years
Warehouse equipment	5 to 25 years
Motor vehicles	5 to 15 years
Tools and equipment	4 years

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Property, plant and equipment (continued)

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Profits and losses on disposals of items of property, plant and equipment are determined by comparing the proceeds from their disposals with their respective carrying amounts, and are recognised net within profit or loss.

c) Capital work-in-progress

Capital work-in-progress comprises projects of the Group under construction and is carried at cost less impairment, if any. Capital work in progress is not depreciated. Once the construction of assets within capital work-in-progress is completed, they are reclassified to either the property, plant and equipment or the investment property, depending on their use, and are depreciated as from the moment they are put into use.

d) Investment property

Investment property represents buildings that are occupied substantially for use by third parties and are held by the Group to earn rentals.

Recognition and measurement

An investment property is recognized initially at cost of acquisition including any transaction costs and is subsequently measured at fair value, representing open market value determined annually by external valuers. Any change in fair value 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.

Derecognition

An item of investment property is derecognised upon disposal or when no future economic benefits are expected from its use. Profits and losses on disposals of items of investment property are determined by comparing the proceeds from their disposals with their respective carrying amounts, and are recognised net within profit or loss.

e) Intangible assets and goodwill

Recognition and measurement

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

Other intangible assets – Other intangible assets, which comprise “Customer contracts and related customer relationships” and the “Brand name” of Agility, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

Computer software – Computer software that is not an integral part of computer hardware and can be separately identified and that will probably generate economic benefits exceeding costs beyond one year, is measured at cost less accumulated amortization and any accumulated impairment losses.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Intangible assets and goodwill (continued)

Subsequent expenditure

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.

Amortization

Amortization is calculated to write off the cost of intangible assets less their estimated residual values, and is recognised in profit or loss. Goodwill is not amortised.

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

Customer contracts and related customer relationships:	4 - 10 years
Brand name:	10 years
Computer software:	3 years

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

f) Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset unless it is a trade receivable without a significant financing component or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement of financial assets – policy applicable from 1 January 2018

On initial recognition, a financial asset is classified at:

- amortised cost – if it meets both of the following conditions and is not designated as at FVTPL:
  - ◊ it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
  - ◊ its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- Fair Value Through Other Comprehensive Income (FVOCI) - if it meets both of the following conditions and is not designated as at FVTPL:
  - ◊ it is held within a business model whose objective achieved by both collecting contractual cash flows and selling financial assets; and
  - ◊ its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.
- Fair Value Through Profit or Loss (FVTPL) – All financial assets not classified as measured at amortised cost or FVOCI as described above.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Financial instruments (continued)

Classification and subsequent measurement of financial assets – policy applicable from 1 January 2018 (continued)

On initial recognition, the Group may irrecoverably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group has classified on initial recognition its trade and other receivables and its cash at bank at amortised cost. The Group does not hold any other financial assets.

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

– the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual cash flows or realising cash flows through the sale of the assets;

– how the performance of the portfolio is evaluated and reported to the Group's management;

– the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

– how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

– the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets – Assessment whether contractual cash flows are Solely Payments of Principal and Interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

– contingent events that would change the amount or timing of cash flows;

– terms that may adjust the contractual coupon rate, including variable-rate features;

– prepayment and extension features; and

– terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Financial instruments (continued)

Financial assets – Business model assessment (continued)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses

- Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
- Financial assets at Fair Value Through Profit or Loss (FVTPL) -These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. The Group does not hold such assets.
- Debt instruments at Fair Value Through Other Comprehensive Income (FVOCI) - These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. The Group does not hold such assets.
- Equity investments at Fair Value Through Other Comprehensive Income (FVOCI) - These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never derecognised to profit or loss. The Group does not hold such assets.

Financial assets

The Group classified its financial assets into loans and receivables category (trade and other receivables and cash at bank)

Classification and subsequent measurement of financial liabilities

Non-derivative financial liabilities are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method. The Group does not hold derivative financial instruments.

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial 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 in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Financial instruments (continued)

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

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

g) Impairment

Non-derivative financial assets – policy applicable from 1 January 2018

The Group recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

Loss allowances for trade and other receivables are always measured at an amount equal to lifetime ECLs.

The Group considers a financial asset to be in default when:

- customer is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 360 days past due.

The Group considers bank balances to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be Baa3 or higher per Moody's Rating Agency.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Impairment (continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the customer or issuer;
- a breach of contract such as a default or being more than 360 days past due; or
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the customer will enter bankruptcy or other financial reorganization.
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non-derivative financial assets – policy applicable before 1 January 2018

Financial assets classified as loans and receivables were assessed at each reporting date to determine whether there was objective evidence of impairment.

Objective evidence that financial assets were impaired included:

- 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 would enter bankruptcy;
- adverse changes in the payment status of customers;
- observable data indicating that there was a measurable decrease in the expected cash flows from a group of financial assets.

Financial assets measured at amortised cost

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

g) Impairment (continued)

Financial assets measured at amortised cost (continued)

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

An impairment loss was 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 were recognised in profit or loss and reflected in an allowance account. When the Group considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss was reversed through profit or loss.

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (property, plant and equipment, Capital work-in-progress and investment property, but not 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 Cash Generating Units (CGUs).

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 the CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated 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, if no impairment loss had been recognised.

h) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and in hand and short-term deposits with a maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of any outstanding bank overdrafts.

i) Share capital

Ordinary shares issued by the Company are classified as equity.

