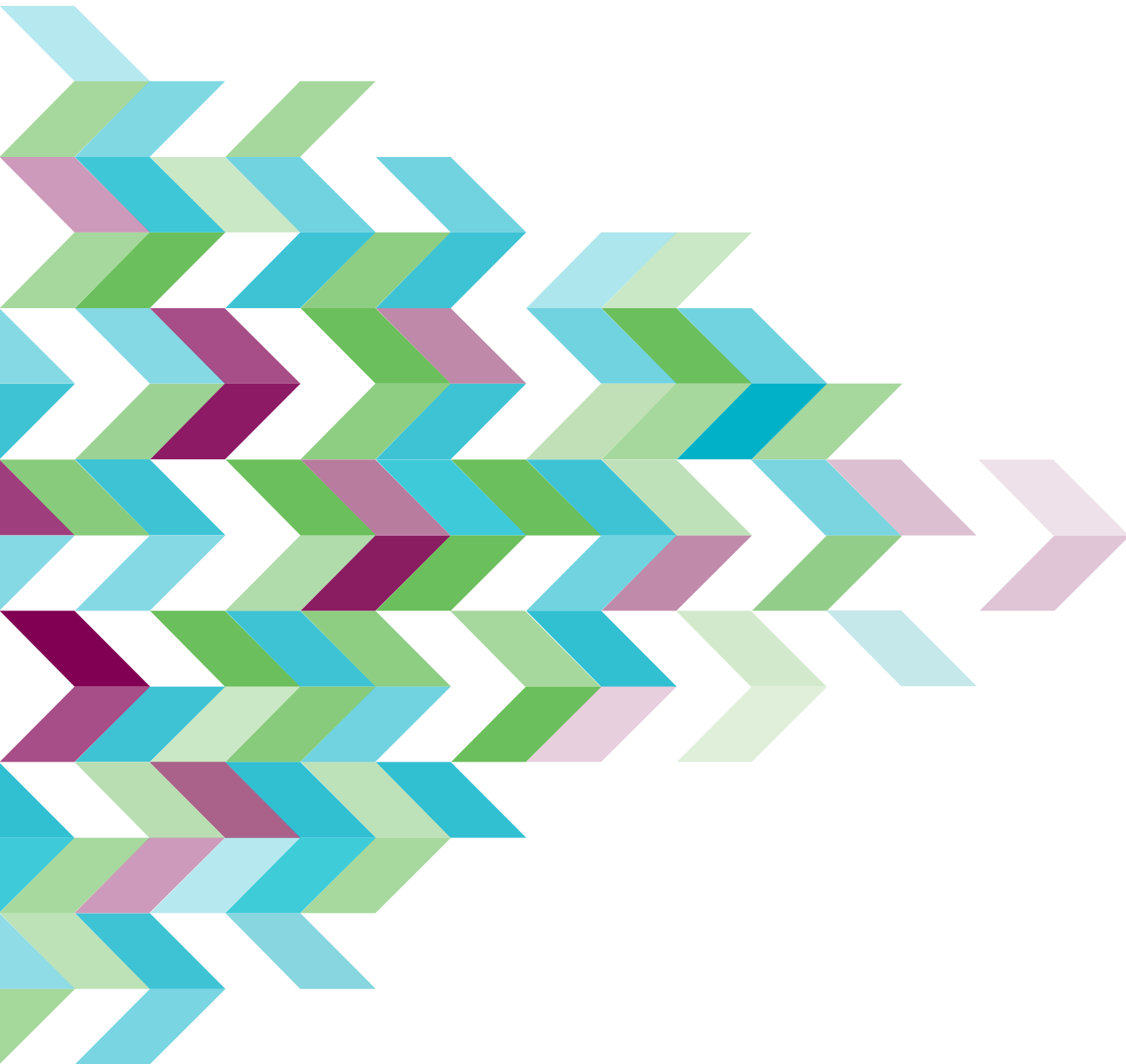


# 2017 ANNUAL REPORT





In the name of Allah, the most Gracious, the most 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

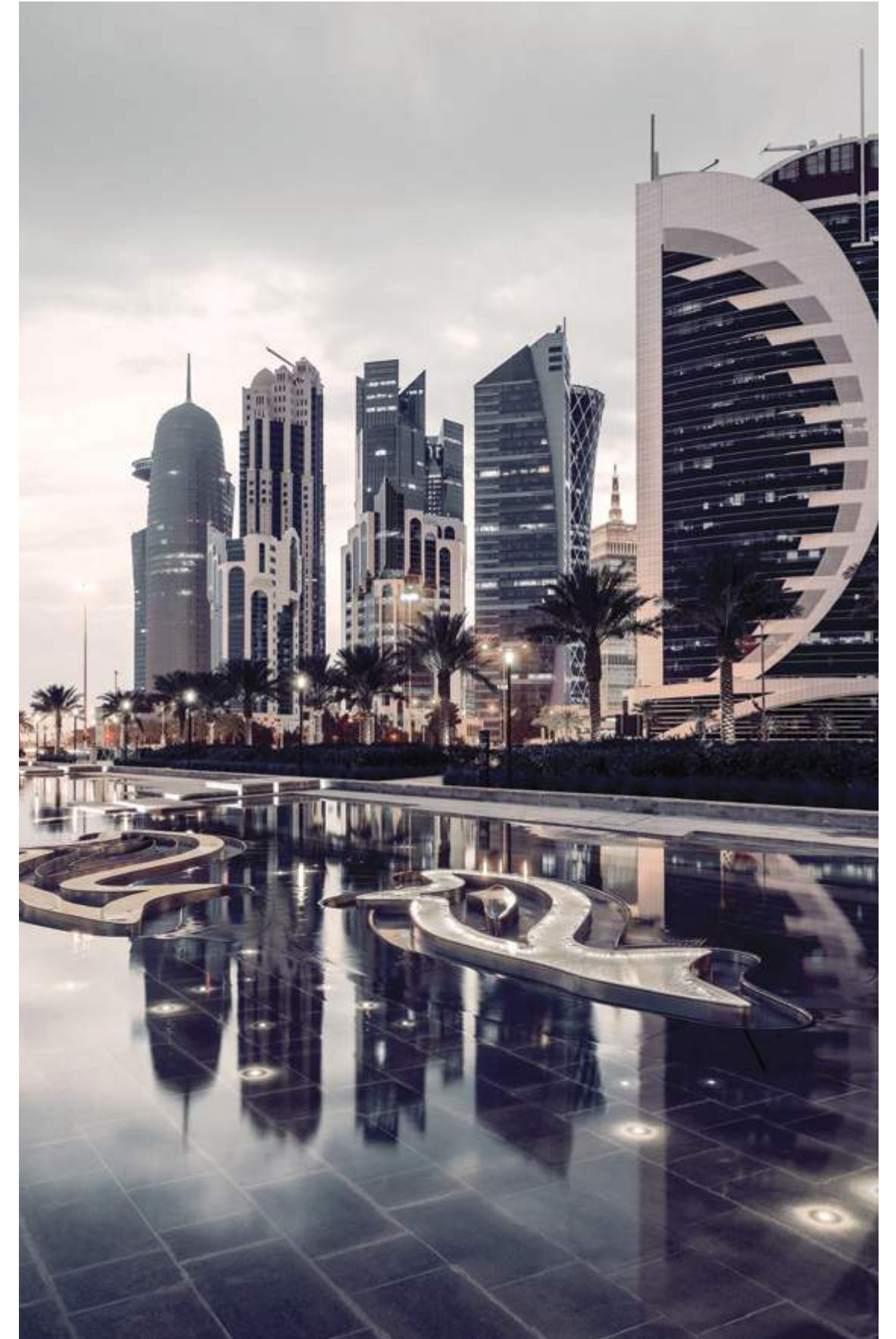


## SPIRIT OF SOLIDARITY

*As a company, GWC is proud of the growth it has achieved, the innovations it has delivered and the returns that it has consistently provided its shareholders. What then was the catalyst that precipitated our success? What was the wind beneath our wings? It was the sense of trust, dependability and solidarity that we fostered working for our customers, our partners, our stakeholders and, importantly, our nation. Whatever the task, GWC has shown that it can and will do it.*

*This year validated GWC as a bona fide national asset when it harnessed its varied strengths in a seamless, effective manner when our country needed it most. It brought into play the Company's proven competencies in operational management, customized solutions and personnel deployment, displaying a remarkable level of acumen and adaptability – a determined, decisive exercise in solidarity that immensely benefited the nation and its people.*

*It is with this strong, positive tailwind that GWC looks to the future – grateful for the trust placed in us, emboldened by national pride and the strong partnerships we have, and spurred on by that wonderful spirit of solidarity.*

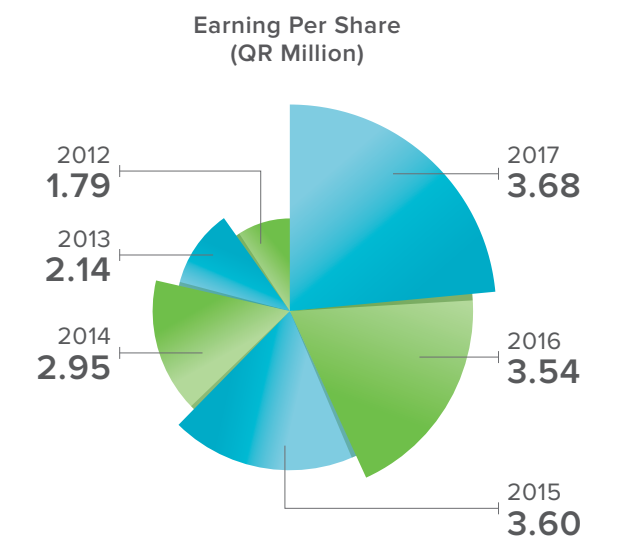
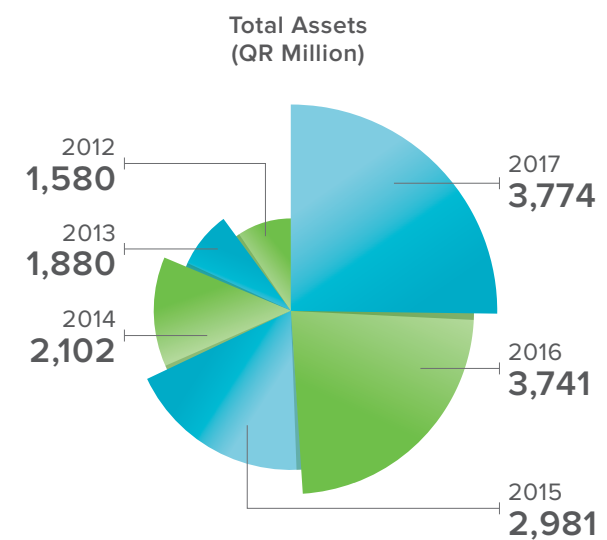
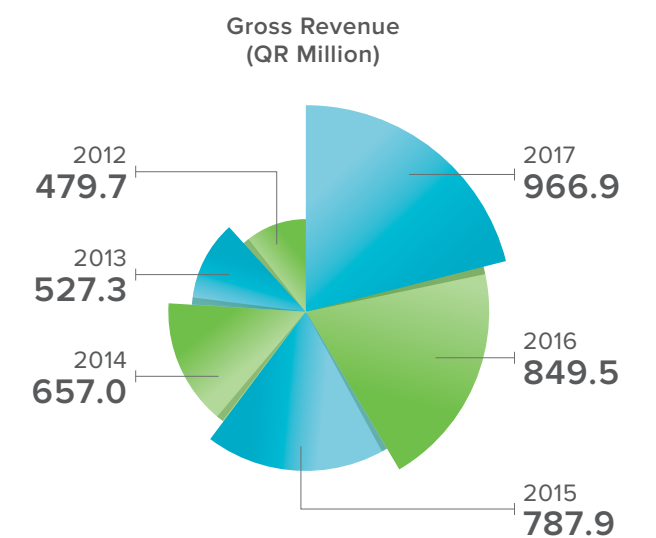
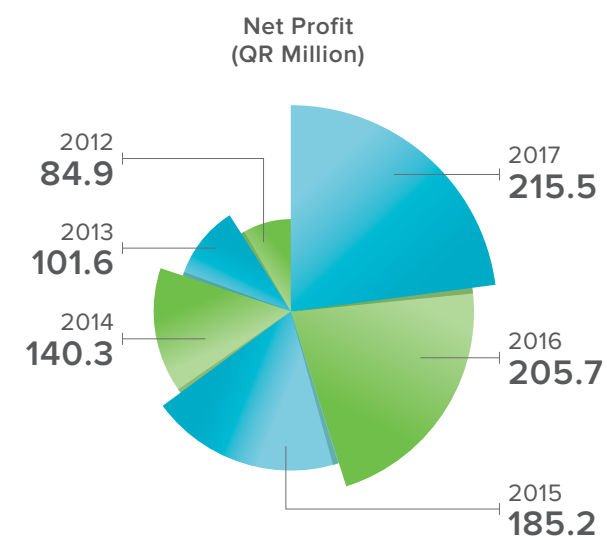


A view of West Bay from Sheraton Park

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# FINANCIAL HIGHLIGHTS 2012 - 2017





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# OUR PURPOSE

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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.

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# OUR PASSION

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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.





## CHAIRMAN'S MESSAGE

Dear Shareholders,

GWC joined the nation in their shock at the imposition of an unjust blockade – one that presented a challenge to our very sense of identity. But under the astute guidance of His Highness the Emir Sheikh Tamim bin Hamad Al Thani, the crisis became an opportunity to reaffirm our sense of worth, solidarity and self-reliance.

We experienced this in action when overnight the nation's food retail companies ensured Qatar's food security through charter flights arriving with supplies, with GWC's full-fledged participation in facilitating critical operations in securing flight clearances, and providing vital distribution and storage services.

This year we also saw the completion and launch of much-awaited infrastructure projects like the Hamad Port, along with the optimised utilization of existing port infrastructure through the expansion of the Al Ruwais Port, where GWC was instrumental in reducing congestion through the strategic deployment of their freight teams and transportation assets.

Indeed, over the years, the Company has continually displayed its allegiance to the nation as it supported its ongoing needs, while also laying foundations and strategies in line with the nation's long-term vision, backed by resilience and a preparedness for every contingency.

The Company further underlined its readiness to serve the nation's needs when it delivered the fruit of public-private partnership with the launch of the GWC Bu Sulba Warehousing Park on time.

For GWC, this has meant a year of growth when many others experienced decline, with the Company registering a 4.7% increase in net-profits. It is a testament to the enduring dedication to our purpose: to set a world-class standard in logistics operations, while supporting Qatar (now, more than ever) in becoming a sustainable and diverse economy, and ensuring the best possible returns to our shareholders.

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 Economy and Commerce, for their continued leadership and support. I also thank the Board of Directors, management, staff at every level, and our faithful shareholders and clients, for their exceptional contribution to GWC.

Thank you.

**Abdulla Fahad Jassem Jabor Al-Thani**  
Chairman



# BOARD OF DIRECTORS



**Sheikh Abdulla bin Fahad  
bin Jassim bin Jabor Al-Thani**  
Chairman



**Sheikh Fahad bin Hamad  
bin Jassim bin Jabor Al-Thani**  
Vice Chairman



**Ahmed Mubarak N. A.  
Al-Maadid**  
Member



**Jassim Sultan J.  
Al-Rimaihi**  
Member



**Ali Abdullatif Al Mesned**  
Member



**Dr. Hamad Saad M.  
Al-Saad**  
Member



**Mohammed Hassan  
Al-Emadi**  
Member



**Mohd. Thamer M.  
Al-Aseri**  
Member



**Henadi Al-Saleh**  
Member





## GROUP CEO'S MESSAGE

Dear Shareholders,

GWC, with its proven foundations of infrastructure and innovative systems and solutions, has stood by the nation through the extraordinary circumstances it experienced lately.

By leveraging every one of its strengths: from its nearly 2.5 million square meters of logistics facilities distributed strategically across the nation; its association with two of the world's largest freight and courier networks – through its partnership with Agility, and as the Authorized Service Contractor for UPS in Qatar; its judicious deployment of the largest fleet of transport vehicles in the nation; along with a host of dedicated assets and systems specifically designed for the full spectrum of supply chain solutions, the Company has been of key assistance to business-continuity in the nation. Concurrently, through numerous improvement initiatives to the management of human resources, IT assets, and quality, health, safety and environment systems, we have been able to reduce costs, maximize customer benefits and ensure the best returns for our shareholders.

We have long established our loyalty to the nation and its aspirations, not the least of which is the recent launch of the GWC Bu Sulba Warehousing Park, the first of the country's public-private partnerships to bear fruit. The Park was completed and launched on schedule, and has provided the nation's burgeoning SME sector with the best logistics infrastructure possible at the most competitive pricing. With the Qatar National Vision 2030 putting its trust in SMEs to deliver the diversification vital to the strengthening

of the local economy, GWC has also played its part in making use of the relationships it has established in the local market, drawing in numerous clients, and achieving high occupancy of the Park since its opening earlier in the year.