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of the shares. The share premium is transferred to the legal reserve in accordance with Article 154 of the Qatar Commercial Companies Law.

j) Legal reserve

The Company maintains a legal reserve in line with the requirements of the Qatar Commercial Companies Law No. 11 of 2015, which provides that a company should transfer a minimum amount of 10% of its profit in each year to a legal reserve until the balance in this legal reserve becomes equal to 50% of a company's paid-up share capital. Also, Article 154 of the Qatar Commercial Companies Law requires that the share premium on the issue of share capital as well as any incremental costs on the issue of shares is transferred to the legal reserve. This reserve is not available for distribution, except in circumstances specified in the above mentioned Law.

k) Provisions

A provision is recognised when:
- the Group has a present obligation (legal or constructive) as a result of a past event;
- it is probable that the Group will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are determined by discounting to present value the future expenditures expected to settle the obligation using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Provisions are reviewed annually to reflect current best estimates of the expenditure required to settle the obligations.

l) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

Revenue from logistic services

Logistic services provided by the Group comprises primarily inventory management and storage, order fulfilment, records management and transportation services. Revenue is recognised over time, as the customers simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

Revenue from freight forwarding services

Freight forwarding represents purchasing of transportation capacity from independent air, ocean and overland transportation providers and reselling that capacity to customers. Revenue from such services is recognised in the period such services are rendered, by reference to a suitable method that depicts the transfer of the control of such goods or service to the customer.

Rental income

Rental income arising on operating leases is recognised on a straightline basis over the lease term.

Interest income

Interest income is recognised using the effective interest rate method.

m) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight line basis over the period of the lease. The Group does not have any finance leases.

Notes to the consolidated financial statements
For the year ended 31 December 2018

n) Foreign currency

Foreign currency transactions and balances

Transactions in foreign currencies are translated into the respective functional currencies of Group companies 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 and presented within finance costs.

Foreign operations

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

o) Earnings per share

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprises convertible notes and share options granted to employees, if any.

p) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by management (being the chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

4. FINANCIAL INSTRUMENTS

a) Financial risk management

The Group has exposure to the following risks from its use of financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements.

a) Financial risk management (continued)

The Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group and to monitor risks.

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.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. The Group's maximum exposure to credit risk as at the reporting date is the carrying amount of its financial assets, which are the following:

	2018	2017
Trade receivables	226,892,100	303,509,021
Accrued revenue	87,368,354	75,914,231
Other receivables	20,927,517	18,772,225
Refundable deposits	18,251,000	-
Cash at bank	424,856,212	350,622,544
At 31 December	**778,295,183**	748,818,021

Trade receivables

The Group renders services to around two thousand customers with its largest 5 customers accounting for 17% (2017: 15%) of its trade receivables. This significant concentration risk has been managed through enhanced monitoring and periodic tracking. The Group has a rigorous policy of credit screening prior to providing services on credit. Management evaluates the creditworthiness of each client prior to entering into contracts. Management also periodically reviews the collectability of its trade receivables and has a policy to provide any amounts whose collection is no longer probable and to write-off as bad debts any amounts whose recovery is unlikely. As a result, management believes that there is no significant credit risk on its trade receivables as presented on the consolidated statement of financial position.

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's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the risk management committee.

The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one and three months for individual and corporate customers respectively.

More than 67% of the Group's customers have been transacting with the Group since or prior to 2016, and none of these customers' balances have been written off or are credit-impaired at the reporting date. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a Government or non-government entity, their geographic location, industry, trading history with the Group and existence of previous financial difficulties.

4. FINANCIAL INSTRUMENTS (continued)

a) Financial risk management (continued)

Credit risk (continued)

Trade receivables (continued)

96% (2017: 83%) of the trade receivables are due from customers based locally. At 31 December 2018, the carrying amount of the Group's twenty most significant customers amounted to QR 145,779,819 (2017: QR 191,615,989).

At 31 December 2018, the exposure to credit risk for trade receivables by type of counterparty was as follows;

	2018	2017
Government entities	136,821,249	144,579,448
Non-government entities	90,070,851	158,929,573
	226,892,100	303,509,021

The trade and other receivables are unrated except for Government customers.

The movements in the provision for impairment of trade receivables is disclosed in Note 9.

The Group uses an allowance matrix to measure the ECLs of trade receivables from non-government customers, which comprise a very large number of balances.

Loss rates are calculated using a 'net flow rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Net flow rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – Government and non-government.

The following table provides information about the exposure to credit risk and ECLs for trade receivables from non-governmental customers as at 31 December 2018.

	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
0-90 days	3.59%	140,090,430	5,029,246	No
90–180 days past due	6.14%	25,703,535	1,578,197	No
180–270 days past due	25.46%	8,789,224	2,237,736	No
271–360 days past due	62.60%	6,109,702	3,824,673	No
At 31 December		**180,692,891**	**12,669,852**	

Loss rates are based on actual credit loss experience over the past two and half years. These rates are multiplied by forward looking factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Forward looking factors are based on actual and forecast macro-economic factors (primarily GDP) and is considered to be positive.

4. FINANCIAL INSTRUMENTS (continued)

a) Financial risk management (continued)

Credit risk (continued)

Trade receivables (continued)

Past due are those amounts for which either the contractual or the "normal" payment date has passed.

Management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit base.

Trade receivables do not bear interest.
The Group does not require collateral as security in respect of its trade receivables.