The Company has also expanded and fortified its other facilities, the most significant being the work on Phase V of GWC's Logistics Village Qatar, the country's largest one-stop-shop for logistics solutions. This phase of development was completed in 2017 and has neared full occupancy of this phase.

With regard to our industry-specific facilities, the Ras Laffan Industrial City hub in the West Side Service Area, managed by GWC Hazmat, has been expanded by 125,000 square meters, creating – in record time – a dedicated logistics supply base for a client in the Oil and Gas sector.

GWC has also been successful with the country's various business sectors and industries, among them food retail, FMCG, and Oil and Gas. The Company fulfilled its civic duty by being of instrumental service to its clients during the food management crisis, entering into a number of emergency contracts with them with our Contract Logistics, Forwarding, and Transport departments over the summer, handling the hundreds of incoming charter flights through the rest of the year.

GWC Contract Logistics also saw success in the expansion of its fourth-party logistics (4PL) presence in the nation, entering into two major contracts with government oil companies to provide the management systems and staff needed to run a number of their warehouses.



GWC Forwarding, meanwhile, made a major foray into various industry sectors, with a special emphasis on Oil and Gas, while making use of the newly opened and expanded sea ports in the country. Thanks to a collaborative effort between the Forwarding and Transport departments, the use of the Company's extensive fleet has been able to serve the business community and its customers.

GWC Records has meanwhile continued to widen its client base, entering into a number of contracts particularly in the government sector with a major focus on digitization as a customer value proposal. The Company's other niche departments, such as Fine Arts, Equestrian, and Sports, have also worked diligently to bring in a number of contracts while working on the nation's biggest events. In our endeavor as the Authorized Service Contractor for UPS, we have pursued an aggressive growth path, penetrating the market even further, a strategy which also helped us sign a contract with Qatar Post to power their "Global Priority" service through the UPS network.

In order to provide our clients with the best value while also ensuring the Company's best interest, GWC's Continuous Improvement Division has actively endeavored to enhance the use of LEAN Six Sigma principles to reduce waste and maximize returns. In cooperation with the Corporate IT Division, and as part of their digital transformation efforts for the Company, the two Divisions have worked assiduously to launch a new Customer Relationship Management (CRM) software that will enable us to respond more quickly to customers, as well as provide them with more transparency and clarity on their operations. Currently implemented in the Contract Logistics and Freight departments,

the aim in the coming year is to implement this system across all departments and business units, and provide customers with a direct, fully transparent, end-to-end view of their operations.

The Company's emphasis on LEAN principles with many initiatives to reduce overtime, has helped achieve client requirements in the least amount of time, thereby improving value as well as a better employee work-life balance. The Company's Human Resources department has also implemented a number of trainings, team building exercises and social initiatives to enhance employees' professional and personal lives. Meanwhile, the Company's QHSE ensures that we meet all the ISO standards, while also implementing a number of business continuity initiatives needed to sustain the Company's continued operations.

GWC is in step with Qatar and all its concerns, with everyone in the Company coming together in support of the nation and its business community. By continuing to improve our customer focus, increasing our operational efficiencies, and supporting the country in its strategic initiatives, we fulfill our purpose in working with the nation towards a sustainable and diverse economy, while ensuring the best possible returns to our shareholders.

**Ranjeev Menon**  
Group CEO



*Multipurpose warehouse at Logistics Village Qatar (LVQ)*



# MANAGEMENT TEAM



**Ranjeev Menon**  
Group CEO



**Matthew Phelps**  
General Manager



**Segun Abayomi**  
Chief Audit Executive



**Dirk-Henning-Stuhr**  
Senior Director  
Contract Logistics



**Setrak Khajikian**  
Director  
Transport



**Syed Maaz**  
Director  
ASC UPS



**Rajeswar Govindan**  
Executive Director  
Finance & Shared Services



**Nawaf M. Al-Emadi**  
Executive Director  
Government Relations



**Wilfried Hugebaert**  
Executive Director  
Strategy & Growth



**Duncan Capp**  
Director  
Fine Art



**Maged Emil Kamal**  
Director  
Information Technology



**Abdulaziz M. Al-Sahlawi**  
Director  
Public Relations



**Naji Nassar**  
Senior Director  
Commercial Services



**Bobby George**  
Senior Director  
Freight Forwarding



**Sunil Kambrath**  
Senior Director  
Records Management  
Solutions



**Tia Prang**  
Director  
Human Resources



**Hamdan Abdulla Merchant**  
Director  
Business Process Improvement

# GWC OVERVIEW



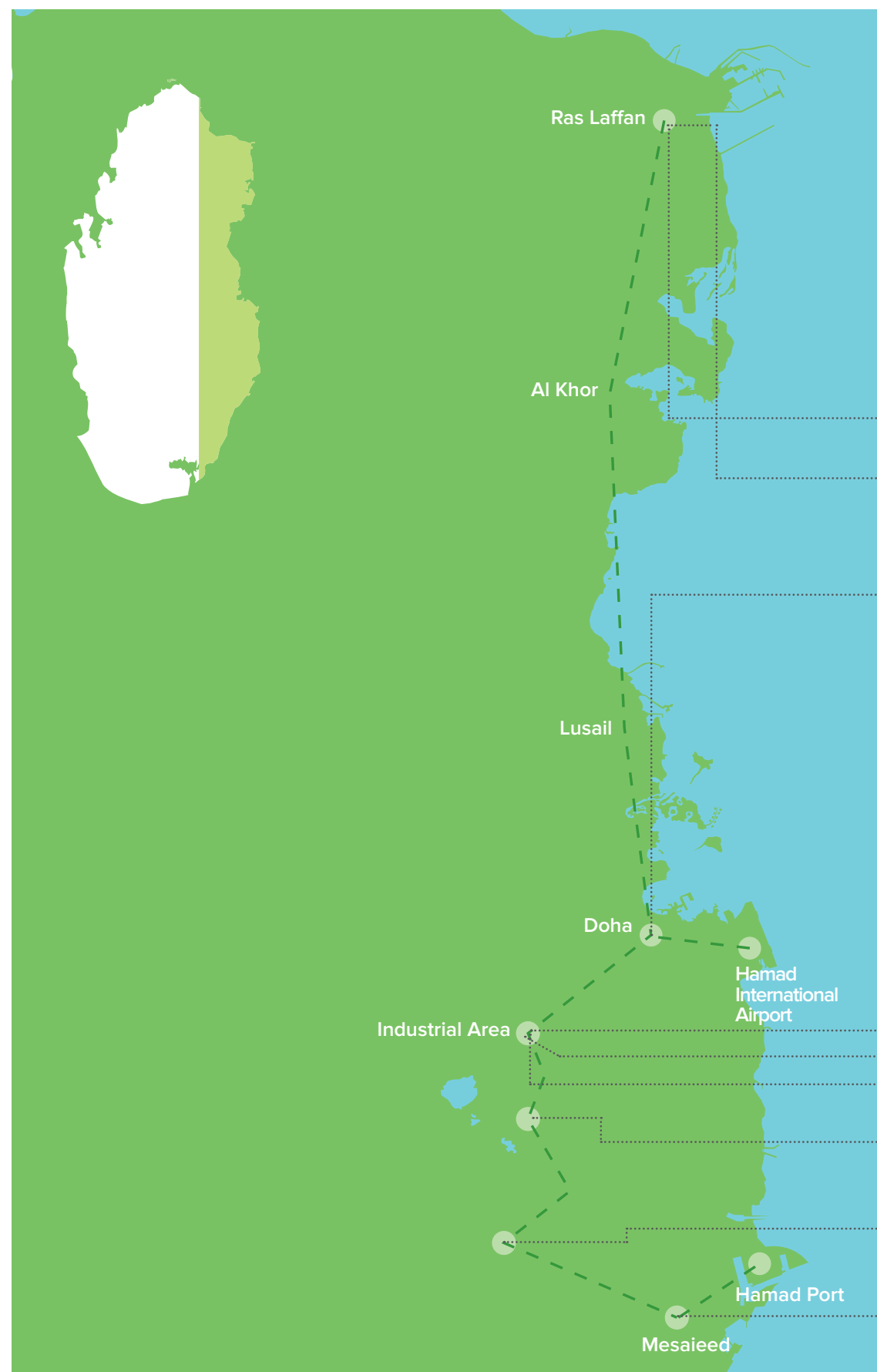
## GWC Solutions



## Awards and Certifications







# GWC IN QATAR



**RLIC ESSA Logistics Hub**  
Ras Laffan Industrial City



**RLIC WSSA - Warehouse and Distribution Center**  
Ras Laffan Industrial City



**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**



**K1 Warehouse and Distribution Center LVQ**



**33K Warehouse and Distribution Center LVQ**



**K2 Warehouse and Distribution Center LVQ**



**Logistics Village Qatar (LVQ)**



**GWC Bu Sulba Warehousing Park**



**Mesaieed Logistics Hub**  
Mesaieed Industrial City



4PL Distribution Centers at LVQ

# AN INTERNATIONAL LOGISTICS EDIFICE

*“The grand vision behind developing Logistics Village Qatar was to provide regional companies with customizable, instantly operational platforms to meet their logistics needs and to meet the country’s growing demand for logistical support and expertise.”*

**Ranjeev Menon**  
Group CEO

## At a glance

- 1,000,000 sqm site
- 50,000 sqm Open Yard
- 395,000 sqm of Warehouses and Distribution Centers
- 75,000 sqm of Residential Facilities
- 32,500 sqm of Container Depots

15 km off Hamad Port, 18 km from the airport, and just 2 km from Qatar’s main industrial area, GWC’s strategically positioned, one million square meter Logistics Village Qatar (LVQ) offers the most comprehensive of globally recognized supply chain solutions. Organized, structured, integrated, IT-enabled and communication ready, LVQ was conceived and developed on a scale that has set new benchmarks in convenience, efficiency and viability.

The completion of the Phase V development in 2017 added over 45,000 square meters of additional warehousing space to the already impressive warehousing capacity, with two new distribution centers activated and made available to LVQ clients. Currently running near full capacity with a vision to grow, the new phase also brought in new accommodation buildings, recreational facilities, a medical emergency unit and a mosque, emphasizing that LVQ was always intended as a harmonious community where work-life balance is a priority.

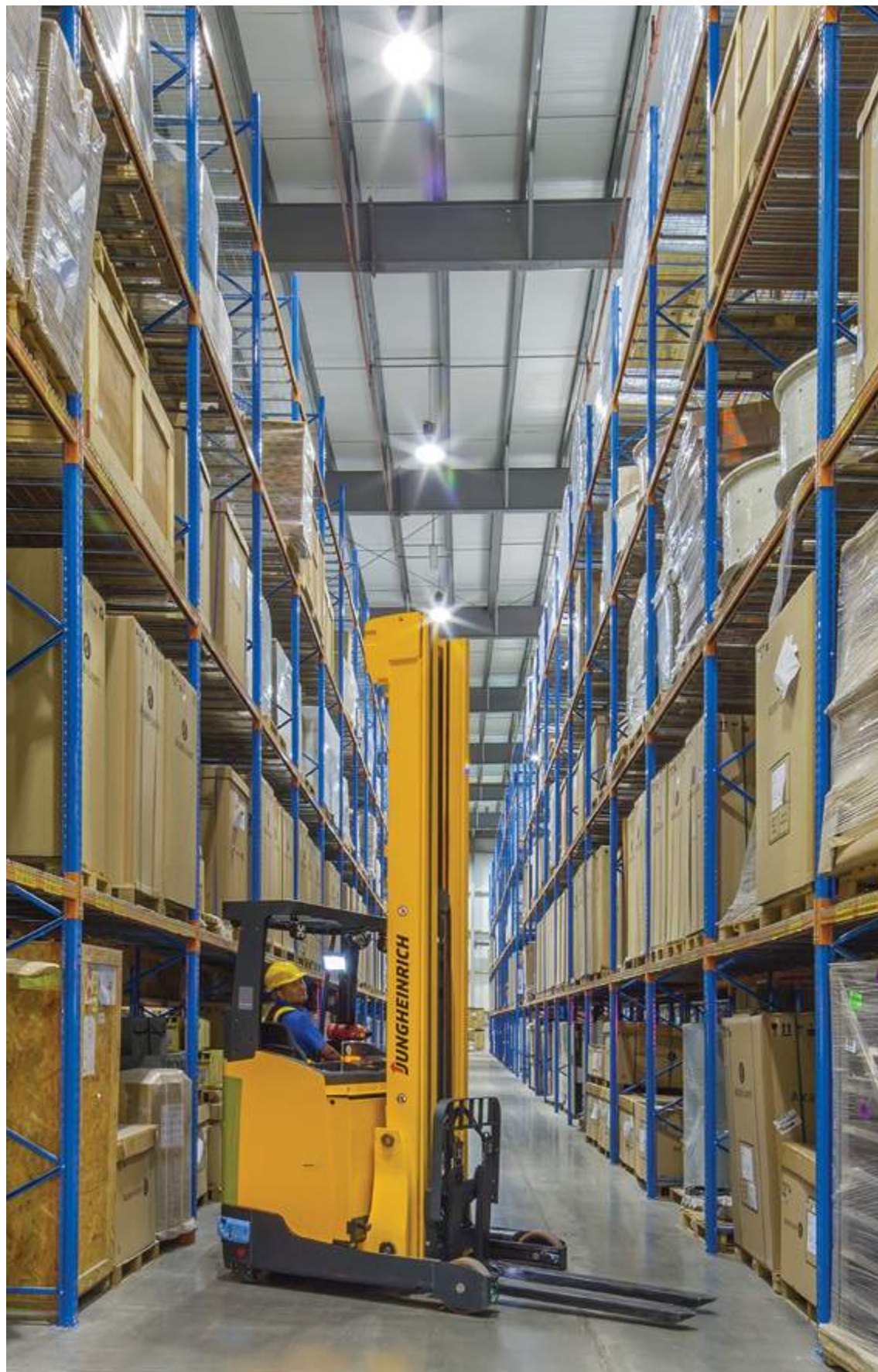
All areas of LVQ continue to be supported by extensive warehousing options, wide-ranging transport services, cutting-edge

IT infrastructure, allowing GWC to move even further ahead at the forefront of end-to-end logistics providers. For maximum security, LVQ is monitored with the latest CCTV security system governed from a control center, with fire safety being assured through a dedicated network of centralized and autonomous fire safety systems governed by the in-house Fire Command Center.

LVQ has dramatically enhanced GWC’s positioning within the industry and has been the Company’s biggest driver for growth. Today it has become a national asset, helping garner a significant market share in Qatar, and by making a positive impact on the logistics, freight forwarding, and transport operations of the Company.







Selective racking at 33K warehouse and distribution center in Logistics Village Qatar (LVQ)

## GWC'S COMMITMENT DELIVERED

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

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

- 520,000 sqm site
- 200,000 sqm of Warehouses and Distribution Centers

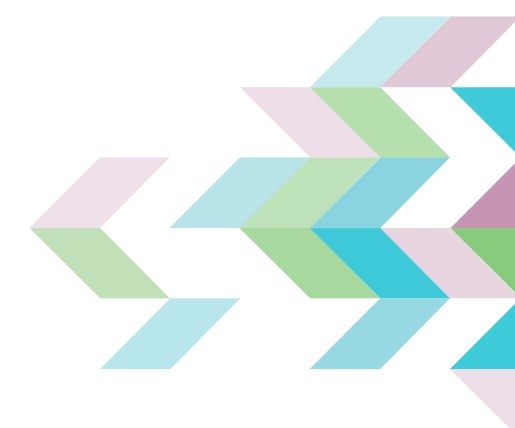
- 21,000 sqm Open Yards
- 21,000 sqm of Residential Facilities

The GWC Bu Sulba Warehousing Park is the direct outcome of the Company's in-depth knowledge of the logistics sector and the government's intent to support and enable SMEs with instantly operational and flexible warehousing capabilities. The first of the country's public-private partnerships to bear fruit, the Warehousing Park was completed on schedule and has already achieved high occupancy.

Built on 520,000 square meters with a 40% built-up area, GWC has put the full scope of its experience in the design and construction of the Park. With hundreds of warehousing units of different specifications optimized for SMEs, a container yard, as well as 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 function side by side.

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 such as the GWC Bu Sulba Warehousing Park.

Logistics Village Qatar, Ras Laffan Logistics Hub, Messaieed Logistics Hub... and now the GWC Bu Sulba Warehousing Park. It's one more notch on GWC's outstanding track record in developing and managing bespoke logistics hubs in Qatar.







UPS sorting plant



## GWC'S SUCCESSFUL COLLABORATION

GWC developed further inroads into the country's express courier business as the Authorized Service Contractor (ASC) for UPS in the State of Qatar, with impressive growth in both revenues, contracts, partnerships and service provision over the last two years.