Cash at bank

The Group's cash at bank is held with banks that are independently rated by credit rating agencies as follows:

	2018	2017
Credit ratings (by Moody's)		
A1	128,590,013	23,493,581
A2	296,100,939	327,128,963
A3	165,260	-
At 31 December	**424,856,212**	350,622,544

Therefore, the Group's bank deposits are held with credit worthy and reputable banks with high credit ratings. As a result, management believes that credit risk in respect of these balances is minimal.

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. Management'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 Company's reputation.

The table below summarizes the contractual undiscounted maturities of the Group's financial liabilities at the reporting date. The Group's financial liabilities include contractual interest payments.

4. FINANCIAL INSTRUMENTS (continued)

a) Financial risk management (continued)

Liquidity risk (continued)

2018		Contractual cash flows			
	Carrying amount	Total	1-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities					
Trade and other payables (1)	123,283,815	(123,283,815)	(123,283,815)	-	-
Bank loans (2)	1,683,925,975	(1,978,488,258)	(301,815,576)	(1,418,730,808)	(257,941,874)
	1,807,209,790	**(2,101,772,073)**	**(425,099,391)**	**(1,418,730,808)**	**(257,941,874)**

2017		Contractual cash flows			
	Carrying amount	Total	1-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities					
Trade and other payables (1)	229,883,328	(229,883,328)	(229,883,328)	-	-
Bank loans (2)	1,786,918,655	(2,075,229,653)	(338,276,986)	(1,293,110,959)	(443,841,708)
	2,016,801,983	(2,305,112,981)	(568,160,314)	(1,293,110,959)	(443,841,708)

(1) Excluding accruals and provisions
(2) The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, 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

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Group's functional currency. The Group is not exposed to significant foreign exchange risk as it primarily transacts in Qatari Riyal, which is the Group's presentation currency. Also, some transactions of the Group in the US Dollar, Bahrain Dinars, and UAE Dirhams bear no foreign currency risk as these currencies are pegged with the Qatari Riyal.

Interest rate risk

Interest rate risk arises when the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises mainly from interest bearing bank loans and bank deposits issued at variable rates, which expose it cash flow interest rate risk.

4. FINANCIAL INSTRUMENTS (continued)

a) Financial risk management (continued)

Liquidity risk (continued)

Interest rate risk (continued)

At 31 December 2018, if interest rates on Qatari Riyal-denominated interest bearing assets and borrowings had been 1% (2017: 1%) higher/lower with all other variables held constant, post-tax profit for the year would have been QR 16,839,260 (2017: QR 17,869,187) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings. Therefore, management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

b) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong capital base in order to support its business and to sustain future development of the business. Management monitors its capital structure and makes adjustments to it in light of economic conditions.

The Group monitors capital using a gearing ratio, which is calculated as net debt divided by total capital. The debt is calculated as total borrowings (non-current and current borrowings and bank overdrafts as shown on the statement of financial position) less cash and cash equivalents (excluding bank overdrafts). The total capital is calculated as "equity" as shown on the consolidated statement of financial position plus net debt.

	2018	2017
Bank loans (Note 12)	1,683,925,975	1,786,918,655
Less: Cash and cash equivalents (Note 10)	(426,840,672)	(351,816,004)
Net debt	1,257,085,303	1,435,102,651
Total equity	1,729,275,466	1,631,874,161
Total capital	2,986,360,769	3,066,976,812
Gearing ratio	**42.09%**	46.79%

The Group's capital management policy remained unchanged since the previous year as well as the gearing ratio.

The Group is not subject to any externally imposed capital requirements.

c) Fair value measurement

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

d) Offsetting financial assets and liabilities

The Group does not have any financial assets or financial liabilities that are subject to offsetting, enforceable master netting arrangements or any similar agreements.

5. PROPERTY, PLANT AND EQUIPMENT

In Qatari Riyals

	Buildings [1]	Leasehold land rights	Office equipment	Furniture & fixtures	Warehouse equipment	Motor vehicles	Tools and equipment	Total
Cost								
At 1 January 2017	1,438,239,745	120,443,145	51,279,632	48,573,721	105,715,721	137,059,448	2,651,269	1,903,962,681
Additions	8,967,134	-	6,073,560	5,847,575	10,832,778	9,915,490	160,311	41,796,848
Disposals	-	-	(13,550)	-	-	(9,464,225)	-	(9,477,775)
Transfers from capital work-in-progress (Note 6)	563,152,076	-	-	3,527,256	9,775,710	-	-	576,455,042
At 31 December 2017 / 1 January 2018	2,010,358,955	120,443,145	57,339,642	57,948,552	126,324,209	137,510,713	2,811,580	2,512,736,796
Acquisition through business combinations (Note 16)	-	-	66,958	-	-	161,392	-	228,350
Additions	7,995,908	-	4,600,018	3,874,698	10,666,008	16,589,324	204,211	43,930,167
Disposals	-	-	(3,500)	-	-	(6,446,485)	-	(6,449,985)
Transfers from capital work-in-progress (Note 6)	743,636,872	-	-	-	-	-	-	743,636,872
At 31 December 2018	2,761,991,735	120,443,145	62,003,118	61,823,250	136,990,217	147,814,944	3,015,791	3,294,082,200
Accumulated depreciation								
At 1 January 2017	222,427,132	4,817,726	36,428,788	31,174,147	48,217,103	96,383,415	1,603,422	441,051,733
Depreciation (Note 19)	76,444,704	4,817,726	6,692,746	10,804,296	10,050,729	11,498,218	237,417	120,545,836
Disposals	-	-	(7,738)	-	-	(8,950,149)	-	(8,957,887)
At 31 December 2017 / 1 January 2018	298,871,836	9,635,452	43,113,796	41,978,443	58,267,832	98,931,484	1,840,839	552,639,682
Depreciation (Note 19)	113,013,011	5,979,768	6,375,802	11,172,962	11,513,892	9,572,309	254,814	157,882,558
Disposals	-	-	(3,500)	-	-	(6,421,369)	-	(6,424,869)
At 31 December 2018	411,884,847	15,615,220	49,486,098	53,151,405	69,781,724	102,082,424	2,095,653	704,097,371
Carrying amounts								
At 31 December 2018	**2,350,106,888**	**104,827,925**	**12,517,020**	**8,671,845**	**67,208,493**	**45,732,520**	**920,138**	**2,589,984,829**
At 31 December 2017	1,711,487,119	110,807,693	14,225,846	15,970,109	68,056,377	38,579,229	970,741	1,960,097,114

(1) Buildings are constructed on land leased from the State of Qatar. As at 31 December 2018, buildings with a carrying amount of QR 1,954,023,604 (2017: QR 1,412,302,224) were mortgaged against Mesaieed Industrial City, Ras Laffan Industrial City, Logistics Village Qatar (LVQ) and Bu Sulba term loans (Note 12 (i) and (ii)).

6. CAPITAL WORK-IN-PROGRESS

	2018	2017
At 1 January	769,326,117	1,096,436,581
Additions	31,764,392	249,344,578
Transfers to property, plant and equipment (Note 5)	(743,636,872)	(576,455,042)
At 31 December	**57,453,637**	769,326,117

Capital work-in-progress comprises mainly the construction work in relation to Ras Laffan project and certain final completion work related to the Logistic Village Qatar Phase 5 and Bu-sulba projects.

The amount of borrowing costs capitalized during the year ended 31 December 2018 was QR 1,416,181 (2017: QR 31,608,469). The weighted average rate used to determine the amount of borrowing cost eligible for capitalization was 4.70% per annum (2017: 4.70% per annum), which is the effective interest rate of the specific borrowings.

7. INVESTMENT PROPERTY

a. Reconciliation of the carrying value

The Group's investment property currently comprises three plots of land obtained under operating leases from the State of Qatar on which buildings were constructed, which were sub-leased to third parties for earning rentals.

	Buildings
At 1 January 2017	37,115,833
Fair value gains (Note 18)	281,637
At 31 December 2017 / 1 January 2018	37,397,470
Fair value gains (Note 18)	124,595
At 31 December 2018	**37,522,065**

b. Measurement of fair values

Fair value hierarchy

The fair valuations of investment properties were performed by Al Haque Rental & Real Estate Office, an accredited independent valuer with a recognised and relevant professional qualification and with recent experience in valuing similar properties at similar locations. The independent valuers provide the fair value of the Group's investment property portfolio on a yearly basis.

The fair value measurement for all of the investment properties has been categorised as Level 3 fair value based on the inputs to the valuation technique used.

7. INVESTMENT PROPERTY (continued)

b. Measurement of fair values (continued)

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs
Market comparable approach: Under the market comparable approach, a property's fair value is estimated based on comparable transactions. The market comparable approach is based upon the principle of substitution, under which a potential buyer will not pay more for a property than the amount to buy a comparable substitute property. Management assumes that the operating lease agreements relating to the acquisition of the land on which the buildings of those properties were constructed from the State of Qatar, which have expiration dates, will be renewed in perpetuity. Consequently, it is not expected that the fair value of these properties will decline as these lease agreements approach their expiry dates. The unit of comparison applied by the valuer is the depreciated value for the buildings per square meter and the market price per square foot for the land.	The comparable method of valuation comprises: • The identification of the transacted evidence for the same or similar type of property within nearby vicinity; • Comparative analysis of the listed properties in the market; • Discussions with active real estate agents within the locality.

The following amounts in relation to the investment property have been recognised in profit or loss:

	2018	2017
Rental income (Note 17)	**11,289,786**	14,475,936
Direct operating expenses arising from investment property that generate rental income	**608,016**	608,016
Direct operating expenses that did not generate rental income	**255,600**	306,950

8. INTANGIBLE ASSETS AND GOODWILL

	Goodwill (1)	Customer contracts and related customer relationships(2)	Brand name(2)	Computer software	Total
Cost					
At 1 January 2017 / 31 December 2017	98,315,463	10,231,500	52,780,500	3,826,370	165,153,833
Acquisitions through business combinations (Note 16)	17,347,069	2,610,190	-	-	19,957,259
31 December 2018	115,662,532	12,841,690	52,780,500	3,826,370	185,111,092
Accumulated amortisation					
At 1 January 2017	-	7,060,540	31,668,300	172,018	38,900,858
Amortisation (Note 19)	-	792,740	5,278,050	1,275,452	7,346,242
At 31 December 2017 / 1 January 2018	-	7,853,280	36,946,350	1,447,470	46,247,100
Amortisation (Note 19)	-	1,119,014	5,278,050	1,275,452	7,672,516
At 31 December 2018	-	8,972,294	42,224,400	2,722,922	53,919,616
Carrying amounts					
At 31 December 2018	**115,662,532**	**3,869,396**	**10,556,100**	**1,103,448**	**131,191,476**
At 31 December 2017	98,315,463	2,378,220	15,834,150	2,378,900	118,906,733

(1) Goodwill

Goodwill was recognised on the acquisition of Agility W.L.L. in November 2010 and the entity acquired through Qontrac Global Logistics B.V. in April 2018.