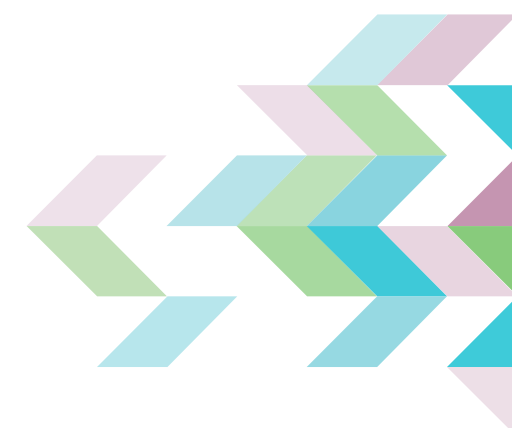
The Company has enabled UPS to penetrate new markets in the country, and has increased its customer base amongst the companies serving the major infrastructure projects and development occurring across the country in line with the Qatar National Vision 2030 goals.

In addition, GWC has established new contracts for UPS in the rail development, automotive, engineering and construction, fashion, healthcare, and Oil and Gas industries, with deliveries within 2 to 3 days from across the world, door-to-door.

For the healthcare segment, GWC has introduced a UPS service delivering biological materials, with biological pathology samples arriving from the US and delivered directly to various medical and research entities within the country. The service delivers around 200 shipments every week, with various shipping requirements ranging from normal to temperature controlled conditions, all carefully maintained with no margin for error.

A significant achievement by GWC on behalf of UPS was entering into an agreement with the national postal delivery company, Qatar Post, wherein UPS extends its express courier service complementing Qatar Post's services. With this agreement, GWC has widened its customer base by providing UPS services through Qatar Post Counters and to their corporate and government clients.

With UPS now offering the best clearance and out times for deliveries in Qatar, the Company has established a clear edge over the other service providers in the market. This is in addition to the new Friday delivery services, which includes deliveries as early as 4 AM as per customers' requirements. GWC's performance as the ASC for UPS has proved to be so exceptional in Qatar that it is now a case study for the best service levels in the region, which includes the Middle East and Africa, as rated by UPS Corporate.







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

# GWC SOLUTIONS

- **GWC Contract Logistics**
- **GWC Hazmat**
- **GWC Records**
- **GWC Transport**
- **GWC Forwarding**
- **GWC Projects**
- **GWC Sports**
- **GWC Equestrian**
- **GWC Fine Arts**
- **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.





Cantilever racking at 33K warehouse and distribution center in Logistics Village Qatar (LVQ)

## GWC CONTRACT LOGISTICS

GWC Contract Logistics' position as the leading warehousing and distribution services provider in Qatar was further emphasized this year through its development of new products, its adaptability and emergency preparedness, and its acquisition of new key contracts.

Qatar was faced with an unprecedented situation during the blockade, but by relying on its well-established local infrastructure and its agile team, GWC Contract Logistics was able to be an effective partner in managing the crisis and maintaining food security in the country. Assisting with the arrival of hundreds of charter flights and ships carrying food supplies, the Company managed the clearance and maintained the cold chain in the transport and storage of the incoming food items.

GWC Contract Logistics maintained its position as the preferred choice for logistics requirements among major industry players. With the onboarding of a major retail customer as well as the expansion of its services for the telecom industry, the department now manages the stock of all products available on the client's online store in collaboration with GWC's Corporate IT Division. The solution provides managers with the full cycle, from ordering, to warehouse operation (including picking, processing and packaging orders), to distribution and last mile delivery, as well as electronic proof of delivery that is sent back to the client. In addition, the system maintains a real-time stock update integration of all items purchased online.

GWC Contract Logistics has become the key support service for the market's leading retail conglomerates and Government agencies.





GWC Ras Laffan Hazmat Logistics Hub in East Side Service Area

## GWC HAZMAT

GWC Hazmat has drawn on its industry expertise to offer a comprehensive suite of offshore and onshore logistics support services designed to support Oil and Gas production and exploration activities for both short and long-term projects. Through the development and enhancement of its facilities in Ras Laffan, the department has been able to leverage its locational advantage to the major Oil and Gas activity.

Working closely with the Company's Continuous Improvement Division, the department began a pilot program to redesign the entire layout of one of its warehouses in the Ras Laffan Industrial City (RLIC) East Side Service Area (ESSA) facility. Working within the current dimensions, the new design ensured that the Company's footprint within the facility remains the same, but by updating its racking systems and improving the available technology, the improvement helps increase capacity by an astounding 60%.

The department has also added a Hazmat warehouse in its RLIC West Side Service Area (WSSA) facility, adding 3,000 new pallet positions for its clients. The WSSA also began providing silo operations, storing bulk liquid or powder chemical products as a support for its off-shore drilling and Oil and Gas clients.

Based on the request of a newly acquired client in the oil exploration industry, GWC Hazmat also created an Oil and Gas logistics supply base over a 125,000 square meter area in record time. This logistics supply base is a fully-integrated concentration of logistics solutions for the Oil and Gas sector. The base is complete with a laydown yard, workshop, pipe inspection area, and general and chemical warehouses, with the design, set up, construction of infrastructure, management, manpower, and specialized equipment provided by GWC on a third-party logistics basis.





Records storage facility at GWC Street 15 warehouse

## GWC RECORDS

As Qatar's pioneers in records and management solutions, GWC Records continues to develop and grow their solutions and their client ranks with the number of document boxes stored crossing 1 million, containing almost 18 billion documents and pages.

The department's client list has increased, adding more ministries, government authorities and private sector clients in the Oil and Gas, retail and telecom industries, providing them with various records management solutions specific to their needs. All these solutions must consider the needs of confidentiality and security necessary, with different tiers and hierarchies set with the client and maintained perfectly at all times.

Among the most unique projects the department has performed over the year was creating and providing the document management system required by the opening of a major public library in the country. GWC Records collected over 680,000 books and documents from client warehouses and locations, before indexing and measuring the documents in order to establish and document its proper location within the library. These books were then shelved according to the customary classifications in most libraries, a task that was completed within 72 working days – 8 days earlier than originally assigned.

The department also provided various asset management solutions for a number of its clients, including public health authorities and sports industry clients. The department's dedicated team was deployed to clients' sites, tagging new items and managing existing tagging data, tracking clients' various assets for purchasing, maintenance and retirement purposes.

Internally, the department ensured the successful migration from the EMC<sup>2</sup> platform to the updated Open Text business suite, further strengthening GWC Record's document digitization skills and services. As part of the migration, the department has entered discussions with Open Text to look into solutions satisfying the requirements of smaller clients that need to store less than 1 million documents. The proposed software would come under the GWC banner, powered by Open Text Documents. For physical storage, the department has expanded into the LVQ 33K warehouse, increasing capacity by around 148,000 archive boxes, utilizing 88% of the facility's storage capacity.

With such strong expertise under their belt, GWC Records has begun exploring the option of expanding in Africa, the Middle East and India, enhancing the Company's presence regionally and globally.





Trailer Heads from GWC Transport fleet

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## GWC TRANSPORT

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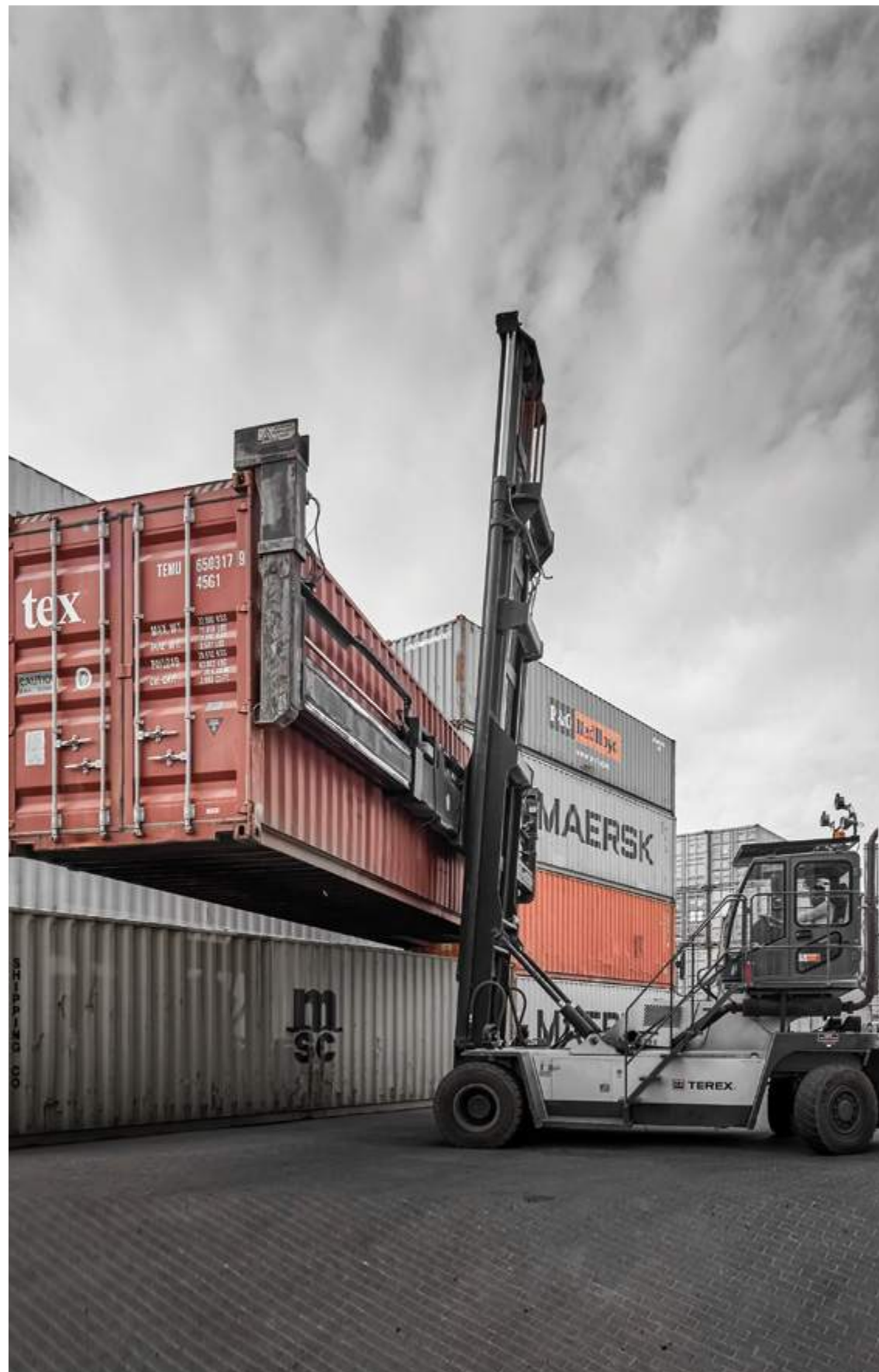
The largest fleet in the State of Qatar, operated by GWC Transport, was put to use in bolstering the nation's transportation needs during the challenging conditions of 2017.

With an uptick of sea and air freight volumes coming into the country, the department saw an increase in demand for its inland transportation services, moving cargo from the northernmost Al Ruwais Port to the Hamad Port and everywhere in between. This was especially crucial during the crisis management activities held over the summer, as food and perishable items were brought in from the various ports and points of entry and transported to their outlets or warehouses while maintaining the items safety and preserving the cold chain. The department supported the integrity of these activities by adding 31 additional trailer heads to its already extensive fleet.

The increase in sea freight activities also saw a high demand for the department's container related services. GWC Transport has been providing its shipping clients with niche services within a fully-secured yard located in Logistics Village Qatar. Fully equipped with container stackers and forklifts, the site is capable of handling all its clients' needs, including storing, repairing, repositioning over 6,000 containers on a monthly basis.

In addition to the new incoming requirements for inland transportation, the department continued to provide highly specialized transportation solutions to all its clients, including very specific and dedicated services for its clients in the Oil and Gas and manufacturing industries.

The department continues to dispatch a dedicated fleet of specialized chemical tankers in order to safely transport caustic soda and hydrochloric acid across the State of Qatar, in addition to performing specialized movements of cement, steel structures, and other equipment and materials for its oil exploration clients.



GWC container yard at Logistics Village Qatar (LVQ)

## GWC FORWARDING

GWC Forwarding's partnership with Agility with its international network of 600 office in 125 countries has proven invaluable to its clients in Qatar in 2017.

The department has entered into a number of contracts with major players in every sector of Qatar's economy. In aviation, an engineering firm has contracted the department's services to clear their engines and transport them from the airport to their site in Doha. The department has also expanded upon their existing contract with a major retail client, adding hardware and toy subsidiaries to its scope of operations while handling the freight and clearance of their furniture and electronic merchandise into the country and to their warehouses within the Company's facilities. The department has also entered into a number of call-off agreements with clients in the Oil and Gas, manufacturing and sports industries providing quotes and shipping agreements on an as-needed basis.

The department's abilities truly shone when performing crisis management shipments over the summer, working with several food companies to clear incoming charters. GWC Forwarding helped clear hundreds of full charter flights, with a dedicated team on call 24-hours a day, ensuring that the cold-chain is maintained for various food items coming in to the country and thereby helping ensure the nation's food security.

The department has remained in step with the nation's changing sea freight operations at the newly opened Hamad Port and the expanded operations at the Al Ruwais Sea Port. With sea freight volumes increasing, and vessel loading and unloading occurring at faster rates, the department has redeployed its workforce accordingly.

GWC also reinforced its international presence by attending an international breakbulk conference, developing contacts and exhibiting its capabilities in performing various breakbulk shipments for its Oil and Gas clients.





GWC Hazmat warehouse at Ras Laffan Industrial City West Side Service Area

## GWC PROJECTS

GWC Projects remains the best-in-industry for customer service and operations, leveraging its extensive planning, procurement, global network and logistics experience when providing their project logistics solutions for clients in the Oil and Gas, engineering, shipping, and mineral extraction industries.

The department has entered into a contract with one of the world's leading names in oil exploration rigs around the world. Working closely with the client's in-house teams, GWC Projects helps coordinate the consolidation of various shipments from the client's locations in the US before shipping, clearing and transporting their required items to their facilities in Qatar. Handling over 350 purchase orders a month, the consolidation of the shipment is a crucial element in ensuring the best value for the client.

Working with a client providing engineering services for a major helium extraction and exporting project as it expands its plants, GWC Projects has been a crucial element in the movement of their equipment into the country, ensuring that Qatar remains one of the world's leading suppliers of helium.

Among the department's chief achievements this year has been the extension and expansion of a contract with a prominent oil shipping client in Qatar. Already handling nearly 100 shipments a month, GWC Projects is now working closely with the client as they shift the hub of operations for one of their subsidiaries from Singapore to Qatar. The subsidiary is tasked with ensuring that the company's shipping liners and oil carriers have the spare parts they need wherever they are in the world, and the department has become an integral element of the shipping and clearance process worldwide.





*The greatest action in sports happens behind the scenes*

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## GWC SPORTS

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GWC Sports has a long, established history in the State of Qatar for facilitating various international sporting events by providing specialized freight, clearance, transport and storage services needed by the sports arena and event management industry.

With an enviable satisfaction rate of 99% in previous events supported by the department, GWC Sports was commissioned to handle events held in Qatar towards the end of 2017. Working closely with the event managers, the department was in charge of clearance for various items needed for the events, such as motorcycles, cars, spare parts, tires, televisions, videography 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 the various authorities over the years of providing for these events.

As always, time is a key element to be taken into consideration in the sports event sector. Careful strategy and planning were required to ensure that the shipments that enter 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 within a tightly scheduled period. To this end, a dedicated team ensures the smooth operation of these tasks, proving once again Qatar's preparedness to stage the best international sporting events now, and in the years to come.





*Providing the care needed to ensure careful transport of horses in comfort*

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## GWC EQUESTRIAN

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GWC Equestrian has worked diligently to establish itself as the provider of choice in equestrian logistics, leveraging its contacts among the major equestrian organizations and individual enthusiasts in the country.

One such equestrian contact has entered into an agreement with the department for the Company's services for a series of shows to be held in Qatar. As a result, the department is working closely with the organizers of the events to bring in hundreds of horses from various locations across the world.

Equestrian logistics is a highly specialized field requiring careful coordination of all operations from both ends of the process to ensure that the horses are transported in safety and comfort. The horses often come from various locations, and must be brought into a single exit point from their point of origin. Clearance must be provided from the point of origin 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 most often accompanied by veterinarians and professional grooms hired to keep the animals calm, secure and healthy for the duration of the journey. Once the events are completed, the department is tasked with returning the horses back to their homelands.

GWC Equestrian's dedication and care for its charges have been instrumental as the department works to expand its operations even further within the nation.