The goodwill tested for impairment is allocated to the below Cash-Generating Units (CGUs) and represents the premium paid on their acquisition (i.e. the amount paid in excess of the aggregate of the individual fair values of the net assets acquired).

	Carrying amount of goodwill	
	2018	2017
Logistics services	53,090,350	53,090,350
Freight forwarding services	62,572,182	45,225,113
Total	**115,662,532**	98,315,463

8. INTANGIBLE ASSETS AND GOODWILL (continued)

(1) Goodwill (continued)

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (the higher of their fair values less cost of disposals and their "value in use") to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

Value-in-use calculations are determined using cash flow projections from financial budgets approved by management covering a five-year period. The key assumptions used in the value-in-use calculations are set out in the table below:

	Logistics services		Freight forwarding services	
	2018	2017	**2018**	2017
Compound annual volume growth (i)	**7.56%**	7.50%	**9.6% - 11%**	9.40%
Terminal growth rate (ii)	**3%**	4.50%	**2% - 3%**	4.50%
Discount rate (iii)	**8.7%**	10.70%	**8% - 11.4%**	11.70%

(i) Management determined the compound annual volume growth rate for each CGU over a five-year / ten year forecast to be a key assumption. The volume of growth in each period is the main driver for revenue and costs. The compound annual volume growth rate is based on past performance and management's expectations of market developments.

(ii) The terminal growth rate does not exceed the long-term average growth rate for the business in which the CGUs operate. The long term growth rates used are consistent with the forecasts included in industry reports.

(iii) Discount rates represent the current market assessment of the risks specific to each CGU. The discount rate calculation is based on the specific circumstances of the Group and its operating segments.

Based on the above impairment test management concluded that there is no impairment of goodwill (2017: no impairment was identified).

(2) Customer contracts and related customer relationships and brand name

These represent intangible assets acquired through the acquisition of Agility W.L.L. in November 2010 and the other entity acquired through Qontrac Global Logistics B.V. in April 2018. At the time of the acquisitions, management determined these intangible assets to have 10 years of useful lives each.

Management concluded that as at 31 December 2018 there was no impairment of these assets (2017: no impairment was identified).

9. TRADE AND OTHER RECEIVABLES

	2018	2017
Trade receivables	278,511,715	328,002,466
Less: Provision for impairment of trade receivables (1)	(51,619,615)	(24,493,445)
Trade receivables, net	226,892,100	303,509,021
Advances made to suppliers	12,462,913	27,417,260
Accrued revenue	87,368,354	75,914,231
Prepayments	72,566,400	99,534,353
Other receivables	20,927,517	18,772,225
	420,217,284	525,147,090

(1) The movements in the provision for impairment of trade receivables were as follows:

	2018	2017
At 1 January	24,493,445	22,156,970
Adjustment on initial application of IFRS 9 (Note 2 (e))	34,550,064	-
At 1 January under IFRS 9	59,043,509	22,156,970
Amounts collected against provision	(1,523,894)	-
Provision for impairment (reversed) / made	(5,900,000)	2,336,475
At 31 December	**51,619,615**	24,493,445

Recovery of certain trade receivables which were pending at the prior year end, attributed to the logistics segment resulted in a decrease in the provision for impairment in 2018.

10. CASH AND CASH EQUIVALENTS

	2018	2017
Cash in hand	1,984,460	1,193,460
Cash at bank – current accounts (1)	127,860,204	48,391,443
Cash at bank – deposit accounts (2)	280,000,000	290,000,000
Cash at bank – restricted deposit accounts (3)	16,996,008	12,231,101
	426,840,672	351,816,004

(1) Current accounts earn no interest.
(2) Deposits with an original maturity of less than 90 days are made for varying periods depending on the immediate cash requirements of the Group at commercial market interest rates.
(3) The restricted deposit accounts represent the unclaimed dividend by the shareholders of the Company.

Cash and cash equivalents are denominated mainly in Qatari Riyals.

11. SHARE CAPITAL

	2018		2017	
Authorised, issued and fully paid:	**No. of shares**	**Value**	No. of shares	Value
Ordinary shares of QR 10 each as at 1 January/31 December	**58,603,148**	**586,031,480**	58,603,148	586,031,480

All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at the general meetings of the Company.

12. BANK LOANS

The movements of bank loans were as follows:

	2018	2017
At 1 January	1,786,918,655	1,875,923,752
Additions	60,949,282	113,192,467
Repayments	(163,941,962)	(202,197,564)
At 31 December	**1,683,925,975**	1,786,918,655

	Years of maturity	2018	2017
LVQ loan (i)	2022-2027	846,478,857	954,334,799
Bu-sulba loans (ii)	2027	777,659,639	756,405,383
Other project loans (iii)	2022-2025	59,787,479	62,659,304
Other loans (iv)	2018	-	13,519,169
		1,683,925,975	1,786,918,655

The bank loans are presented in the consolidated statement of financial position as follows:

	2018	2017
Current portion	221,587,069	261,436,825
Non-current portion	1,462,338,906	1,525,481,830
	1,683,925,975	1,786,918,655

(i) A loan facility of QR 1,321,341,988 was obtained from local banks to finance the construction and development of Logistic Village Qatar ("LVQ") located in Street # 52 in Doha Industrial Area. The repayment on this facility began in April 2013. The loan facility bears interest at the Qatar Central Bank rate plus certain basis points with a floor of 3.5% - 5.25% per annum. The loan facility is secured against the Group's buildings at the LVQ. Revenues from the LVQ operations are also assigned to the lender.

(ii) These loans were obtained from local banks to finance the construction of the Bu-sulba project. These loans bear interest at the Qatar Central Bank rate plus certain basis points with a floor of 4.5% - 5.25% per annum. The loans are secured against the building constructed and capitalised under property, plant and equipment.

12. BANK LOANS (continued)

(iii) A loan of QR 73,624,636 was obtained from a local bank to finance capital work-in-progress of the Group. The repayment on this facility started in May 2017. The loan carries financing charges at the Qatar Central Bank rate plus certain basis points with a floor of 4.5% - 5.25% per annum. The loan is secured against the tangible assets capitalized under property, plant and equipment.

(iv) The loan of QR 73,037,856 was obtained from a local bank to finance capital work-in-progress of the Group. The repayment on this facility began in November 2013. The loan bears interest at the Qatar Central Bank rate plus certain basis points with a floor of 5.1% per annum. The loan is secured against corporate guarantees of the Company and assignment of revenues to the lender. The loan was fully settled during the year.

The face values of the Group's bank loans approximates their carrying amounts. The carrying amounts are denominated in Qatari Riyals.

13. PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

The movements in the provision for employees' end of service benefits were as follows:

	2018	2017
At 1 January	30,895,993	26,507,473
Provision made (1)	9,056,023	7,665,410
Provision used	(2,965,886)	(3,276,890)
At 31 December	**36,986,130**	30,895,993

(1) The provision made for the year is included within staff cost in profit or loss (Note 19).

Management has classified the obligation within non-current liabilities in the consolidated statement of financial position as it does not expect that there will be significant payments towards its employees' end of service benefits obligation within 12 months from the reporting date. The provision is not discounted to present value as the effect of the time value of money is not expected to be significant.

14. TRADE AND OTHER PAYABLES

	2018	2017
Trade payables	37,026,053	53,421,179
Accrued expenses	113,052,960	88,561,178
Other payables	75,627,038	108,778,631
Retentions payable to contractors of projects	10,630,724	67,683,518
Provision for contribution for social and sports fund (1)	5,937,865	5,386,550
	242,274,640	323,831,056

(1) The Group made an appropriation of QR 5,937,865 (2017: QR 5,386,550) to the Social and Sports Development Fund of the State of Qatar pursuant to the Qatar Law No. 13 of 2008. This amount represents 2.5% of the net profit for the year.

15. RELATED PARTIES

Related party transactions

Transactions with related parties included in the consolidated statement of profit or loss are as follows:

Related party	Nature of transactions	2018	2017
Entities under common ownership:			
Agility network	Revenue	**11,828,495**	21,958,135
Agility network	Purchase of services	**37,158,351**	26,049,848
Prompt International W.L.L.	Purchase of services	**3,442,424**	3,547,768
Al Bateel Travel	Purchase of services	**6,641,055**	5,583,635

Related party balances

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

	2018	2017
Receivable from Agility network	**2,104,614**	3,142,364
Payable to Agility network	**7,911,523**	5,750,632
Payable to Prompt International W.L.L.	**13,200**	33,185
Payable to Al Bateel Travel	**311,310**	422,780

Compensation of key management personnel

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

	2018	2017
Short-term benefits	16,570,894	16,158,197
Employees' end of service benefits	105,000	84,000
	16,675,894	16,242,197

16. BUSINESS COMBINATION

On 25 April 2018, the Group acquired 100% of the shares and voting rights in an entity through Qontrac Global Logistics B.V. ("the entity") based in Netherlands, with effect from 1 January 2018.

Taking control of the entity will enable the Group to expand its business in Europe. The acquisition is also expected to provide the Group with an increased focus on freight forwarding services of perishable cargo, including flowers and plants. The Group also expects to reduce costs through economies of scale.

For the year ended 31 December 2018, the entity contributed revenue of QR 50 million and profit of QR 0.4 million to the Group's results.

Consideration transferred

Total consideration as per the Sale Purchase Agreement amounts to QR 21,316,630 million of 10% was unpaid as at 31 December 2018.

16. BUSINESS COMBINATION (continued)

The following table summarises the acquisition date fair value of each major class of consideration transferred.

Cash paid	19,184,967
Cash acquired through acquisition	(9,052,135)
Total consideration transferred	**10,132,832**

Acquisition related costs

The Group incurred acquisition-related costs of QR 341,898 on legal fees and due diligence costs. These costs have been included in 'administrative and other expenses'.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

Property, plant and equipment (Note 5)	228,350
Customer relationships (Note 8)	2,610,193
Trade and other receivables	7,072,542
Cash and bank balances	9,052,135
Inter-company loans	(6,493,487)
Trade and other payables	(8,500,172)
Total identifiable net assets acquired	**3,969,561**

The valuation techniques used for measuring the fair value of net assets acquired were as follows:

Assets acquired	Valuation technique
Property, plant and equipment	Market comparison technique and cost technique; The valuation model considers market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
Customer relationships	Multi-period Excess Earnings Method; The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.

Goodwill

	2018
Total consideration	21,316,630
Less: Fair value of identifiable net assets (see table above)	(3,969,561)
Goodwill arising on acquisition (Note 8)	**17,347,069**

17. REVENUE

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major revenue streams. This is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 "Operating Segments" (see Note 24).