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

## GWC FINE ART

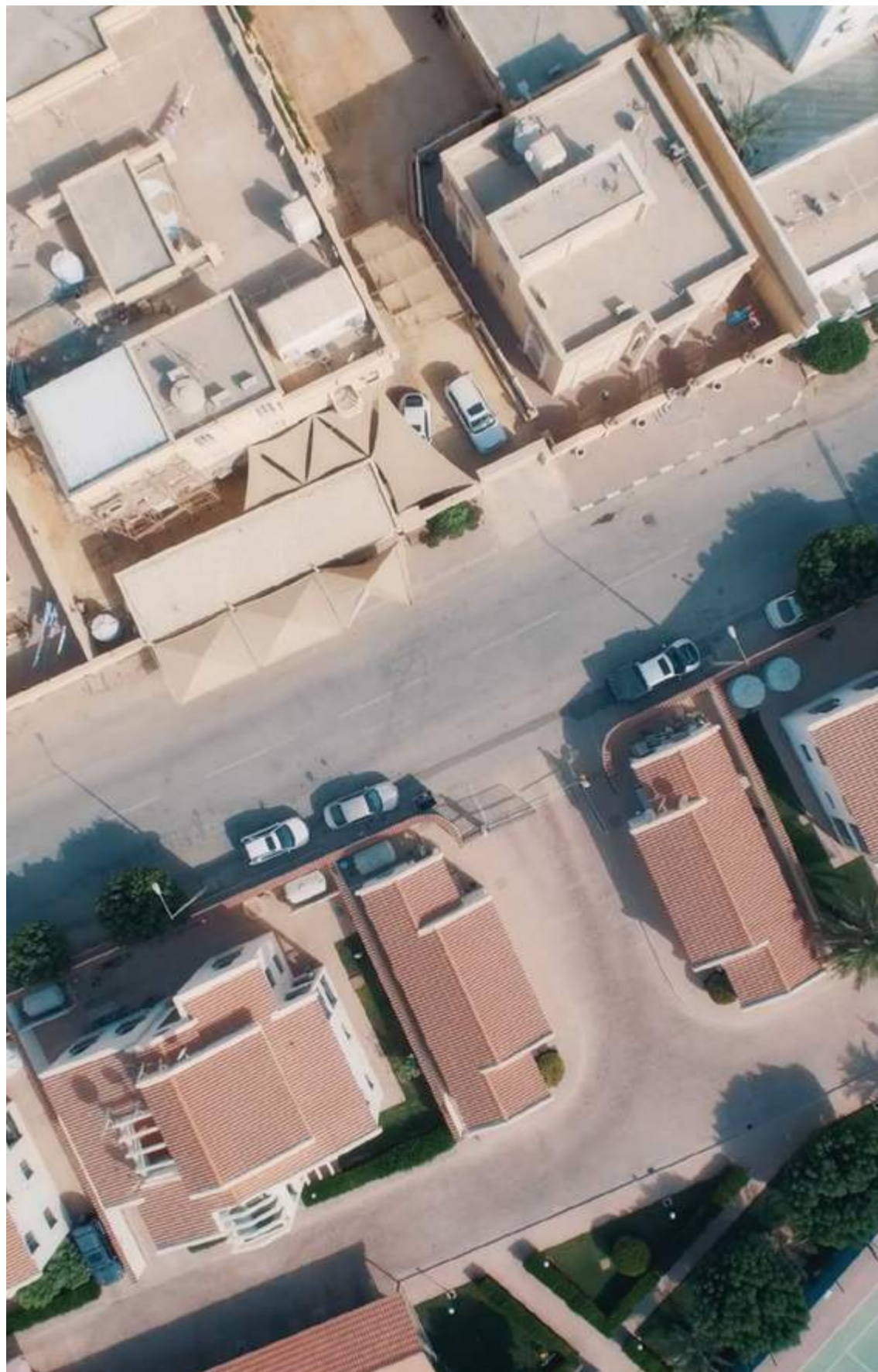
GWC Fine Art has positioned itself as the preferred resource for highly specialized and customized packing, shipping, transporting, installation and storage solutions for local and international fine art requirements.

The department has been instrumental in the installation of several exhibitions featuring international artists both classical and modern, especially two national gallery exhibitions as part of a German-Qatari cultural cooperation initiative. The first focused on various modern German painters, which required the collection of the various canvases, clearance at both ends, shipping to Qatar, and installation at the gallery site. The second, however, featured various unorthodox items as the theme of the show dealt with German design. Items as large as vehicles and as small as pipes and everything in between had to be professionally packaged before being dispatched on charter flights to Qatar. Installation required careful coordination with the gallery management to ensure proper handling and display, to showcase the items in the best possible light.

The department has worked closely with local museum and gallery authorities, developing trust in the country's fine art circles, which has led to their being awarded an upcoming move of artworks to a soon-to-be-opened national museum. The department will be tasked with collecting the artworks for the museum from the client's various properties and warehouses around the country.

For the opening of a national library, the department was involved with the movement of various heritage materials, including old globes, manuscripts and very old books, using the best packing techniques available for the movement of such antiques. Meanwhile, GWC Fine Art has also been expanding its outreach to private sector galleries, like the shipping, clearance and delivery of fine art pieces for an up-and-coming gallery situated at The Pearl Qatar.





Your home move handled with the utmost care

## GWC RELOCATIONS

GWC Relocations assisted the nation as it underwent a number of transitions and changes this year. With the handover of the rights of Oil and Gas exploration between various entities in the State of Qatar, the department was of great assistance when an Oil and Gas company mobilized their staff on their return journey home. The department provided packing, export documentation and shipping services for these staff members' household goods and personal effects.

Meanwhile, on behalf of another Oil and Gas client, the department undertook an office move into their new location, with some items and furniture stored in GWC's facilities in Ras Laffan. GWC Relocations also performed the clearance of an aviation company's office, placing their goods in the Company's storage facility, and assisting in the movement of IT assets, heavy equipment, servers and server racks on behalf of clients in the real estate and electronics industries.

The department also remains a key facilitator for the introduction and return of various staff members in the education sector. With the sector's high turnover rate, the department provides relocation services for incoming and outgoing teachers and staff, shipping their personal effects to and from the country as needed, in addition to helping settle or resettle the staff within the country in case they were relocating to another accommodation.

To ensure the best possible service levels for GWC Relocations' various clients, the department conducted a number of trainings for its staffers to orient new members and reintroduce existing members to various policies and procedures in effect for the department specifically. One such training dealt with data privacy and anti-bribery policy that controls the department's code of conduct and security measures with regards to the information that they may come into possession of. Another dealt with the changes in procedure to ensure the best and safest customer service when workers carried out the various moves and relocations under their care.





Container yard at Logistics Village Qatar (LVQ)

## GWC SUPPORT

- Continuous Improvement
- Corporate Information Technology
- Quality, Health, Safety, Environment
- Corporate Social Responsibility
- Human Resources
- 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.





Open yard at Ras Laffan Industrial City West Side Service Area

## CONTINUOUS IMPROVEMENT

The Continuous Improvement Division's implementation of the Lean Six Sigma culture across the Company's various departments has seen strong returns in efficiency while reducing waste and variations in the processes and procedures.

The Division worked closely with the Contract Logistics department to reduce costs across the board. Among the ideas implemented was the reduction of material handling equipment (MHE) costs, reducing breakdowns and improving energy conservation. The Division also worked closely with the Forwarding, Records Management and Transport departments, introducing measures to increase productivity and reduce overtime comprehensively. These measures ensure direct savings for the Company while also assuring improved service as well as improved health and safety for the employees.

The Division played a crucial part in the crisis management activities during the summer. To aid the large influx of shipments needed to secure the nation's food security, the Division provided consultation to the various clients to increase warehouse utilization, designed tools to measure daily warehousing capacity, and improved processes to receive and distribute all incoming shipments.

Automation is a key aspect of productivity enhancement for GWC, and the Continuous Improvement Division joined forces with the Corporate IT Division in installing numerous systems that would facilitate regularized operations within the Company. Among these systems was the addition of the Customer Relationship Management (CRM) system, which helps provide better service to our customers with automated quote generation which also helps in getting a quicker response to quotes sent. The system is currently under partial implementation, but will be applied across all Divisions in the coming year.

As a business unit, the Division also worked on a number of external consultancy projects for clients in the aviation and manufacturing industries, providing them with analyses and recommendations for supply chain consulting, an area that it aims to expand on in the immediate future.



One of GWC's Data Centers

## CORPORATE IT

The Corporate Information Technology (IT) Division embarked on a digital transformation strategy across all systems at GWC – those supporting the business departments as well as those accessed by the Company's clients.

On the governance level, the Division successfully completed the first surveillance audit after the migration from the 2005 to the 2013 version of the ISO 27001 certification for information security management. This came during a year when Corporate IT began the revision and review of all the policies and procedures for the Division to remain aligned with the Company's new requirements. Among the new procedures implemented was the development of the new in-house Center of Excellence for the Corporate Applications section of the Division, who have proposed major cost-saving measures for the Company by stopping all support contracts with external vendors in maintaining and supporting these applications.

When it came to business support, the Division has provided the backbone for a variety of department operations. Corporate IT programs have been essential for the operations of Records Management, ensuring the information security compliance of their services for clients in the banking and healthcare industries, among others. The Division also provided various automation tools to further optimize the operations of our business units, like the customer relationship management (CRM) software that manages all client interactions from leads to quotes; integration of our order and warehouse management systems (OMS and WMS) with client systems, as well as a real-time back end integration for clients' e-commerce solution.

The Division also augmented their activities as a business unit, providing a variety of services directly to clients, which saw an increase of demand for the Company's data center services. These included server collocation services and the provision of cloud-based solutions.

To secure these systems both internal and external, the Division devised an information security roadmap, demonstrated to and approved by the management, to mitigate the risk posed by the latest malware and ransomware attacks the region was exposed to recently.

This roadmap, which was launched in Q3 2017 and will be completed in Q4 2018, utilizes technologies and software like next-generation firewalls, smart intrusion prevention systems, advanced threat protection, and security incident and event management. This is in addition to the Division's support of business continuity, with the creation of connection to the data center by using iWAN technology, establishing a virtual link without incurring any annual recurring costs, and ensuring continued service in the case of disconnection from the main line.

Moving forward, Corporate IT intends to continue focusing on the Company's digital transformation by increasing the compatibility levels of our systems to provide end-to-end visibility of all the solutions and services our clients have procured from GWC across all business domains.





Health and safety are the cornerstone of operations at the Company's facilities

## QUALITY, HEALTH, SAFETY, ENVIRONMENT

The Quality, Health, Safety and Environment (QHSE) Division 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.

Having its ISO certifications always up-to-date, GWC's management systems successfully completed their audits by an external evaluator, with zero major non-conformities reported for its five key systems governing quality, food safety, occupational health and safety, environment, and information security. The Division performed the target number of audits for each of the sites, including 87 HSE tenant audits at the GWC Bu Sulba Warehousing Park and 42 HSE audits of Logistics Village Qatar (LVQ) tenants.

The sites certified for QHSE were also extended to include the Mesaieed facility, in addition to the implementation of the Food Safety System at the 15K Warehouse in LVQ and the Information Safety Management System at all GWC sites. The Division's quality team recently acquired the FIDI-FAIM 3.1 certification for GWC Relocations.

The Division also continued the roll-out for its Business Continuity Management Systems and Enterprise Risk Management Systems. The Enterprise Management System (EMS) has been implemented for all departments in GWC, while the comprehensive Business Continuity Plan (BCP) has been implemented in all departments and sites, with two BCP drills conducted successfully earlier in the year.

To assess fire safety at the GWC sites, the QHSE Division performed 56 fire drills in the GWC Bu Sulba Warehousing Park, 39 drills in LVQ and 17 drills in GWC-managed facilities. To avoid the occurrence of potential problems, the Division also conducted 237 HSE inspections through the year, generating 319 observations recorded in safety observation reports. To ensure contractor compliance with GWC HSE regulations, the Division conducted a total of 2,200 person-hours of safety induction before issuing 392 permit awards to contractors working at GWC sites.

Internally, the Division conducted 3,551 person-hours of safety training, exceeding its target of 3,000 for the year. As part of its ongoing recycling initiative, the Division also recycled nearly 165,000 kilograms of cardboard boxes and 4,000 kilograms of scrap metal, all regulated by an outsourced contractor.



'Embrace Doha' activity during the Qatar National Day celebrations

## CORPORATE SOCIAL RESPONSIBILITY

Early in 2017, GWC was conferred the “CSR Leadership” award for its continuing efforts to serve the social needs of our local community at the launch ceremony of the 5th edition of the National CSR (Corporate Social Responsibility) Report. The Qatar CSR Report monitors and evaluates the progress made each year by corporate institutions in the area of sustainable development in society with a particular focus on CSR and contributions to the Qatar National Vision 2030. The CSR award ceremony honored those who have made significant contributions to these causes at the launch conference which was attended by a number of dignitaries, industry experts and ambassadors from various nations.

The award affirms GWC’s commitment to upholding the various social issues it holds very dear, and have formed the basis of its CSR strategy through the years. The Company’s commitment to entrepreneurship excellence extends beyond the services it provides via its various departments to helping start-up charitable organizations that it has partnered with in the past, including ‘Embrace Doha’ and ‘The Youth Company’. Both these organizations embody the values that GWC cultivates, as witnessed by GWC and Embrace Doha’s earlier partnership on heritage initiatives 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. Every year, during Ramadan, GWC acts as the logistics partner, working with Youth Company volunteers, and participates in the distribution and packing of thousands of Iftar boxes which are distributed during the holy month of Ramadan.

GWC’s strong nationalistic orientation coheres strongly to the societal ideals put forth in Qatar’s National Vision and finds expression in the varied initiatives it supports towards cultivating the spirit of service to community that it promotes both within and outside the Company.





Staff well-being is at the forefront of Company's activities

## HUMAN RESOURCES

Dedicated to the tenet of “Maximizing Employee Performance”, the Human Resources (HR) Division in GWC dedicated a number of strategies and policies to enhance the Company’s performance-driven culture.

This occurred during a year of increased recruitment for the Company, with the induction of 504 new permanent employees and 112 temporary staff. The onboarding of these employees was facilitated through the flawless implementation of the ‘SuccessFactors’ app, one of the suites of programs installed in 2016 in partnership with the Corporate IT Division.

The application has streamlined the process of publicizing vacant positions, identifying applicants, up to bringing the candidate into the fold. The app also introduced the “Transfer from – No Pay Change” feature, which was developed this year to expedite the internal transfer processes and to provide an organized storage with a systematic approach and easy access.

The Company seeks to augment the welfare of all its personnel, both new and old, and has rolled out many effective initiatives. Among them was the ‘Wellness Day’ program, an ongoing program meant to provide employees with a host of health-related information at their specific workplace. The Division also presented “Baby boom” gift packages to 55 employees with recent births in their families, as well as 13 “Get well soon” packages for employees who had undergone hospital stays.

To ensure the proper acquisition and implementation of skills, HR at GWC conducted or coordinated 379 training programs, with a total of 25,387 person-hours of training provided to the Company’s employees. Recommendations for the required trainings were proposed by managers through the Company’s SuccessFactors app as part of the mid-year and annual employee appraisals. As part of the trainings, all employees receive a refresher for the orientation program, where they are introduced to various updated HR policies and given an Employee Handbook with comprehensive information.

The Division also held a number of events in order to foster a sense of belonging and camaraderie among its employees. For the Company’s annual Iftar event during the holy month of Ramadan, the Division organized a dinner attended by record 1,650 employees.

The Division coordinated a number of team building and outbound activities with the various departments, with around 137 employees participating in the events held at the Sealine Resort. The end of the year saw the all the Company’s units compete in the annual GWC Sports Festival, with competitive events ranging from cricket, football, volleyball, basketball, tug-of-war and marathon. In addition, a badminton event for the Company’s female employees was organized for the first time. All these supplementary activities helped develop employees’ intrapersonal relations fostering a sense of ‘unity in diversity’.





Inventory employee performs routine audit at a Company warehouse

## INTERNAL AUDIT AND COMPLIANCE

The Internal Audit and Compliance division is constantly working to improve its core values and to be a reliable partner to the Company's management to achieve the goals set out by the Board.

The division has set its six-year 2013 – 2018 Audit Plan, placing a schedule of prioritized audit work based on a company-wide risk assessment. The audit plan for the period in review has been fully implemented with follow-up to ensure that recommendations are continuously implemented. A status report on the progress made in implementing the Audit Plan was drafted, and contains updates on audit findings that have been submitted to and adopted by the management; the report provides an overview on implementation of the action plan in resolving audit findings for the period in review.

During the year 2017, GWC's internal auditing function generally used the Sampling and Population Audit (Population Audit for cash and receivables) approach. This approach is designed to support an annual assessment of the adequacy of a company's internal control.

Meanwhile, the division acquired AuditBot, a SAP-partnered Segregation of Duty (SOD) Analyzer, which ensures that SAP users access is appropriately given and free from segregation conflict.

**Board Oversight Committees:** The Internal Audit and Compliance division works closely with the Company's Board Oversight Committees to ensure proper adherence to policies and strategies throughout the organization. The duties of these committees are expanded upon in the Corporate Governance Report. The Board Oversight Committees include the Audit Committee, the Nomination Committee and the Remuneration Committee.





GWC Records warehouse

# CORPORATE GOVERNANCE REPORT

## **GWC:** ENVISIONED TO SUPPORT QATAR NATIONAL VISION 2030

### **Qatar's Social Development Pillar**

GWC's strong nationalistic orientation coheres strongly to the societal ideals put forth in the National Vision and finds expression in the varied initiatives it supports towards cultivating the spirit of service to community that it promotes both within and outside the Company.

## 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	February 2015
End date of the current Board of Directors	2018
Number of Board of Directors	Nine (9)
Number of Independent Directors	Four (4)
Number of Non-Independent Directors	Five (5)
Number of Executive Directors	Nil
Number of Non-Executive Directors	Nine (9)
Number of the Board Meetings held during the year of the CGR	Nine (9)
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	One (1)
Number of Remuneration Committee Non-Independent Directors	Two (2)
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	Two (2)
Number of Nomination Committee Non-Independent Directors	One (1)
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	Table 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 - 2017 (plus an additional Ordinary General Assembly Meeting)	One (1)

## 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.	<b>Sheikh Abdulla bin Fahad J. J. Al-Thani</b> Chairman			
2.	<b>Sheikh Fahad bin Hamad J. J. Al-Thani</b> Vice Chairman			
3.	<b>Ahmed Mubarak N. A. Al-Maadid</b>		Committee-Chair	
4.	<b>Dr. Hamad Saad M. Al-Saad</b>			Committee-Chair
5.	<b>Mohd. Thamer M. Al-Aseri</b>		Committee-Member	
6.	<b>Jassim Sultan J. Al-Rimaihi</b>	Committee-Chair	Committee-Member	Committee-Member
7.	<b>Mohammed Hassan Al-Emadi</b>	Committee-Member		Committee-Member
8.	<b>Ali Abdullatif Al Mesned</b>	Committee-Member		

**Table1.2; Directors Attendance of Meetings**

#	Board Membership	GA	Board Meeting	Nomination Committee	Remuneration Committee	Audit Committee	Classification	Independence Status
1.	<b>Sheikh Abdulla bin Fahad J. J. Al-Thani</b> Chairman	2/2	9/9				Non-Executive	Non-Independent
2.	<b>Sheikh Fahad bin Hamad J. J. Al-Thani</b> Vice Chairman	2/2	9/9				Non-Executive	Non-Independent
3.	<b>Ahmed Mubarak N. A. Al-Maadid</b>	2/2	9/9		1/1		Non-Executive	Independent
4.	<b>Dr. Hamad Saad M. Al-Saad</b>	2/2	9/9			6/6	Non-Executive	Independent
5.	<b>Mohd. Thamer M. Al-Aseri</b>	2/2	9/9		1/1		Non-Executive	Non-Independent
6.	<b>Jassim Sultan J. Al-Rimaihi</b>	2/2	9/9	1/1	1/1	5/6	Non-Executive	Non-Independent
7.	<b>Ali Abdullatif Al Mesned</b>	2/2	9/9	1/1			Non-Executive	Independent
8.	<b>Henadi Al-Saleh</b>	1/2	8/9				Non-Executive	Non-Independent
9.	<b>Mohammed Hassan Al-Emadi</b>	1/2	9/9	1/1		5/6	Non-Executive	Independent



Table 1.3 Directors' Shareholding

Name of Board Member	Department/ Position	Company/ Personal	Owned Shares@ Dec-2016	Changes in Shares within the Year	Owned Share Balance@ Dec-2017
Sheikh Abdulla bin Fahad J. J. Al-Thani	Chairman	Personal	0	0	0
		Al Masar Services Co.	376,502	0	376,502
Sheikh Fahad bin Hamad J. J. Al-Thani	Vice Chairman	Personal	200,000	0	200,000
		Al Murqab Capital	12,489,660	0	12,489,660
Ahmed Mubarak N. A. 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
Mohd. Thamer M. Al-Aseri	Director	Personal	31,500	0	31,500
		Al Sanaam Commercial Co.	1,860,000	0	1,860,000
Jassim Sultan J. Al-Rimaihi	Director	Personal	0	0	0
		Al Eseham Commercial Co.	20,000	0	20,000
Ali Abdullatif Al Mesned	Director	Personal	20,000	0	20,000
		Company	0	0	0
Henadi Al-Saleh	Director	Personal	0	0	0
		Agility - Kuwait	10,857,840	0	10,857,840
Mohammed Hassan Al-Emadi	Director	Personal	0	0	0
		Ismail Bin Ali Group	25,999	0	25,999
Ranjeev Menon	Group CEO	Personal	0	0	0
		N/A	0	0	0

Article No.	Provision No.	Compliance	Non-Compliance	Not Applicable	Governance Implementation	Reasons for Non-Compliance	Reason
Article (2) Scope of Implementation	<p>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.</p> <p>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.</p>	☑			GWC has complied with provisions of this QFMA 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	<p>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.</p> <p>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' trading rules.</p>	☑			<p>The Board of Directors seeks to implement all 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.</p> <p>The Board of Directors are constantly and regularly reviewing and updating Governance applications, and apply the highest principles of Governance when listing or trading any securities in the Foreign Market. they also provide the corporate social responsibility and assure public interest of the Company and Stakeholders over the personal interests.</p> <p>The GWC Board has issued a written commitment to complying with all QFMA issued governance principles and guidelines.</p> <p>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.</p> <p>The Company as a standard routine reviews and update 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.</p>		

Article No.	Provision No.	Compliance	Non-Compliance	Not Applicable	Governance Implementation	Reasons for Non-Compliance	Reason
<b>Article (4) Governance Report</b>	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:				i. The GWC annual Governance Report is signed-off by the Company's Chairman and is included in the published Annual Report that is being distributed to all Shareholders;		
	1. The procedures followed by the Company in implementing the provisions of this Code.	✓			ii. The Company disclosed in its annual report any violations that are 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;		
	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;	✓			iii. GWC has disclosed all information related to the Board Members and Executive Management responsibilities, Committees and their works, as well as their remunerations;		
	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;	✓			iv. The CG report of GWC included all procedures of risk management and Internal Control of the Company including the supervision of the financial affairs and investments;		
	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;	✓			v. The Corporate Governance Report includes summary of the Committees work and the number of meetings and their recommendations;		
	5. The committees' works, including 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;		
	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;	✓			<b>vii. RISK MANAGEMENT PROCESS</b> 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:  • <b>Establish the Context</b> The assessment is carried out in the context of the environment in which GWC operates, the company's strategic objectives and business plans.  • <b>Risk Identification</b> New and emerging risks that are material to the company are identified		

Article No.	Provision No.	Compliance	Non-Compliance	Not Applicable	Governance Implementation	Reasons for Non-Compliance	Reason
	proposals, notifications and the way used by the Board to handle the regulatory issues;				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.		
	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);	✓			• <b>Risk Analysis</b> 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.		
	9.Disclosure of the Company's compliance with applicable market listing and disclosure rules and requirements;	✓			• <b>Risk Evaluation</b> 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.		
	10. Disclosure of any conflict or dispute in which the Company is a party including arbitration and lawsuits.	✓			• <b>Risk Treatment</b> 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.		
	11. Disclosure of operations and transactions entered into by the Company with any "Related Party".	✓			• <b>Action Plan</b> 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.  • <b>Risk Monitoring &amp; Review</b> 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		



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					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.		
<b>Article (5) Requirements for the Board Member</b>	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:						
	1. Not be under twenty-one years old with full capacity.	✓			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.		
	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 are above 21 years old and are with full capacity.		
	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.	✓			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.		

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	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.	✓					
					<p><b>Sheikh Fahad bin Hamad bin Jassem bin Jabor Al Thani</b></p> <p>Sheikh Fahad has a wide variety of experience in various fields spanning over 10 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.</p> <p><b>Mr. Ahmed Mubarak Nasser Al Ali Al Maadid</b></p> <p>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 Chairman of the Board Remuneration Committee.</p> <p><b>Dr. Hamad Saad Al Saad</b></p> <p>Dr. Hamad is a highly respected figure in the Qatari environmental field, and has over 20 years of experience. In environmental affairs with various companies and ministries. He is currently 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 the Chairman of the Board Audit Committee.</p> <p><b>Mr. Mohammad Thamer Al Aseri</b></p> <p>Mr. Mohammad is a prominent businessman in Qatar, currently representing Al Sanaam Commercial Company on Gulf Warehousing Company's Board. He is currently serving on the Board Remuneration Committee.</p> <p><b>Mr. Jassim Sultan Al Rimaihi</b></p> <p>Mr. Jassim is a well-recognized figure in the Qatar sports field, and has over 40 years of experience in sports and</p>		

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					<p>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 and Remuneration Committees. Mr. Jassim is the Chair of the Board Nomination Committee.</p> <p><b>Mr. Mohammed Hassan Al Emadi</b> 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 senior relationship manager with Masraf Al Rayan. 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 serving on both the Board Audit Committee and Board Nomination Committee.</p> <p><b>Ms. Hanadi Al Saleh</b> 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.</p> <p><b>Eng. Ali Abdul Latif Al Missned</b> Eng. Ali is a leading figure in Qatar's business sector, with over 30 years of experience in the engineering, economic, and strategic planning fields, having worked in the management and development of businesses and infrastructure. He is currently a member of various boards and institutions, including the Qatar Chamber of Commerce and Industry and the International Chamber of Commerce in Qatar. Eng. Ali earned his engineering degree in the city of Portland, Oregon, as well as completing a post-graduate degree in engineering management with the University of Washington, both in the United States of America. Eng. Ali is serving on the Board Nomination Committee.</p>		

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<b>Article (6) The Board Composition</b>	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.	<input checked="" type="checkbox"/>			<p><b>Structure and composition</b></p> <p>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.</p> <p>At least four members of this Board are independent by the definition of the Corporate Governance Codes. All Board members are non-executive members.</p>		
<b>Article (7) Prohibition of Combining Positions</b>	<p>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 is headquartered in the State, nor to combine two memberships of two Companies exercising a homogenous activity.</p> <p>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.</p> <p>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.</p>	<input checked="" type="checkbox"/>			<p>GWC Board members have provided acknowledgement letters assuring of compliance with the law that:</p> <ul style="list-style-type: none"> <li>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 is headquartered in the State, nor to combine two memberships of two Companies exercising a homogenous activity.</li> <li>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.</li> </ul>		
<b>Article (8) Key Functions and Tasks of the Board</b>	<p>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.</p> <p>The Board Charter shall include the Board's key functions and responsibilities including, at least the following:</p> <p>1. Approving the Strategic Plan and main objectives of the Company and</p>	<input checked="" type="checkbox"/>			<p>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.</p> <p>The function of the Board also</p>		



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	<p>supervising their implementation, including:</p> <p>1.1 Setting a comprehensive strategy for the Company and key business plans and risk management policy, reviewing and directing them.</p> <p>1.2 Determining the most appropriate capital structure of the Company, its strategies and financial objectives and approving its annual budgets.</p> <p>1.3 Supervising the main capital expenses of the company and acquisition/disposal of assets.</p> <p>1.4 Setting the performance objectives and monitoring the implementation thereof and the overall performance of the Company.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>2. Setting the rules and procedures for Internal Control and supervising them, that includes:</p> <p>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.</p> <p>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</p>	✓			<p>includes the following:</p> <ul style="list-style-type: none"> <li>• Approving the company's strategic plan &amp; objectives and monitoring implementation of same;</li> <li>• Reviewing of the company's Risk management to assure effective control;</li> <li>• Approval of the company's annual Financial Plans as well as the company's capital structure;</li> <li>• Monitoring of implementation of approved Budget plans including Financial, Capital, Marketing, and Cash-flow plans;</li> <li>• Setting of performance threshold as well as rewards and monitoring of the implementation of same;</li> <li>• 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: <ul style="list-style-type: none"> <li>i. Indemnifying mechanisms of the Stakeholders in case of contravening their rights pursuant to the Law and their respective contracts,</li> <li>ii. Mechanisms of complaints or disputes that might arise between the Company and the Stakeholders,</li> <li>iii. Suitable mechanisms for maintaining good relationships with customers and suppliers and protecting the confidentiality of Information related to them,</li> <li>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,</li> <li>v. The Company's social contributions,</li> <li>vi. Establish a clear policy of contracting with relevant parties and submitting them to the General Assembly for approval.</li> </ul> </li> <li>• Setting the rules and procedures for Internal Control and supervising them, that includes: <ul style="list-style-type: none"> <li>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</li> </ul> </li> </ul>		

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	<p>preparing and updating a list of Insiders to provide a copy to the Board and the Market upon adoption or update.</p> <p>2.3 Ensuring the integrity of the financial and accounting rules, including rules related to the preparation of financial reports.</p> <p>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.</p> <p>2.5 Reviewing annually the effectiveness of the Company's Internal Control procedures.</p> <p>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.</p> <p>4. Setting forth specific and explicit policies, standards and procedures for the Board membership and implementing them after approval by the General Assembly.</p> <p>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:</p> <p>5.1 Indemnifying mechanisms of the Stakeholders in case of contravening their rights pursuant to the Law and their respective contracts.</p> <p>5.2 Mechanisms of complaints or disputes that might arise between the Company and the Stakeholders.</p> <p>5.3 Suitable mechanisms for maintaining good relationships with customers and suppliers and protecting the confidentiality of Information related to them.</p> <p>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.</p> <p>5.5 The Company's social contributions.</p> <p>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.</p>	✓			<p>shareholders. This includes misuse of the Company's assets and facilities and the mismanagement resulting from transactions with Related Parties.</p> <p>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.</p> <p>iii. Ensuring the integrity of the financial and accounting rules, including rules related to the preparation of financial reports.</p> <p>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.</p> <p>v. Reviewing annually the effectiveness of the Company's Internal Control procedures.</p> <p>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.</p> <p>vii. Setting forth specific and explicit policies, standards and procedures for the Board membership and implementing them after approval by the General Assembly.</p> <p>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).</p> <p>All management compensations structures have been approved by the board prior to implementation.</p>		





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<b>Article (10) Tasks Delegation</b>	<p>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.</p> <p>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.</p>	☑			<p>The GWC's Board has adopted and approved a charter. The GWC board consists of several committees which includes:</p> <ol style="list-style-type: none"> <li>1. Board Remuneration Committee;</li> <li>2. Board Audit Committee; and</li> <li>3. Board Nomination Committee</li> </ol> <p>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.</p> <p>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. 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).</p>		
<b>Article (11) Duties of the Board Chairman</b>	<p>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:</p> <ol style="list-style-type: none"> <li>1. Ensuring that the Board discusses all</li> </ol>	☑			<p>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.</p> <p>11.2 The Chairman may not be a member of any of the Board committees prescribed in this Code.</p> <p>11.3 The duties and responsibilities of the Chairman of the Board of Directors shall, in addition to the provisions of</p>		

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	<p>the main issues in an efficient and timely manner;</p> <ol style="list-style-type: none"> <li>2. Approving the agenda of the Board meeting taking into consideration any matter proposed by any other Board member;</li> <li>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;</li> <li>4. Making available for the Board Members all data, Information, documents and records of the Company, and of the Board and its committees;</li> <li>5. Creating effective communication channels with shareholders and making their opinions heard to the Board;</li> <li>6. Allowing effective participation of the Non-Executive Board Members in particular and promoting constructive relations between Executive and Non-Executive Board Members; and</li> <li>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.</li> </ol> <p>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.</p>	☑			<p>the Board Charter, include but not be limited to the following:</p> <ol style="list-style-type: none"> <li>a. To ensure that the Board discusses all the main issues in an efficient and timely manner;</li> <li>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;</li> <li>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;</li> <li>d. To ensure effective communication with Shareholders and communication of their opinions to the Board of Directors;</li> <li>e. To allow effective participation of the Non-Executive Board Members in particular and to promote constructive relations between Executive and Nonexecutive Board Members;</li> <li>f. To ensure the conducting of an annual evaluation to the Board's performance.</li> </ol>		
<b>Article (12) Board Members Obligations</b>	<p>The Board members shall comply with the following:</p> <ol style="list-style-type: none"> <li>1. Attending meetings of the Board and committees regularly, and not withdrawing from the Board except for the need at the right time;</li> <li>2. Giving priority to the interest of the Company, shareholders and all Stakeholders over their own interest.</li> <li>3. Providing opinion on the Company's strategic matters, policy of projects implementation, staff accountability systems, resources, key appointments and operation standards.</li> <li>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.</li> </ol>	☑			<p><b>MAJOR FUNCTIONS OF THE BOARD</b></p> <p>The Company's Article of Association clearly defines the role 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. The board adopts the following approach:</p> <p>The Board will focus on "ends" rather than "means" when formulating policies about delegation. Budgets, programs, personnel policies, building, equipment and a host of other matters that traditionally consume board time are management means issues rather than ends.</p> <p>1. However, all terms and means that contravene the state laws or other statutory regulations or that</p>		