	2018	2017
Logistic operations	767,314,688	652,759,517
Freight forwarding	453,599,336	314,128,220
Rental income from investment property (Note 25)	11,289,786	14,475,936
	1,232,203,810	981,363,673

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets, major products and service lines and timing of revenue recognition.

	2018	2017
Primary geographical markets		
Local operations	1,220,375,315	959,405,538
Foreign operations	11,828,495	21,958,135
	1,232,203,810	981,363,673
Major products and service lines		
Warehouse management services	648,017,771	524,010,493
Records management systems	58,264,589	62,004,278
Transport services	33,560,646	47,502,675
Freight forwarding services	425,751,464	294,793,343
International move and relocation services	27,471,682	19,242,071
Courier services	27,847,872	19,334,877
Rental income	11,289,786	14,475,936
	1,232,203,810	981,363,673
Timing of revenue recognition		
Products and services transferred over time	1,232,203,810	981,363,673
Products transferred at a point in time	-	-
	1,232,203,810	981,363,673

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

17. REVENUE (continued)

Performance obligations and revenue recognition policies (continued)

Type of services	Nature, timing of satisfaction of performance obligations, significant payment terms	Revenue recognition under IFRS 15 (applicable from 1 January 2018)	Revenue recognition under IAS 18 (applicable before 1 January 2018)
Warehouse management service	The Group provides warehouse management services to customers. Length of the contract depends on the customers' requirement. Revenue is recognised over the period of contract based on the storage area.	Revenue is recognised over time as the services are provided. Transfer of control of the service is assessed based on the time elapsed.	Revenue was recognised over the period of the contract based on the storage rates agreed with the customer.
Records Management Systems (RMS)	Revenue is recognised based on the number of boxes of documents that need to be stored and scanned, revenue is recognized over the period of contract.	Revenue is recognised over time as the services are provided. Transfer of control of the service is assessed based on the time elapsed.	Revenue was recognised over the period of the contract based on the rates agreed with the customer.
Transport services	Revenue is recognised based on trucks used for delivering goods to the locations over the duration of the delivery. Length of the contract usually do not extend beyond one week.	Revenue is recognised over time as the services are provided. Transfer of control of the service is assessed based on the time elapsed.	Revenue was recognised over the period of the contract based on the rates agreed with the customer.
Freight Forwarding services	Revenue is recognised based on delivery services to customer over its duration.	Revenue is recognised over time as the services are provided. Transfer of control of the service is assessed based on the service performed.	Revenue was recognised over the period of the contract based on the rates agreed with the customer.
International Move and Relocation Services (IMRS)	Revenue is recognised based on services provided over the contract period.	Revenue is recognised over time as the services are provided. Transfer of control of the service is assessed based on the service performed.	Revenue was recognised over the period of the contract based on the rates agreed with the customer.
Courier Service	Revenue is recognised based on the weight and destination of the shipment over the duration of the service. Length of the contract usually do not extend beyond one week.	Revenue is recognised over time as the services are provided. Transfer of control of the service is assessed based on the service performed.	Revenue was recognised over the period of the contract based on the rates agreed with the customer

18. OTHER INCOME

	2018	2017
Gain on sale of property, plant and equipment	440,884	1,259,670
Fair value gains on investment property	124,595	281,637
Miscellaneous income	2,339,124	48,346
	2,904,603	1,589,653

19. EXPENSES BY NATURE

	2018	2017
Logistic costs (1)	52,882,066	45,713,422
Freight forwarding charges (1)	338,269,003	223,995,068
Board of Directors' remuneration	9,660,000	9,018,800
Staff cost (2)	227,232,143	189,295,850
Manpower subcontract charges	3,825,341	5,536,685
Depreciation of property, plant and equipment (Note 5)	157,882,558	120,545,836
Amortization of intangible assets (Note 8)	7,672,516	7,346,242
Repairs and maintenance	37,773,655	35,513,127
Legal and professional fees	4,670,176	2,555,218
Rent expense	3,200,880	2,958,000
Fuel cost	15,717,035	15,898,671
Water and electricity	34,273,657	29,695,338
Insurance cost	6,777,803	6,596,007
Communication and postage	2,434,915	2,234,004
Advertising expenses	766,201	1,410,156
Travelling expenses	2,089,523	1,264,070
License and registration fees	3,134,101	2,758,727
Miscellaneous expenses	18,956,592	19,024,620
	927,218,165	721,359,841

(1) Logistic costs and Freight forwarding charges include cost of inventories amounting to QR 3,829,703. (2017: QR 2,587,592).

(2) Staff cost includes a provision for employees end of service benefits of QR 9,056,023 (2017: QR 7,665,410) (Note 13).

The expenses by nature are presented on the consolidated statement of profit or loss and other comprehensive income as follows:

	2018	2017
Direct costs	814,238,946	617,004,237
Administrative and other expenses	112,979,219	104,355,604
	927,218,165	721,359,841

20. FINANCE COSTS, NET

	2018	2017
Interest income on bank deposits	(8,034,172)	(10,303,227)
Interest expense on bank loans	84,199,374	54,098,225
	76,165,202	43,794,998

21. INCOME TAXES

	2018	2017
Tax expenses	**110,460**	-

Income taxes represent the tax expenses related to entity acquired through Qontrac Global Logistics B.V. during the current year. Tax expense is fully paid using the applicable rate at 20% of earnings for the year.