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	<p>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.</p> <p>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.</p> <p>7. Effective participation in the Company's general assemblies, and achieving its members' demands in a balanced and fair manner.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<input checked="" type="checkbox"/>  <input checked="" type="checkbox"/>  <input checked="" type="checkbox"/>  <input checked="" type="checkbox"/>  <input checked="" type="checkbox"/>			<p>contradict the norms and culture of the state of Qatar or the dictate of the memorandum of association is hereby prohibited and cannot be implemented.</p> <p>2. From time to time the Board may redefine where management actions start and end.</p> <p><b>Further Narration of Role of the Board</b></p> <p>(a) The Board has primary responsibility to shareholders for the sustainability and relevance of the GWC by guiding and monitoring its business and affairs.</p> <p>(b) In carrying out its responsibilities, the Board undertakes to serve the interests of GWC shareholders, employees, customers and the broader community.</p> <p>(c) Each Director of GWC will act in good faith in the best interests of GWC as a whole, and collectively oversee and appraise the strategies, major policies, processes and performance of the company using care and diligence to ensure that GWC's long term sustainability is assured.</p> <p>(d) The independence of the Directors will be a paramount principle of governance. Directors will not misuse their position in the Board to advance personal interests. Directors will not use information available to them as Board members to advance personal interests or agendas.</p> <p>(e) Directors are required to inform the Board of any conflicts or potential conflicts of interest they may have in relation to particular items of business. Directors must absent themselves from discussion or decisions on those matters. Where a conflict of interest or potential conflict is not identified by a Director, the Chair of the Board or Committee (or other Directors) will call the matter to the attention of the Director.</p>		
<b>Article (13) Invitation for Meeting</b>	<p>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.</p>	<input checked="" type="checkbox"/>			<p>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.</p>		

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<b>Article (14) Board Meetings</b>	<p>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.</p> <p>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 Board, the Board member shall be deemed as resigned.</p> <p>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.</p>	<input checked="" type="checkbox"/>			<p>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.</p> <p>No Board member has been absent from attending three consecutive meetings without an excuse acceptable by the Board.</p>		
<b>Article (15) Board Decisions</b>	<p>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.</p> <p>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.</p>	<input checked="" type="checkbox"/>			<p>All Board decisions have been passed by majority of votes of attendants and representatives. A minute of meeting has been prepared for each Board meeting, including names of the attending and absent members. The Chairman and Secretary have signed on the minutes.</p>		
<b>Article (16) Secretary</b>	<p>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.</p> <p>The Secretary may, upon the Chairman approval, require the assistance of any employee of the Company to perform its duties.</p>	<input checked="" type="checkbox"/>			<p>The Company have a Board approved Secretary. The Secretary has more than three years' experience in handling the affairs of the company.</p>		



Article No.	Provision No.	Compliance	Non-Compliance	Not Applicable	Governance Implementation	Reasons for Non-Compliance	Reason
<b>Article (17) Tasks and Duties of the Secretary</b>	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.  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.	✓			<b>The Function of the Secretary includes:</b>  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;  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.		
	The Board, immediately after election and at its first meeting, shall constitute at least three committees as follows:  <b>First: Nomination Committee</b> , 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				The Board, immediately after election and at its first meeting constituted at least three (3) committees; namely:  I. Board Nomination Committee;  II. Board Remuneration Committee;  III. Board Audit Committee.		

Article No.	Provision No.	Compliance	Non-Compliance	Not Applicable	Governance Implementation	Reasons for Non-Compliance	Reason
	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.  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.	✓			<b>Board Nomination Committee</b>  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;  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.		
	<b>Second: Remuneration Committee</b> , 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.	✓			<b>Board Remuneration Committee</b>  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 has not exceeded 5% of the Company's		





Article No.	Provision No.	Compliance	Non-Compliance	Not Applicable	Governance Implementation	Reasons for Non-Compliance	Reason
<b>Article (19) Committees' Work</b>	<p>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.</p> <p>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".</p> <p>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.</p> <p>Each committee shall submit an annual report to the Board including its work and recommendations.</p> <p>The Board shall review and evaluate the committees' achievements, and include it in the Governance Report.</p>	☑			<p>The Current Board, upon its election in 2015, 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 the Board Audit Committee, the Board Nomination Committee, and the Board Remuneration Committee. Each Committee, upon inauguration, has issued its charter identifying its responsibilities, duties as well as procedures.</p> <p>Audit Committee have held Six (6) meetings during 2017 and we have ensured the Chair of Audit Committee is not a member of any other Committee.</p> <p>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.</p>		
<b>Article (20) Internal Control</b>	<p>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.</p> <p>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 risks, put in risks identification mechanisms to ensure its qualification and implement awareness programs and ways to mitigate them.</p>	☑			<p><b>Controls and Internal Audit</b></p> <p><b>1. Financial Reporting Accuracy</b></p> <p>The QFMA Rules requires listed companies to prepare annual financial statements which shall provide a true and fair view of the state of affairs of companies and of the results of their operations and cash flows. The Board; being aware of its responsibility for ensuring the maintenance of proper accounting records of the company, has acknowledged its responsibility for preparing the financial statements. The Board approves the financial statements; as prepared by the management, after taking into account the Board Audit Committee's comments on specific accounting matters. The Board is satisfied that appropriate accounting policies have been used in preparing the financial statements, consistently applied and complied with the relevant accounting standards. A statement of the auditors about their reporting responsibilities is included in the published audited financial reports. Details of the company's financials are published on the websites.</p>		

Article No.	Provision No.	Compliance	Non-Compliance	Not Applicable	Governance Implementation	Reasons for Non-Compliance	Reason
					<p><b>2. Internal Controls and Risk Management</b></p> <p>The Board; recognizing its responsibilities to ensure sound internal controls have put in place a risk management and control framework for the Company to:</p> <ul style="list-style-type: none"> <li>• identify significant risks faced by the Company in the operating environment as well as evaluate the impact of such risks identified;</li> <li>• develop necessary measures and controls for managing these risks; and</li> <li>• Monitor and review the effectiveness and adequacy of such measures.</li> </ul> <p>The Board has entrusted the Board Audit Committee -BAC with the responsibility of overseeing the implementation of the Company's risk management framework. In discharging this responsibility, the BAC, assisted by the Internal Audit Department:</p> <ul style="list-style-type: none"> <li>• ensures that new and emerging risks relevant to the company are promptly identified by management;</li> <li>• assesses the adequacy of action plans and control systems developed to manage these risks; and</li> <li>• Monitors the implementation of the action plans and the effectiveness and adequacy of the control systems.</li> <li>• Ensures all processes are mapped for complete coverage and related risk assessments</li> </ul> <p>The natural process is such that the company defines processes and actions needed to achieve its objectives. Policy guidelines and standard operating procedures are then documented to guide the various actions, the Company's policies and standard operating procedures-SOPs are at the departmental or unit levels for all processes and actions.</p> <p>The Internal Audit in collaboration with the Quality Assurance Control Department has completed systems/ Process MAPPING to verify that the processes contain no gap. All identified gaps have been rectified. These analyses were carried out to ensure controls are adequate and complete.</p> <p>The entire system of internal control in GWC is heavily dependent on Information Technology-IT. The IT applications implementations have been designed and carried out in such manners as to ensure systems integrity, Segregation of duties, Data security,</p>		

Article No.	Provision No.	Compliance	Non-Compliance	Not Applicable	Governance Implementation	Reasons for Non-Compliance	Reason
					<p>User privileges and access control, Disaster Recovery and business continuity surety, Virus control etc. Several audit reports were raised by the internal audit department narrating observed in-adequacies of the IT controls. All recommendations have been accepted by management for implementation.</p> <p>During Q4-2017; for the period in review (2013-2018), the Internal Audit issued 93 reports and several hundreds of mails and correspondences. The 93 Audit reports raised 880 issues. These reports &amp; mails are a result of reviews, audits, formal and informal discussions. All audit recommendations have been accepted and several are under implementations. Audit reports also include bi-annual internal control self-assessments that cover summary assessments of the various operations and processes in the company including the finance, information technology, transport operations, contract logistics operations, freight operations, and other departments.</p> <p>The Internal Audit work is guided by Audit Plan for periods 2013 - 2018. This audit plan is a planned schedule of prioritized audit work based on company-wide risk assessment. The Risk assessment has been challenged and defended before the Audit Committee and have been approved by both the Management, Audit Committee and the Board Chairman. The Audit Plan for the period in review has been fully implemented and follow-up of completeness is being done in 2018.</p> <p>The company's Quality Assurance Control department is responsible for tracking and documenting details of all SOPs and Policies.</p> <p>The Company policies set guidelines on all major or tangible issues while the SOPs narrate the detail steps in carrying out tasks in various units of the company. As at November 2017, all policies and SOPs have been reviewed and certified by the Internal Audit and approved by the Group CEO. We have observed a number of un-documented procedures and work is being done to in-corporate and close all observed gaps. The Internal Audit has the responsibility of ensuring the adequacy, relevance, appropriateness and compliance with all company's policies and SOPs.</p>		

Article No.	Provision No.	Compliance	Non-Compliance	Not Applicable	Governance Implementation	Reasons for Non-Compliance	Reason
<b>Article (21) Internal Control Unit</b>	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 on appointing and determining functions and remuneration of the internal auditor, and shall be responsible before the Board.	✓			<p>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.</p> <p>The Internal Audit is sub-divided into the following independent units:</p> <ul style="list-style-type: none"> <li>i. Financial Control Unit;</li> <li>ii. Compliance Control Unit;</li> <li>iii. Operations and Information Tech. Control Unit;</li> <li>iv. Risk Management Control Unit.</li> </ul> <p>These Units are being managed by Auditors with relevant specialized skills. In All Cases, Company's Internal Auditors have unfettered access to all departments in the company.</p>		
<b>Article (22) Internal Control Reports</b>	<p>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:</p> <ol style="list-style-type: none"> <li>1. Procedures of control and supervision in respect of financial affairs, investments, and risk management.</li> <li>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.</li> <li>3. Comprehensive assessment of the Company's performance regarding its implementation of the Internal Control system in compliance with provisions of this Code.</li> <li>4. The Company's compliance with applicable market listing and disclosure rules and requirements.</li> <li>5. The Company's compliance with Internal Control systems when determining and managing risks.</li> <li>6. The risks faced the Company, their types, causes and the actions taken in this regard.</li> <li>7. The suggestions for addressing the violations and mitigating the risks.</li> </ol>	✓	✓	✓	<p>The Chief Audit Executive (CAE) has submitted a report of Internal Control achievement to the Audit Committee every three (3) months.</p> <p>At the minimum, the reports contain the following:</p> <ul style="list-style-type: none"> <li>i. Financial Analysis and report on the accuracy of the financial reports being published;</li> <li>ii. Internal Control assessments report;</li> <li>iii. Statements on the state of the company's risk management by functions and activity and remedy to identified lapses;</li> <li>iv. Extract report from review of company's compliance with both statutory and non-statutory guidance.</li> </ul>		



Article No.	Provision No.	Compliance	Non-Compliance	Not Applicable	Governance Implementation	Reasons for Non-Compliance	Reason
<b>Article (23) External Control</b>	<p>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.</p> <p>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.</p>	✓			<p>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.</p> <p>The General Assembly appointed the KPMG as the company's External Auditor for the year 2017.</p> <p>The company has not employed any employee of the external Audit firm during 2017.</p>		
<b>Article (24) Functions and Responsibilities of the External Auditor</b>	<p>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.</p> <p>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.</p> <p>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:</p> <p>1. Appropriateness and effectiveness of Internal Control systems implemented in the Company.</p> <p>2. The Company's ability in continuous of engaging activities and implementation</p>	✓			<p>The 2016 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. A copy of this annual report is also available on the company's website.</p> <p>The Financial Report contains varieties of risk assessments and the appropriateness of controls to manage them and the external Auditor normally issues a management report that contains lapses in internal control. The last of such report to management was in 2015 and all the anomalies have been corrected.</p> <p>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.</p>		

Article No.	Provision No.	Compliance	Non-Compliance	Not Applicable	Governance Implementation	Reasons for Non-Compliance	Reason
	<p>of its obligations; that is evaluated independently of what shown by the Board.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>6. The Company's cooperation with the External Auditor in providing access to the necessary Information to complete its duties.</p>	✓					
<b>Article (25) Disclosure</b>	<p>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, 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.</p> <p>The Company must determine its policy on dealing with rumors by denying or proving, and on how to disclose clearly in writing without inconsistency 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.</p>	✓			<p>The company have complied 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.</p> <p>The company have also disclosed information 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.</p> <p>The Company Chairman have 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.</p>		







Article No.	Provision No.	Compliance	Non-Compliance	Not Applicable	Governance Implementation	Reasons for Non-Compliance	Reason
<b>Article (38) The Stakeholders' Rights (non-shareholders)</b>	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.	✓			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.		
<b>Article (39) The Community's Right</b>	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.	✓			The Company has committed to contributing 2.5% of its annual profit to Corporate social responsibility fund as set up by Qatar Government.		
<b>Article (40)</b>	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.			✓	Not Applicable		
<b>Article (41)</b>	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		
<b>Article (42)</b>	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

As at and for the year ended 31 December 2017

➤ **Independent Auditor's Report**

➤ **Consolidated Financial Statements:**

Consolidated Statement of Financial Position

Consolidated Statement of Profit or Loss  
and Other Comprehensive Income

Consolidated Statement of Changes in Equity

Consolidated Statement of Cash Flows

Notes to the Consolidated Financial Statements

## **GWC:** ENVISIONED TO SUPPORT QATAR NATIONAL VISION 2030

### **Qatar's Environmental Development Pillar**

Growth is a holistic process. Our business cannot be termed a success if it is not in consonance with the vital values and practices that would sustain not only the Company's development but also that of environment.

# 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 2017, 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 2017, 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 matter

Key audit matter is a matter that, in our professional judgment, is of most significance in our audit of the consolidated financial statements of the current year. We identified the following key audit matter which was 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 this matter.

Goodwill	
Refer to Note 8 to the consolidated financial statements.	
Key Audit Matter	How the matter was addressed in our audit
<p>As at 31 December 2017 the Group had in its consolidated financial statements recognised goodwill of QR 98,315,463 (2016: QR 98,315,463).</p> <p>Goodwill is allocated between two Cash Generating Units (CGUs): Logistics services QR 53,090,350 (2016: QR 53,090,350) and Freight forwarding services QR 45,225,113 (2016: QR 45,225,113).</p> <p>The annual impairment of goodwill is considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement required in determining the assumptions to be used to estimate the recoverable amount. The recoverable amount of the CGUs, which is based on the higher of the value in use or fair value less costs to sell, has been derived from discounted forecast cash flow models. These models use several key assumptions, including estimates of future sales volumes and prices, operating costs, terminal value growth rates and weighted average cost of capital (discount rate).</p>	<p>Our audit procedures in this area included, among other things:</p> <ul style="list-style-type: none"><li>• evaluating the competence and capabilities of the people within the Group who performed the impairment evaluation of the goodwill;</li><li>• 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;</li><li>• 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</li><li>• evaluating the adequacy of the relevant disclosures in the consolidated financial statements.</li></ul>

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 2017 (“Annual Report”) but does not include the consolidated financial statements and our auditor’s report thereon. The Annual Report is expected to be made available to us after the date of this auditor’s report.

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 when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, when we read the Annual Report, 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.

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 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 adverse effect on the Company's consolidated financial position or performance as at and for the year ended 31 December 2017.

**14 January 2018**

*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 2017

In Qatari Riyals

	Note	31 December 2017	31 December 2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	1,960,097,114	1,462,910,948
Capital work-in-progress	6	769,326,117	1,096,436,581
Investment property	7	37,397,470	37,115,833
Intangible assets and goodwill	8	118,906,733	126,252,975
		<b>2,885,727,434</b>	2,722,716,337
<b>Current assets</b>			
Inventories		10,829,337	8,717,242
Trade and other receivables	9	525,147,090	521,320,680
Cash and cash equivalents	10	351,816,004	488,636,917
		887,792,431	1,018,674,839
<b>Total assets</b>		<b>3,773,519,865</b>	3,741,391,176
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	11	586,031,480	586,031,480
Legal reserve		552,506,803	552,506,803
Retained earnings		497,017,101	380,706,676
<b>Equity attributable to owners of the Company</b>		<b>1,635,555,384</b>	<b>1,519,244,959</b>
<b>Non-controlling interests</b>		<b>(3,681,223)</b>	<b>(3,681,223)</b>
<b>Total equity</b>		<b>1,631,874,161</b>	<b>1,515,563,736</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Bank loans	12	1,525,481,830	1,681,967,270
Provision for employees' end of service benefits	13	30,895,993	26,507,473
		<b>1,556,377,823</b>	1,708,474,743
<b>Current liabilities</b>			
Bank loans	12	261,436,825	193,956,482
Trade and other payables	14	323,831,056	323,396,215
		585,267,881	517,352,697
<b>Total liabilities</b>		<b>2,141,645,704</b>	2,225,827,440
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,773,519,865</b>	3,741,391,176

These consolidated financial statements were approved by the Company's Board of Directors on 14 January 2018 and were signed on its behalf by:

**Abdulla Fahad J J Al-Thani**  
Chairman

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

The notes on pages 114 to 140 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 2017

In Qatari Riyals

	Note	31 December 2017	31 December 2016
Revenue	16	966,887,737	849,530,566
Direct costs	18	(617,004,237)	(541,160,933)
<b>Gross profit</b>		<b>349,883,500</b>	308,369,633
Other income	17	16,065,589	18,609,754
Administrative and other expenses	18	(106,692,079)	(93,541,620)
<b>Operating profit</b>		<b>259,257,010</b>	233,437,767
Finance costs, net	19	(43,794,998)	(27,771,774)
<b>PROFIT</b>		<b>215,462,012</b>	205,665,993
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>215,462,012</b>	205,665,993
<b>Profit and total comprehensive income attributable to:</b>			
Owners of the Company		215,462,012	205,665,993
<b>Earnings per share</b>			
Basic and diluted earnings per share	20	<b>3.68</b>	3.54

The notes on pages 114 to 140 form an integral part of these Consolidated Financial Statements.



## Consolidated Statement of Changes in Equity

For the year ended 31 December 2017

In Qatari Riyals

	Attributable to owners of the Company					
	Share capital	Legal reserve	Retained earnings	Total	Non-controlling interests	Total equity
<b>Balance at 1 January 2017</b>	586,031,480	552,506,803	380,706,676	1,519,244,959	(3,681,223)	1,515,563,736
<i>Total comprehensive income:</i>						
Profit	-	-	215,462,012	215,462,012	-	215,462,012
<i>Transactions with owners of the Company:</i>						
Dividend relating to year 2016 (Note 21)	-	-	(93,765,037)	(93,765,037)		(93,765,037)
<i>Other movement:</i>						
Transfer to social and sports development fund (Note 14)	-	-	(5,386,550)	(5,386,550)	-	(5,386,550)
<b>Balance at 31 December 2017</b>	<b>586,031,480</b>	<b>552,506,803</b>	<b>497,017,101</b>	<b>1,635,555,384</b>	<b>(3,681,223)</b>	<b>1,631,874,161</b>

## Consolidated Statement of Changes in Equity

For the year ended 31 December 2017

In Qatari Riyals

	Attributable to owners of the Company						
	Share capital	Shares subscribed but not yet issued	Legal reserve	Retained earnings	Total	Non-controlling interests	Total equity
<b>Balance at 1 January 2016</b>	475,609,750	429,361,153	237,804,875	268,087,040	1,410,862,818	(3,681,223)	1,407,181,595
<i>Total comprehensive income:</i>							
Profit	-	-	-	205,665,993	205,665,993	-	205,665,993
<i>Transactions with owners of the Company:</i>							
Issue of ordinary shares – rights issue	110,421,730	(425,123,658)	314,701,928	-	-	-	-
Excess rights on shares refunded to shareholders	-	(4,237,495)	-	-	(4,237,495)	-	(4,237,495)
Dividend relating to year 2015 (Note 21)	-	-	-	(87,904,707)	(87,904,707)	-	(87,904,707)
	110,421,730	(429,361,153)	314,701,928	(87,904,707)	(92,142,202)	-	(92,142,202)
<i>Other movement:</i>							
Transfer to social and sports development fund (Note 14)	-	-	-	(5,141,650)	(5,141,650)	-	(5,141,650)
<b>Balance at 31 December 2016</b>	586,031,480	-	552,506,803	380,706,676	1,519,244,959	(3,681,223)	1,515,563,736

The notes on pages 114 to 140 form an integral part of these consolidated financial statements.

## Consolidated Statement of Cash Flows

For the year ended 31 December 2017

In Qatari Riyals

	Note	31 December 2017	31 December 2016
<b>Cash flows from operating activities</b>			
Profit		215,462,012	205,665,993
<i>Adjustments for:</i>			
Fair value gains on investment property	17	(281,637)	(357,761)
Gain on sale of property, plant and equipment	17	(1,259,670)	(1,062,476)
Depreciation of property, plant and equipment	18	120,545,836	100,558,984
Amortisation of intangible assets	18	7,346,242	6,242,808
Provision for impairment of trade receivables	18	2,336,475	1,276,333
Provision for employees' end of service benefits	18	7,665,410	5,342,157
Interest expense	19	54,098,225	38,223,287
Interest income	19	(10,303,227)	(10,451,513)
		<b>395,609,666</b>	345,437,812
<i>Changes in:</i>			
- Inventories		(2,112,095)	6,911
- Trade and other receivables		(7,658,093)	(1,244,362)
- Trade and other payables		33,585,409	158,942,269
Cash generated from operating activities		419,424,887	503,142,630
Contribution to social and sports development fund		(5,141,650)	(4,628,929)
Employees' end of service benefits paid	13	(3,276,890)	(1,641,938)
<b>Net cash from operating activities</b>		<b>411,006,347</b>	496,871,763
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	5	(41,796,848)	(33,212,923)
Payments towards capital work-in-progress	6	(249,344,578)	(922,595,201)
Acquisition of intangible assets	8	-	(3,826,370)
Proceeds from sale of property, plant and equipment		1,779,558	3,550,318
Interest received		11,798,435	2,445,926
<b>Net cash used in investing activities</b>		<b>(277,563,433)</b>	<b>(953,638,250)</b>
<b>Cash flows from financing activities</b>			
Proceeds from bank loans	12	113,192,467	654,503,620
Repayment of bank loans	12	(202,197,564)	(154,779,184)
Interest paid		(87,493,693)	(48,629,585)
Excess rights on shares refunded to shareholders		-	(4,237,495)
Dividends paid to the Company's shareholders	21	(93,765,037)	(87,904,707)
<b>Net cash (used in) / from financing activities</b>		<b>(270,263,827)</b>	<b>358,952,649</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(136,820,913)</b>	(97,813,838)
Cash and cash equivalents at 1 January		488,636,917	586,450,755
<b>Cash and cash equivalents at 31 December</b>	10	<b>351,816,004</b>	488,636,917

The notes on pages 114 to 140 form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

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 %	
			31 December 2017	31 December 2016
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%	-

The Group also has the following non-operational subsidiaries:

Name of subsidiary	Country of incorporation	Nature of business	Group effective shareholding %	
			31 December 2017	31 December 2016
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 Marine Services W.L.L.	State of Qatar	Marine services	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 14 January 2018.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

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.

c) Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The Company has the Qatari Riyal (“QR”) as its functional currency. The subsidiary of the Company which is operating in the United Arab Emirates has the Emirati Dirham (“AED”) as its functional currency, the one in the Kingdom of Bahrain the Bahraini Dinar (“BHD”), the one is the Kingdom of Saudi Arabia the Saudi Arabian Riyal (“SAR”), and the one in the Republic of Nigeria the Naira (“NGN”).

The Group’s presentation currency is the QR which is the Company’s functional currency, except as otherwise stated.

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:

Going concern

Management has made an assessment of the Company’s ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. The Group has been profitable, and it had positive net asset, working capital and cash flow positions as at the year end. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern. Therefore, the Company’s consolidated financial statements continue to be prepared on a going concern basis.

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.

Classification of property into 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 buildings were classified into investment property on the grounds that they 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.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

2. BASIS OF PREPARATION (CONTINUED)

d) Use of judgments and estimates (continued)

Fair valuation of investment property

The fair value of investment property is determined by valuations from an external professional real estate valuer using recognised valuation techniques and the principles of IFRS 13 “Fair Value Measurement”. These valuations entail significant estimates and assumptions about the future as set out in Note 7.

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 7.

Impairment of receivables

The carrying amounts of receivables are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, then an impairment test is performed by the management. Management uses considerable judgment to estimate any irrecoverable amounts of receivables, determined by reference to past default experience of a counterparty and an analysis of the counterparty’s financial situation.

Provision of inventories

When inventories become old or obsolete, an estimate is made of their net realizable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices. The necessity and setting up of a provision for slow moving and obsolete inventories requires considerable degree of judgment.

Provision for employees’ end of service benefits

Management has measured the Group’s obligation for the post-employment benefits of its employees based on the provisions of the relevant labour laws. Management does not perform an actuarial valuation as required by International Accounting Standard 19 “Employee Benefits” as it estimates that such valuation does not result to a significantly different level of provision The provision is reviewed by management at the end of each year, and any change to the projected benefit obligation at the year-end is adjusted in the provision for employees’ end of service benefits in the profit or loss.

Other provisions and liabilities

Other provisions and liabilities are recognized in the period only to the extent management considers it probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. Since the actual cash outflows can take place in subsequent years, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances. A change in estimate of a recognized provision or liability would result in a charge or credit to profit or loss in the period in which the change occurs.

Contingent liabilities

Contingent liabilities are determined by the likelihood of occurrence or non-occurrence of one or more uncertain future events. Assessment of contingent liabilities is tightly connected with development of significant assumptions and estimates relating to the consequences of such future events.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

In Qatari Riyals

2. BASIS OF PREPARATION (CONTINUED)

e) Newly effective amendments and improvements to standards

During the current year, the below amended International Financial Reporting Standards (“IFRS” or “standards”) and improvements to standards became effective for the first time for financial year ending 31 December 2017:

- Amendments to IAS 7 “Disclosure Initiative”
- Amendments to IAS 12 on recognition of deferred tax assets for unrealised losses
- Annual improvements to IFRSs 2014-2016 cycle – various standards

The adoption of the above amended standards and improvements to standards had no significant impact on the Group’s consolidated financial statements.

f) New and amended standards not yet effective, but available for early adoption

The below new and amended International Financial Reporting Standards (“IFRS” or “standards”) that are available for early adoption for financial year ending 31 December 2017 are not effective until a later period, and they have not been applied in preparing these consolidated financial statements.

Adoption expected to impact the Group’s consolidated financial statements

IFRS 9 “Financial Instruments” (Effective for year ending 31 December 2018)

IFRS 9 published in July 2014, replaces the existing IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group has assessed the potential impact on its consolidated financial statements resulting from the initial application of IFRS 9, and the estimated impact as at 1 January 2018 is summarized in the table below:

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
Trade and other receivables (1)	303,509,021	(23,735,049)	279,773,972
Retained earnings	497,017,101	(23,735,049)	473,282,052

(1) The above decrease in the trade and other receivables is due to additional impairment losses resulting from the expected credit losses model introduced by IFRS 9.

IFRS 16 “Leases” (Effective for year ending 31 December 2019)

IFRS 16 requires most leases to present right-of-use assets and liabilities on the statement of financial position. IFRS 16 also eliminates the current dual accounting model for leases, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, IFRS 16 introduces a single on-balance sheet accounting model that is similar to the current accounting for finance leases. The lessor accounting will remain similar to the current practice, i.e. the lessors will continue to classify leases as finance and operating leases. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 16. Early adoption is permitted only if IFRS 15 is also adopted.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

2. BASIS OF PREPARATION (CONTINUED)

f) New and amended standards not yet effective, but available for early adoption (continued)

Adoption not expected to impact the Group’s consolidated financial statements

Effective for year ending 31 December 2018	<ul style="list-style-type: none"><li>• Amendments to IFRS 2 on classification and measurement of share based payment transactions</li><li>• IFRS 15 “Revenue from Contracts with Customers”</li></ul>
Effective date to be determined	<ul style="list-style-type: none"><li>• Amendments to IFRS 10 and IAS 28 on sale or contribution of assets between an investor and its associate or joint venture</li></ul>

The principal accounting policies of the Group applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently to both years presented in these consolidated financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 (See section 3 (g) “Impairment”, sub-section “Non-financial assets”).

Non-controlling interests (NCI)

NCI are measured 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.

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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Property, plant and equipment (continued)

Recognition and measurement (continued)

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.

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.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Investment property (continued)

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.

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

The Group classified its non-derivative financial assets into the following category: loans and receivables (Receivables, and cash at bank). The Group classified its non-derivative financial liabilities into the other financial liabilities category (Payables). The Group does not hold derivative financial instruments.

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

The Group initially recognizes loans and receivables on the date when they are originated. Financial liabilities are initially recognized on the trade date.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Financial instruments (continued)

Non-derivative financial assets and financial liabilities – recognition and derecognition (continued)

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

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

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

Non-derivative financial assets – measurement

Loans and receivables

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

Non-derivative financial liabilities – measurement

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.

g) Impairment

Non-derivative financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor will enter bankruptcy; or
- observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

Financial assets measured at amortized cost

The Group considers evidence of impairment for these assets (receivables) at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment.

Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### g) Impairment (continued)

##### *Financial assets measured at amortized cost (continued)*

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

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is 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, and capital work-in-progress, 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). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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

An impairment loss is 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 first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, 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. Incremental costs directly attributable to the issue of new shares are also deducted from the legal reserve.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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.

The amount of a provision is the present value, of the best estimate, of the amount required to settle the obligation. Provisions are reviewed annually to reflect current best estimates of the expenditure required to settle the obligations.

#### l) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable and represents amounts receivable for sale of services in the ordinary course of the Group's activities, net of any trade discounts. The Group recognizes revenue from its services:

- when the amount of revenue can be reliably measured;
- when it is probable that future economic benefits will flow to the Group;
- in the accounting period in which the services are rendered; and
- when specific criteria have been met for each of the Group's activities as described below.

##### *Revenue from logistic services*

Logistic services provided by the Group comprises primarily inventory management and storage, order fulfilment and transportation services. Revenue from such services is recognised upon completion of the services.

##### *Revenue from freight forwarding services*

Freight forwarding represents purchasing transportation capacity from independent air, ocean and overland transportation providers and reselling that capacity to customers. Revenue from such services is recognised upon completion of services.

##### *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) Expenses recognition

Expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen and can be measured reliably.

An expense is recognized immediately in profit or loss when an expenditure produces no future economic benefits, or when, and to the extent that, future economic benefits do not qualify or cease to qualify for recognition in the consolidated statement of financial position as an asset, such as in the case of asset impairments.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

In Qatari Riyals

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### n) 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.

### o) 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. Foreign currency differences are recognized in profit or loss. Non-monetary items that are measured based on historic cost in a foreign currency are not translated.

#### 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 average exchange rate of the reporting year (unless this rate is not a reasonable approximation of the exchange rate at the date of the transaction, in which case the exchange rates at the dates of the transactions are used).

Foreign exchange differences are recognised in Other Comprehensive Income and accumulated in the translation reserve. There were no such foreign exchange differences during the current year and the comparative year, because the currencies of the Group's foreign subsidiaries are pegged to the Qatari Riyal, which is the Company's functional currency and the Group's presentation currency.

### p) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data 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.

### q) 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.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

In Qatari Riyals

## 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.

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:

	2017	2016
Trade receivables	303,509,021	288,314,681
Other receivables	18,772,225	16,184,407
Cash at bank	350,622,544	487,416,020
At 31 December	672,903,790	791,915,108

#### Trade receivables

The Group renders services to around two thousand customers with its largest 5 customers accounting for 15% (2016: 34%) 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 movements in the provision for impairment of trade receivables is disclosed in Note 9.

The ageing of trade receivables that were not impaired were as follows:

	2017	2016
Neither past due nor impaired	25,732,756	11,361,192
Past due 1-30 days	79,499,463	53,777,975
Past due 31-60 days	64,359,987	58,412,785
Past due 61-90 days	33,104,276	37,176,967
Past due over 90 days	125,305,984	149,742,732
At 31 December	328,002,466	310,471,651

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

In Qatari Riyals

## 4. FINANCIAL INSTRUMENTS (CONTINUED)

### a) Financial risk management (continued)

#### Trade receivables (continued)

Not past due are those receivables for which either the contractual or “normal” payment date has not yet elapsed. 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:

	2017	2016
<b>Credit ratings</b>		
A1	23,493,581	47,617,669
A2	327,128,963	439,798,351
At 31 December	350,622,544	487,416,020

#### Credit ratings by Moody’s

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.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

In Qatari Riyals

## 4. FINANCIAL INSTRUMENTS (CONTINUED)

### a) Financial risk management (continued)

#### Liquidity risk (continued)

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. The Group’s financial liabilities bear no netting arrangements with financial assets.

31 December 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)	318,444,506	(318,444,506)	(318,444,506)	-	-
Bank loans (2)	1,786,918,655	(2,075,229,653)	(338,276,986)	(1,293,110,959)	(443,841,708)
	2,105,363,161	(2,393,674,159)	(656,721,492)	(1,293,110,959)	(443,841,708)

31 December 2016		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)	318,254,565	(318,254,565)	(318,254,565)	-	-
Bank loans (2)	1,875,923,752	(2,189,187,565)	(246,302,458)	(1,181,145,475)	(761,739,632)
	2,194,178,317	(2,507,442,130)	(564,557,023)	(1,181,145,475)	(761,739,632)

(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.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2017 In Qatari Riyals

4. FINANCIAL INSTRUMENTS (CONTINUED)

a) Financial risk management (continued)

Market risk (continued)

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.

At 31 December 2017, if interest rates on Qatari Riyal-denominated interest bearing assets and borrowings had been 1% (2016: 1%) higher/lower with all other variables held constant, post-tax profit for the year would have been QR 17,869,187 (2016: QR 18,759,238) 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 statement of financial position plus net debt.