22. EARNINGS PER SHARE

	2018	2017
Profit attributable to the owners of the Company	**236,759,384**	215,462,012
Weighted average number of shares	**58,603,148**	58,603,148
Basic and diluted earnings per share	**4.04**	3.68

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

23. DIVIDENDS

At the Board Meeting on 16 January 2019, a dividend in respect of the profit for the year ended 31 December 2018 of QR 1.9 per share amounting to a total dividend of QR 111,345,981 is to be proposed. These consolidated financial statements do not reflect this dividend payable, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 31 December 2019.

At the Board Meeting on 14 January 2018, a dividend in respect of the profit for the year ended 31 December 2017 of QR 1.7 per share amounting to a total dividend of QR 99,625,352 was declared. The dividends were paid in the year 2018. The dividends declared in respect of the profit for the year ended 31 December 2016 were QR 93,765,037 or QR 1.6 per share. There were paid in 2017.

24. SEGMENT INFORMATION

Basis for segmentation

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

24. SEGMENT INFORMATION (continued)

The table below sets out the operations of each reportable segment.

Reportable segments	Operations
Logistics	Storage, handling, packing and transportation
Freight forwarding	Freight services through land, air and sea
Rentals	Rental income
Others	Fixed deposit income and others

The Group's Chief Executive Officer reviews the internal management reports of each operation at least quarterly.
There are varying level of integration between the logistics and freight forwarding segments.
The following table presents revenue and profit information regarding the Group's operating segments.

31 December 2018	**Logistics**	**Freight forwarding**	**Rental**	**Others**	**Total**
External revenues	767,314,688	453,599,336	11,289,786	-	**1,232,203,810**
Inter-segment revenues	41,104,644	15,229,591	-	-	**56,334,235**
Segment revenue	808,419,332	468,828,927	11,289,786	-	**1,288,538,045**
Segment profit before tax	191,729,994	26,826,694	11,034,186	8,034,172	**237,625,046**
Interest income	-	-	-	8,034,172	**8,034,172**
Interest expense	(84,199,374)	-	-	-	**(84,199,374)**
Depreciation and amortization	(154,579,950)	(10,975,124)	-	-	**(165,555,074)**
Reversal of impairment losses on trade receivables	3,540,000	2,360,000	-	-	**5,900,000**

31 December 2017	Logistics	Freight forwarding	Rental	Others	Total
External revenues	652,759,517	314,128,220	14,475,936	-	981,363,673
Inter-segment revenues	26,421,721	15,444,622	-	-	41,866,343
Segment revenue	679,181,238	329,572,842	14,475,936	-	1,023,230,016
Segment profit before tax	172,693,325	17,989,524	14,475,936	10,303,227	215,462,012
Interest income	-	-	-	10,303,227	10,303,227
Interest expense	(54,098,225)	-	-	-	(54,098,225)
Depreciation and amortization	(117,654,891)	(10,237,187)	-	-	(127,892,078)
Provision for impairment losses on trade receivables	(1,401,885)	(934,590)	-	-	(2,336,475)

24. SEGMENT INFORMATION (continued)

The following table presents segment assets and liabilities as at 31 December 2018 and 31 December 2017:

31 December 2018	Logistics	Freight forwarding	Rental	Others	Total
Segment assets	3,182,681,673	177,081,533	37,522,065	295,176,940	3,692,462,211
Segment liabilities	1,804,562,532	75,725,282	-	82,898,931	1,963,186,745

31 December 2017	Logistics	Freight forwarding	Rental	Others	Total
Segment assets	3,239,852,247	176,496,476	37,397,470	319,773,672	3,773,519,865
Segment liabilities	1,974,203,622	76,586,795	-	90,855,287	2,141,645,704

The segment revenue is generated mainly from the State of Qatar.

25. OPERATING LEASES

Leases as lessee

The Group leases a number of plots of land under operating leases from the State of Qatar. These leases run for a period of 5 to 30 years with an option to the Group for renewal on their expiry.

All the land leases were classified since their inception as operating leases. The Group does not have an interest in the residual value of the land. As a result, it was determined that substantially all of the risks and rewards of the land are with the lessor.

The future lease payments under non-cancellable operating leases were payable as follows:

	2018	2017
Less than one year	10,034,153	10,288,804
Between one and five years	47,377,774	40,370,932
More than five years	108,958,662	93,651,669
	166,370,589	144,311,405

The amounts recognised in the consolidated statement of profit or loss in respect of the land plot leases were as follows:

	2018	2017
Lease expense	(6,238,288)	(7,964,626)
Sub-lease income (Note 17)	11,289,786	14,475,936
	5,051,498	6,511,310

25. OPERATING LEASES (continued)

Leases as lessor

A number of land plots leased by the Group from the State of Qatar (see above) have been sub leased to third parties and have been classified as investment property (Note 7).

The future minimum lease income under non-cancellable leases was as follows:

	2018	2017
Less than one year	2,400,000	10,544,530
Between one and five years	4,600,000	-
	7,000,000	10,544,530

26. CONTINGENCIES AND COMMITMENTS

	2018	2017
Letters of guarantee	46,877,160	29,651,800
Performance bonds	88,440,358	149,452,494
	135,317,518	179,104,294

The Group has entered into capital commitments relating to certain construction contracts amounting to QR 72,814,244 (2017: QR 67,500,000).

27. COMPARATIVE FIGURES

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

28. SUBSEQUENT EVENTS

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

Independent Auditor's report on pages 116 to 121.

GWC

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