	31 December 2017	31 December 2016
Bank loans (Note 12)	1,786,918,655	1,875,923,752
Less: Cash and cash equivalents (Note 10)	(351,816,004)	(488,636,917)
Net debt	1,435,102,651	1,387,286,835
Total equity	1,631,874,161	1,515,563,736
Total capital	3,066,976,812	2,902,850,571
Gearing ratio	46.79%	47.79%

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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

5. PROPERTY, PLANT AND EQUIPMENT

In Qatari Riyals

Cost	Buildings <sup>(i)</sup>	Leasehold land rights	Office equipment	Furniture & fixtures	Warehouse equipment	Motor vehicles	Tools and equipment	Total
At 1 January 2016	1,331,893,499	-	44,232,020	41,660,699	92,976,705	153,646,993	2,470,843	1,666,880,759
Additions	1,871,641	-	5,587,532	6,913,022	12,739,016	5,921,286	180,426	33,212,923
Disposals	-	-	-	-	-	(22,508,831)	-	(22,508,831)
Transfers from capital work-in-progress (Note 6)	75,423,552	-	1,460,080	-	-	-	-	76,883,632
Transfers from investment property (Note 7)	29,051,053	120,443,145	-	-	-	-	-	149,494,198
At 31 December 2016 / 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	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
Accumulated depreciation								
At 1 January 2016	164,869,749	-	29,721,530	21,147,940	39,911,364	103,480,870	1,382,285	360,513,738
Depreciation (Note 18)	57,557,383	4,817,726	6,707,258	10,026,207	8,305,739	12,923,534	221,137	100,558,984
Disposals	-	-	-	-	-	(20,020,989)	-	(20,020,989)
At 31 December 2016 / 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 18)	76,444,704	4,817,726	6,692,746	10,804,296	10,050,729	11,498,218	237,417	120,545,836
Disposals	-	-	(7738)	-	-	(8,950,149)	-	(8,957,887)
At 31 December 2017	298,871,836	9,635,452	43,113,796	41,978,443	58,267,832	98,931,484	1,840,839	552,639,682
Carrying amounts								
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
At 31 December 2016	1,215,812,613	115,625,419	14,850,844	17,399,574	57,498,618	40,676,033	1,047,847	1,462,910,948

(i) Buildings are constructed on land leased from the State of Qatar. As at 31 December 2017, buildings with a carrying amount of QR 1,412,302,224 (2016: QR 846,388,845) were mortgaged against Mesaieed Industrial City, Ras Laffan Industrial City, Logistics Village Qatar (LVQ) and Bu Sulba term loans (Note 12 (ii)).

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

In Qatari Riyals

### 6. CAPITAL WORK-IN-PROGRESS

	31 December 2017	31 December 2016
At 1 January	1,096,436,581	250,725,012
Additions	249,344,578	922,595,201
Transfers to property, plant and equipment (Note 5)	(576,455,042)	(76,883,632)
At 31 December	769,326,117	1,096,436,581

Capital work-in-progress comprises mainly construction work in relation to the Logistic Village Qatar Phase 5 and Bu-Sulba projects.

The amount of borrowing costs capitalized during the year ended 31 December 2017 was QR 31,608,469 (2016: QR 21,731,505). The weighted average rate used to determine the amount of borrowing cost eligible for capitalization was 4.70% per annum (2016: 3.60% per annum), which is the effective interest rate of the specific borrowings. Buildings under constructions are mortgaged against certain bank loans (Note 12).

### 7. INVESTMENT PROPERTY

The Group's investment property currently comprises three properties obtained under operating leases, which were sub-leased to third parties for earning rentals.

	Land	Buildings	Total
At 1 January 2016	120,443,145	65,809,125	186,252,270
Fair value gains (1)	-	357,761	357,761
Reclassified to property, plant and equipment (2) (Note 5)	(120,443,145)	(29,051,053)	(149,494,198)
At 31 December 2016 / 1 January 2017	-	37,115,833	37,115,833
Fair value gains (1)	-	281,637	281,637
<b>At 31 December 2017</b>	<b>-</b>	<b>37,397,470</b>	<b>37,397,470</b>

(1) The fair valuations of all the three investment properties were performed as at 4 December 2017 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 investment properties were valued using the 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.

(2) On 1 January 2016 the Group occupied significant additional portions of land at Project "MIC", Project "Street 2" and Project "Street 43" which were previously substantially leased to third parties under finance lease agreements. The owner-third party occupation ratio of these Projects increased to a level construed by management as significant based on its interpretation of the provisions of the International Accounting Standard 40 "Investment Property", which necessitated the reclassification of the whole carrying value of land and buildings of these Projects from investment property to property, plant and equipment (Note 5).

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

In Qatari Riyals

### 7. INVESTMENT PROPERTY (CONTINUED)

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

	31 December 2017	31 December 2016
Rental income (Note 17)	14,475,936	15,245,936
Direct operating expenses arising from investment property that generate rental income	608,016	608,016
Direct operating expenses that did not generate rental income	306,950	94,800

### 8. INTANGIBLE ASSETS AND GOODWILL

	Goodwill <sup>(1)</sup>	Customer contracts and related customer relationships <sup>(2)</sup>	Brand name <sup>(2)</sup>	Computer software	Total
<b>Cost</b>					
At 1 January 2016	98,315,463	10,231,500	52,780,500	-	161,327,463
Additions	-	-	-	3,826,370	3,826,370
At 31 December 2016 / 31 December 2017	98,315,463	10,231,500	52,780,500	3,826,370	165,153,833
<b>Accumulated amortisation</b>					
At 1 January 2016	-	6,267,800	26,390,250	-	32,658,050
Amortisation (Note 18)	-	792,740	5,278,050	172,018	6,242,808
At 31 December 2016 / 1 January 2017	-	7,060,540	31,668,300	172,018	38,900,858
Amortisation (Note 18)	-	792,740	5,278,050	1,275,452	7,346,242
At 31 December 2017	-	7,853,280	36,946,350	1,447,470	46,247,100

#### Carrying amounts

At 31 December 2017	98,315,463	2,378,220	15,834,150	2,378,900	118,906,733
At 31 December 2016	98,315,463	3,170,960	21,112,200	3,654,352	126,252,975

#### (1) Goodwill

Goodwill was recognised on the acquisition of Agility W.L.L. in November 2010.

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



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

In Qatari Riyals

### 8. INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

#### (1) Goodwill (continued)

Carrying amount of goodwill		
	31 December 2017	31 December 2016
Logistics services	53,090,350	53,090,350
Freight forwarding services	45,225,113	45,225,113
Total	98,315,463	98,315,463

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

	Logistics services		Freight forwarding services	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Compound annual volume growth (i)	7.50%	7.50%	9.40%	9.37%
Terminal growth rate (ii)	4.50%	3.00%	4.50%	3.00%
Discount rate (iii)	10.70%	11.20%	11.70%	12.20%

(i) Management determined the compound annual volume growth rate for each CGU over five-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 the management concluded that there is no impairment of goodwill (2016: 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. At that time, management determined these intangible assets had 10 years of useful life.

Management concluded that as at 31 December 2017 there is no impairment of these assets (2016: no impairment was identified).

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

In Qatari Riyals

### 9. TRADE AND OTHER RECEIVABLES

	31 December 2017	31 December 2016
Trade receivables	328,002,466	310,471,651
Less: Provision for impairment of trade receivables (1)	(24,493,445)	(22,156,970)
Trade receivables, net	303,509,021	288,314,681
Advances made to suppliers	27,417,260	80,954,767
Accrued revenue	75,914,231	47,711,233
Prepayments	99,534,353	88,155,592
Other receivables	18,772,225	16,184,407
	525,147,090	521,320,680

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

	31 December 2017	31 December 2016
At 1 January	22,156,970	20,880,637
Provision made (Note 18)	2,336,475	1,276,333
At 31 December	24,493,445	22,156,970

### 10. CASH AND CASH EQUIVALENTS

	31 December 2017	31 December 2016
Cash in hand	1,193,460	1,220,897
Cash at bank – current accounts (1)	48,391,443	82,003,667
Cash at bank – deposit account (2)	290,000,000	395,000,000
Cash at bank – restricted deposit accounts (3)	12,231,101	10,412,353
	351,816,004	488,636,917

(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

	31 December 2017		31 December 2016	
	No. of shares	Value	No. of shares	Value
Authorised, issued and fully paid:				
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.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

In Qatari Riyals

### 12. BANK LOANS

The movements of bank loans were as follows:

	31 December 2017	31 December 2016
At 1 January	1,875,923,752	1,373,175,007
Additions	113,192,467	654,503,620
Repayments	(202,197,564)	(154,779,184)
Capitalisation of interest expense in grace period	-	3,024,309
<b>At 31 December</b>	<b>1,786,918,655</b>	1,875,923,752

	Years of maturity	31 December 2017	31 December 2016
LVQ loan (i)	2022-2023	954,334,799	1,080,742,114
Bu-sulba loans (ii)	2025	756,405,383	695,497,396
Other project loans (iii)	2022-2025	62,659,304	70,670,765
Other loans (iv)	2018	13,519,169	29,013,477
		<b>1,786,918,655</b>	1,875,923,752

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

	31 December 2017	31 December 2016
Current portion	261,436,825	193,956,482
Non-current portion	1,525,481,830	1,681,967,270
	<b>1,786,918,655</b>	1,875,923,752

- (i) A loan facility of QR 1,308,007,571 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% 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% per annum. The loans are secured against the building under construction.
- (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 2016. The loan carries financing charges at the Qatar Central Bank rate plus certain basis points with a floor of 4% - 4.75% per annum. The loan is secured against the tangible assets under the projects.
- (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 face value of the Group's bank loans s approximates the carrying amount. The carrying amounts are denominated in Qatari Riyals.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

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:

	31 December 2017	31 December 2016
At 1 January	26,507,473	22,807,254
Provision made (Note 18)	7,665,410	5,342,157
Provision used	(3,276,890)	(1,641,938)
<b>At 31 December</b>	<b>30,895,993</b>	26,507,473

The Group has no expectation of settling its employees' end of service benefits obligation within 12 months from the balance sheet and, therefore, it has classified the obligation within non-current liabilities in the consolidated statement of financial position. 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

	31 December 2017	31 December 2016
Trade payables	53,421,179	42,460,321
Accrued expenses	88,561,178	98,064,239
Other payables	108,778,631	80,884,702
Retentions payable to contractors of projects	67,683,518	96,845,303
Provision for contribution for social and sports fund (I)	5,386,550	5,141,650
	<b>323,831,056</b>	323,396,215

- (I) The Company made an appropriation of QR 5,386,550 (2016: QR 5,141,650) 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	Relationship	Nature of transactions	31 December 2017	31 December 2016
Agility network	Affiliated entities	Revenue	<b>21,958,135</b>	21,486,269
Agility network	Affiliated entities	Purchase of services	<b>26,049,848</b>	23,301,657



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

In Qatari Riyals

### 15. RELATED PARTIES (CONTINUED)

#### *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:

	31 December 2017	31 December 2016
Receivable from Agility network	3,142,364	8,653,901
Payable to Agility network	5,750,632	4,749,971

#### *Compensation of key management personnel*

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

	31 December 2017	31 December 2016
Short-term benefits	16,158,197	14,156,833
Employees' end of service benefits	84,000	84,000
	16,242,197	14,240,833

### 16. REVENUE

	31 December 2017	31 December 2016
Logistic operations	652,759,517	589,296,733
Freight forwarding	314,128,220	260,233,833
	966,887,737	849,530,566

### 17. OTHER INCOME

	31 December 2017	31 December 2016
Rental income from investment property	14,475,936	15,245,936
Gain on sale of property, plant and equipment	1,259,670	1,062,476
Fair value gains on investment property	281,637	357,761
Sundry income	48,346	1,943,581
	16,065,589	18,609,754

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For the year ended 31 December 2017

In Qatari Riyals

### 18. EXPENSES BY NATURE

	31 December 2017	31 December 2016
Logistic costs	45,713,422	62,611,931
Freight forwarding charges	223,995,068	178,537,235
Board of Directors' remuneration	9,018,800	8,500,000
Staff cost (1)	189,295,850	176,536,432
Manpower subcontract charges	5,536,685	4,456,752
Depreciation of property, plant and equipment (Note 5)	120,545,836	100,558,984
Amortization of intangible assets (Note 8)	7,346,242	6,242,808
Provision for impairment on trade receivables (Note 9)	2,336,475	1,276,333
Repairs and maintenance	35,513,127	32,898,912
Legal and professional fees	2,555,218	2,348,185
Rent expense	2,958,000	3,195,655
Fuel cost	15,898,671	10,226,124
Water and electricity	29,695,338	19,651,863
Insurance cost	6,596,007	5,086,857
Communication and postage	2,234,004	1,769,040
Advertising expenses	1,410,156	707,180
Travelling expenses	1,264,070	983,507
License and registration fees	2,758,727	3,324,634
Miscellaneous expenses	19,024,620	15,790,121
	723,696,316	634,702,553

(1) Staff cost includes a provision for employees end of service benefits of QR 7,665,410 (2016: QR 5,342,157) (Note 13)

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

	31 December 2017	31 December 2016
Direct cost	617,004,237	541,160,933
Administrative and other expenses	106,692,079	93,541,620
	723,696,316	634,702,553

### 19. FINANCE COSTS, NET

	31 December 2017	31 December 2016
Interest income on bank deposits	(10,303,227)	(10,451,513)
Interest expense on bank loans	54,098,225	38,223,287
	43,794,998	27,771,774

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

In Qatari Riyals

### 20. EARNINGS PER SHARE

	31 December 2017	31 December 2016
Profit attributable to the owners of the Company	215,462,012	205,665,993
Weighted average number of shares	58,603,148	58,114,997
<b>Basic and diluted earnings per share</b>	<b>3.68</b>	3.54

The weighted average numbers of shares have been calculated as follows:

	31 December 2017	31 December 2016
Qualifying shares on 1 January	58,603,148	47,560,975
Effect of rights issue	-	10,554,022
	<b>58,603,148</b>	58,114,997

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.

On 27 January 2016, the Company made a right issue of 11,042,173 shares at an exercise price of QR 38.5 per share and a theoretical ex-rights price consist of QR 62.04 per share.

### 21. DIVIDENDS

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 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 2018.

At the Board Meeting on 5 January 2017, a dividend in respect of the profit for the year ended 31 December 2016 of QR 1.6 per share amounting to a total dividend of QR 93,765,037 was declared. The dividends were paid in year 2017. The dividends declared in respect of the profit for the year ended 31 December 2015 were QR 87,904,707 or QR 1.5 per share. They were paid in year 2016.

### 22. SEGMENT INFORMATION

#### Basis for segmentation

The Group has the following three 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.

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
Others	Rental income, fixed deposit income and others

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

There are varying level of integration between the logistics and freight forwarding segments. Inter-segment pricing is determined on an arm's length basis.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

In Qatari Riyals

### 22. SEGMENT INFORMATION (CONTINUED)

The following table presents revenue and profit information regarding the Group's operating segments.

Operating segments	31 December 2017		31 December 2016	
	Segment revenue	Segment profit	Segment revenue	Segment profit
Logistics	652,759,517	173,000,275	589,296,733	167,474,112
Freight forwarding	314,128,220	17,989,524	260,233,833	12,231,471
Unallocated	-	24,472,213	-	25,960,410
	<b>966,887,737</b>	<b>215,462,012</b>	849,530,566	205,665,993

The following table presents segment assets as at 31 December 2017 and 31 December 2016:

Operating segments	31 December 2017		31 December 2016	
	Segment assets	Segment liabilities	Segment assets	Segment liabilities
Logistics	3,239,852,247	1,974,203,622	3,115,927,732	2,064,371,970
Freight forwarding	176,496,476	76,586,795	175,690,462	75,667,034
Others	8,263,293	90,855,287	9,651,562	85,788,437
Unallocated	348,907,849	-	440,121,420	-
	<b>3,773,519,865</b>	<b>2,141,645,704</b>	3,741,391,176	2,225,827,440

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

### 23. 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:

	31 December 2017	31 December 2016
Less than one year	10,288,804	4,331,220
Between one and five years	40,370,932	17,294,614
More than five years	93,651,669	47,813,522
	<b>144,311,405</b>	69,439,356



## Notes to the Consolidated Financial Statements

For the year ended 31 December 2017

In Qatari Riyals

## 23.OPERATING LEASES (CONTINUED)

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

	31 December 2017	31 December 2016
Lease expense	(7,964,626)	(4,939,401)
Sub-lease income (Note 17)	14,475,936	15,245,936
	<b>6,511,310</b>	10,306,535

### 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:

	31 December 2017	31 December 2016
Less than one year	10,544,530	12,282,186
Between one and five years	-	8,688,280
	<b>10,544,530</b>	20,970,466

## 24. CONTINGENCIES AND COMMITMENTS

	31 December 2017	31 December 2016
Letters of guarantee	29,651,800	29,715,022
Performance bonds	149,452,494	143,703,876
	<b>179,104,294</b>	173,418,898

The Group has entered into capital commitments relating to certain construction contracts amounting to QR 67,500,000 (2016: QR 214,394,455).

## 25. 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 net profits, net assets or equity.

## 26. 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 106 to 109.

## Notes

## Notes

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